# HOUSE OF COMMONS DEBATES

## OFFICIAL REPORT

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# HOUSE OF COMMONS

**Monday, December 14, 1987**

The House met at 11 a.m.

*Prayers*

## ROUTINE PROCEEDING

[*English*]

### INUVIALUIT REGIONAL CORPORATION

TABLING OF AGREEMENTS BETWEEN INUVIALUIT ON THE GOVERNMENT OF CANADA

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, pursuant to Standing Order 67(2), I am pleased to table, in both official languages, the following documents:

(A) an amending agreement between the Inuvialuit Regional Corporation, representing the Inuvialuit and the Government of Canada, approved by Order in Council PC 1985-1144 to permit the Petroleum Incentives Program (PIP) to apply to Inuvialuit lands;

(B) an amending agreement between the Inuvialuit Regional Corporation, representing the Inuvialuit and the Government of Canada, approved by Order in Council PC 1987-26, which comprises of housekeeping amendments;

(C) an amending agreement between the Inuvialuit Regional Corporation, representing the Inuvialuit and the Government of Canada as represented by the Minister of Indian Affairs and Northern Development dated April 11, 1987 to provide a single efficient process whereby Canada consents to amendments to the Inuvialuit final agreement.

The appropriate legislation to enforce these agreements will be introduced in the very near future.

* * *

### TRANSPORT

PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

**Mr. Pat Nowlan (Annapolis Valley—Hants):** Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Transport to which, pursuant to Standing Order 99(2), the committee requests a comprehensive response.

* * *

### FRUIT AND VEGETABLE CUSTOMS ORDERS VALIDATION ACTS

MEASURE TO ENACT

**The Hon. George Hees (for the Minister of National Revenue)** moved for leave to introduce Bill C-96, an Act to validate certain customs duty orders relating to fresh fruit and vegetables.

**Mr. Speaker:** Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Speaker:** When shall the Bill be read a second time?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I think you would find consent to proceed with this Bill later this day rather than at the next sitting of the House.

The same comment would also apply to the Bill on the Order Paper in the name of the Minister of Labour (Mr. Cadieux), entitled an Act to amend an Act respecting the Hudson Bay Mining and Smelting Co., Limited, and also to the Bill on the Order Paper in the name of the Minister of Labour, entitled an Act to amend the Canada Labour Code.

**Mr. Speaker:** The Hon. Minister of State has asked the Chair to seek the consent of the House that the Bill entitled an Act to validate certain customs duty orders relating to fresh fruits and vegetables be read the second time, rather than at the next sitting of the House, later this day. Is there consent?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** I will deal with the other applications for consent as we get to each Bill.

• (1110)

[*Translation*]

## CANADA LABOUR CODE

MEASURE TO AMEND

**Hon. Pierre H. Cadieux (Minister of Labour)** moved for leave to introduce Bill C-97, an Act to amend the Canada Labour Code.

**Mr. Speaker:** Shall the Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Speaker:** When shall the Bill be read the second time? Later today?

**Some Hon. Members:** Agreed.

* * *

## AN ACT RESPECTING THE HUDSON BAY MINING AND SMELTING CO., LIMITED

MEASURE TO AMEND

**Hon. Pierre H. Cadieux (Minister of Labour)** moved for leave to introduce Bill C-98, an Act to amend an Act respecting the Hudson Bay Mining and Smelting Co., Limited.

**Mr. Speaker:** Shall the Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Speaker:** When shall the Bill be read the second time? Later today?

**Some Hon. Members:** Agreed.

* * *

[*English*]

## CURRENCY ACT

MEASURE TO AMEND

**Hon. Doug Lewis (for the Minister of State (Finance))** moved for leave to introduce Bill C-99, an Act to amend the Currency Act.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the said Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

## PENSION ACT, WAR VETERANS ALLOWANCE ACT AND COMPENSATION FOR FORMER PRISONERS OF WAR ACT

MEASURE TO AMEND

**Hon. George Hees (Minister of Veterans Affairs and Minister of State (Senior Citizens))** moved for leave to introduce Bill C-105, an Act to amend the Pension Act, the War Veterans Allowance Act, to repeal the Compensation for Former Prisoners of War Act, and to amend another Act in relation thereto.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the said Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Speaker:** When shall the Bill be read a second time? Later this day?

**Some Hon. Members:** Agreed.

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## CANADIAN POST-SECONDARY EDUCATION COUNCIL ACT

MEASURE TO ENACT

On the Order: Private Members' Business—Bills

November 19, 1987—resuming debate on the Motion of Mr. Rompkey, seconded by Mr. Robichaud, for the second reading and reference to a legislative committee of Bill C-228, an Act to provide for a Canadian Post-Secondary Education Council.

**Mr. Lewis:** Mr. Speaker, before you proceed to call motions which are presently on the Order Paper, I would advise the House that there have been discussions between the Parties. I think you will find unanimous consent for me to put the following motion immediately.

I move:

That, the Order for second reading and reference to a legislative committee of Bill C-228, an Act to provide for a Canadian Post-Secondary Education Council (Mr. Rompkey), be discharged and the subject thereof referred to the Standing Committee on Secretary of State.

**Mr. Speaker:** The House has heard the request of the Minister of State (Mr. Lewis). Is there unanimous consent?

**Some Hon. Members:** Agreed.

Order discharged and Bill withdrawn.

* * *

## BUSINESS OF THE HOUSE

**Mr. Gauthier:** Mr. Speaker, I rise on a point of order. We appreciate the fact that over the weekend the Government has not had time to give us notice of anything it wanted to discuss on Orders of the Day. Therefore, it is impossible for us to arrange for debate. As Party Whip in charge of organizing my caucus, I find it difficult to arrange our duties in the House in an orderly and proper manner.

I would like to ask unanimous consent of the House that the motion dealing with the third report of the Standing Committee on Research, Science and Technology be considered as the order of the day until one o'clock, without prejudicing the right of the Member for Egmont (Mr. Henderson) in putting a motion under Standing Order 29, notice of which I believe has been delivered in due course. He would like to put that motion to you at this time. If there is unanimous consent, we could proceed that way and continue with the order of the day, which would be the third report of the Standing Committee on Research, Science and Technology.

**Mr. Lewis** Mr. Speaker, I have had an opportunity to consider my colleague's suggestion. I appreciate that a motion pursuant to Standing Order 29 comes after motions in the order of Routine Proceedings on the Order Paper.

There have been discussions among the Parties as to what would be the best way to conduct business this morning, in view of the fact that it is a Monday and it is difficult to schedule Members' time as well as airline flights.

I think it has been generally agreed that it would be useful to debate my colleague's motion on the third report of the Standing Committee on Research, Since and Technology after you have had an opportunity to consider the request of the Hon. Member for Egmont (Mr. Henderson) for an emergency debate.

**Mr. Speaker:** The Chair should make it clear to Hon. Members what has been proposed by the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and has been agreed to by the Minister of State (Mr. Lewis) on behalf of the Government. The usual procedure would require that an application for an emergency debate not take place until the end of Routine Proceedings. Of course, if we have debate on the Hon. Member's motion now we will not get to that today.

The suggestion has been made and agreed to by the Government—but not by the NDP as of yet—that the Chair consider the application for an emergency debate by the Hon. Member for Egmont (Mr. Henderson) at this time. Of course, this could only be done with consent of the House. I would ask for some guidance from the New Democratic Party as to its position.

**Ms. Mitchell:** Mr. Speaker, we would concur with that in the interests of the business going forward.

**Mr. Speaker:** I thank Hon. Members for their courtesy.

* * *

## MOTION TO ADJOURN UNDER S. O. 29

### ATLANTIC CANADIAN SHELLFISH—PRESENCE OF TOXIN

**Mr. Speaker:** The Hon. Member for Egmont (Mr. Henderson) rises on a matter which is of very serious concern not only to other Members, but especially to the Hon. Member. I recognize the Hon. Member for Egmont on that application. I would, as I did on Friday, remind Hon. Members, because I am sure others in the House will remind me to remind them, that the application should be a clear and concise statement, closely following the notice I received from the Hon. Member, and ought not to be the argument that might ensue later if the Chair were disposed to grant the emergency debate.

• (1120)

**Mr. George Henderson (Egmont):** Thank you, Mr. Speaker, I appreciate the concurrence of the House to move this motion today under Standing Order 29. It is a very important subject, certainly to the people of Atlantic Canada. Therefore, pursuant to Standing Order 29, I ask leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the bumbling and incompetence of the Government that has led to misinformation and confusion with regard to the safety consumption of Atlantic Canadian shellfish with disastrous consequences for the Atlantic Canadian fishery.

I present this motion today because on Friday, in a press release issued under the name of the Minister of National Health and Welfare (Mr. Epp) and the Minister of Fisheries and Oceans (Mr. Siddon) consumers were warned about a toxin in shellfish. In paragraph two of the release it stipulated that all mussels, oysters, clams and other shellfish, cultivated or wild, were included in this alert. This release was carried across the country and, indeed, throughout the world. It has done untold damage to our Atlantic shellfish industry, especially the lobster industry.

The release was not clear. It should have specifically spelled out—

**Mr. Speaker:** Order. I want to assure the Hon. Member for Egmont (Mr. Henderson) and other Members from Atlantic Canada and other places, and their constituents, that the Chair is extremely aware of the matters about which the Hon. Member for Egmont speaks. However, again the Chair is constrained by the rules. I would ask the Hon. Member for

Egmont to close off his application. I can indicate to the Hon. Member for Egmont that I understand perfectly his position.

**Mr. Henderson:** Thank you, Mr. Speaker. I ask that this motion be considered today as a priority of the House because it is a very serious situation not only for consumers but for the producers of shellfish in Atlantic Canada. I hope that the Chair will rule in our favour.

**Mr. Speaker:** I have had a chance to consider with very great care the application of the Hon. Member for Egmont, as I considered with very great care a very similar application on Friday from the Hon. Member for Hamilton East (Ms. Copps). Without going into any extensive discussion, may I say that the matter raised is, of course, serious. I think that would be agreed to by all Members of the House. However, under the circumstances and at this moment, it is not the disposition of the Chair to order an emergency debate.

I think there may well be other ways today to make inquiries, which I know the Hon. Member for Egmont will want to make, as he has every right to make, and I can assure him that ample opportunity will be given to the Hon. Member later on today to make those inquiries. The Hon. Member not only has a right to do so but I think Hon. Members would consider it a duty.

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## RESEARCH, SCIENCE AND TECHNOLOGY

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

**Hon. William Rompkey (Grand Falls—White Bay—Labrador)** moved:

That the third report of the Standing Committee on Research, Science and Technology presented to the House on Tuesday, June 30, be concurred in.

He said: Mr. Speaker, I am pleased today to have the opportunity to comment on the third report of the Standing Committee on Research, Science and Technology on the space program.

The committee, as you know, Mr. Speaker, travelled across the country and heard a wide variety of views from Governments, universities and industry and made a number of recommendations, 24 in total, to which the Government has responded.

The committee noted, of course, Canada's history in the communications field and its enviable role and position and reputation in that field. In September of 1962, with the flight of Alouette I, Canada became the third country in space and we have continued to build on that success.

The first recommendation of the committee was with respect to Radarsat, which is, of course, only one of the examples of Canada's continuing lead in communications and in the space program. We recommended that that be given top priority and the Minister agreed and announced, I believe on June 25, that the Government of Canada had approved the Radarsat project. That project will go ahead.

It will be very important to the whole country, particularly my part of the country and, indeed, to farmers in the west and a whole variety of Canadians because it gives us the kind of technology to forecast, to see what is happening, to look ahead and warn, to provide all sorts of valuable information as to what is happening in the environment and to funnel and channel that information to interested groups, whether they be fishermen at sea, farmers in the field, or whomever.

I would note in passing that we still have not solved all the problems. We still have not gone as far as we should go, given the eminence of Radarsat, the advanced state of the technology and given the usefulness of that particular project. We still need to go further. We still need, for example, to be able to forecast accurately what is happening underneath the water. Radarsat will be able to look through the cloud cover but it will not be able to go beneath the surface of the ice or water.

One of our difficulties historically has been forecasting what is happening in the marine environment. The whole issue of mussels and shellfish in the Atlantic may be used as a certain case in point. Something else to which I would draw the House's attention is the difficulty in forecasting the activity among cod stocks. We have seen recently, within the past couple of years, that scientific proposals put forward in the 1970s may not be accurate now, and the fish we thought were there in the beginning may not in fact be there. I make the point that although we have gone a long way in Canada and can be proud of the work our scientists have done, there is still some way to go.

In recent discussions with Canadian scientists I was told that there is a certain initial breakthrough in the technology that will indeed look beneath the surface of the water and forecast what is happening with respect to marine life. That is very important. It will be of great consequence for Canada, particularly for the East Coast fishing industry if we can do that.

I make the point that Radarsat is a great achievement but there is still some way to go and I hope we will continue to work on that. Certainly the committee concurs in that as a top priority and the Government has responded in kind.

The other issue I want to deal with is the space station itself. Here I think there is a divergence of opinion between what the Government has done, and is doing, what I understood the committee to recommend and, certainly, the view of my colleagues in the Liberal Party. The Government historically has been negotiating with the Americans for a role in the space station, as have the Europeans and other countries. But that negotiation has been fraught with difficulties all the way along, mainly and primarily over the use of that space station.

We in the Liberal Party have taken the position all along that Canada should participate in the space station only if it is used for peaceful purposes and only if there is no military use

of that space station. There is still no confirmation that that has been agreed to. There is still no confirmation, far from it, that the Government has reached agreement with the Americans that there will be no military use.

• (1130)

The recommendation of the committee was that Canada proceed with its participation in the space station project "provided that agreement be reached with the United States on military use of the space station". That is an equivocal statement, but the next sentence clarifies the intention of the committee when it states, "A minimum acceptable agreement would be the exclusion of weapons or weapons prototype testing from the space station". I interpret that to mean that there not be a military use. When the committee states that agreement be reached with the United States on military use of the space station, I think it was generally agreed that there not be military use. There still is no evidence that that is the case.

First, what is the definition of military use? That has changed. In the beginning we talked about international peaceful purposes. I am reading from an article in *Aerospace Canada International* in May, 1987 which states:

> Recent reaffirmation by the National Aeronautics and Space Administration (NASA) that the manned space station will be used for "peaceful purposes consistent with international law" has, for the time being mollified Canadian taxpayers who will contribute more than a billion dollars for the space station's Mobile Servicing Centre (MSC).

Recently the statements that are coming out of Cape Canaveral are as follows:

> The proposed text of a Canada-U.S. agreement spelling out Canada's role in an American space station project says the station will be civilian, not military, and will be used for peaceful purposes in accordance with U.S. law . . .

Well, is it international law? Is it U.S. law? What do we mean by military use, military purposes? Who decides what the definition is? Is it in accordance with international law? Is it in accordance with U.S. law? We do not have a clear definition of what is military use.

All along the position of this Party has been that it must not be used for star wars purposes or for any link with SDI. The Government has stated that it does not want to get involved on a government-to-government basis with the SDI project. But in any number of cases, including allowing Crown corporations to bid on projects associated with that effort, and now in negotiating with the Americans for the possible use for military purposes, it seems to me that the Government is allowing itself to get in by the back door.

The Government must be clear for the Canadian people. Is the Government for SDI? Is the Government for star wars, or is it not? Is the space station project going to be used for military purposes, or is it not? The Government has to come clean with the Canadian people. As I stated, the position of this Party is very clear. We are against the SDI project, we are against star wars, and there must be absolutely no involvement of the Canadian Government in that particular project.

There is an article in the paper today which states that if any military use is made of the space station, the Government will possibly get its money back. I do not think that is good enough for the Canadian people. It is another indication of waffling, equivocation, and the smoke and mirrors that has gone on with this whole issue of military purposes or not military purposes. I do not think it is good enough to say that if at some point it is used for military purposes we will get our money back. The Canadian people do not want to approach it on that basis. They do not want to invest in any activity that will be used for military purposes.

The fact that now there is an agreement to get our money back if it is used for military purposes again suggests that the possibility is there that it will be used for military purposes. If it was not going to be used for military purposes, why would the two Governments have to agree to give Canada its money back should that happen? There is evidence again that there is a grey area here that has not been clarified, and that has to be done.

Mr. Weinberger told us that they were going to plough ahead, and that they were willing to go it alone if the other countries did not agree. Therefore, the position of the United States has been clear all along. It has been a top priority with the President and his Cabinet as enunciated by Mr. Weinberger. The intention of the Americans has been clear. The Canadian Government has not, in our opinion, taken the type of tough stand that it should. It has not sought and obtained the necessary clarification with regard to the use of the space agency. That is one area.

The other area is the allocation of funds in the whole space program. The space station will be costly. For a long time we debated in committee whether that amount of money was justified. We came to the conclusion that essentially it was. Basically, Canada really did not have an option; that this space station was where the action is in terms of the future, in terms of research and development, and that Canada had to get involved. I do not have to remind you, Mr. Speaker, of the type of spin-offs that we have had already from the space program in ordinary consumer products. We have to make that leap ahead. But I make the point again that it is only for peaceful purposes, it is only on the condition that there will be no military use of that space station.

Let me return to the allocation of funds. It is a lot of money that we are committing on behalf of the Canadian people. We felt that not enough money was being allocated to basic research conducted in space. The committee recommended that 15 per cent of the budget be allocated to basic research in space. The Government declined to go along with that, and has maintained an allocation of 9 per cent of funds devoted to space research. We do not think that that is good enough. As I said before, if this is the cutting edge, if this is where the action will be, then the real pay-off in the long term to Canada and to the world will come from the type of research that is carried on in space. We are going to put up a servicing mechanism, and that is all to the good, but as one scientist

stated a while ago, "We do not want Canada to simply become the garage mechanics of outer space". We have to focus on the type of research that is going on in space.

The committee recommended that 15 per cent of the budget be allocated to that. The Government has declined to go along with that. If I may say so, I think that is indicative of the general reluctance of the Government to emphasize research and technology. I wish to make this point in this particular context. Holding the line at 9 per cent of the budget in outer space is simply going along with the thrust of the Government generally. The fact is that the commitment of the Government to R and D has been consistently cut back over the past two years.

In the last election, the Prime Minister (Mr. Mulroney) pledged well over 2 per cent of GNP to R and D in this country. What do we have now? About two months ago we saw it slip back from 1.5 per cent to 1.3 per cent. At the moment 1.5 per cent of GNP in this country is allocated to research and development. That is not good enough when one considers that the Government's intention is that we enter into a free trade agreement with the United States which will radically change this country and the businesses in this country.

Who will survive? Who will be the winners and who will be the losers under free trade? The winners will be those business, and particularly those small businesses that have done, are doing, and are in possession of the latest R and D. There is no question about that. That is where the action will be, and to a large extent, that is what will determine the survival and prosperity of Canadian business. Yet at the same time we see the Government advocating entering into an open competition with U.S. firms, and a lack of commitment to R and D.

I will not even talk about training, because you would rule me out of order, Mr. Speaker. It is not possibly relevant in this particular debate. But I do think that the issue of R and D is relevant.

If we are going to enter into this trade agreement, there has to be a strong commitment to research and development. Without that, Canadian firms and Canada generally will not survive. This latest example of not giving due priority to basic research and the space station is more evidence of the lack of commitment of the Government.

• (1140)

Finally I want to deal with the space agency, and I know that it is a controversial area. I do not want to get into where the particular agency should be located. There are people who think that it should be in Montreal, and there are people who think that it should be in Ottawa. However, it should be; that is the point.

It has been over a year since the Throne Speech and since the Government announced that it was to go ahead with it. It is an important step forward. It is something that must happen and should have happened a long time ago. If we are to be serious participants in space, we must get our act together. We must be co-ordinated. There must be a Canadian space agency to pull the threads together and to do some over-all co-ordination.

However, the Government chose not to take the occasion of the committee's report to announce that it was going ahead with the space agency, not to mention where it would be located. I think it missed an opportunity there. I call upon the Government to screw up its courage, to take its fate in its hands, and to announce that there will be a Canadian space agency. Obviously it will have to announce at the same time where it will be located. However, wherever it decides that it will be, it will be a political decision for the Government to make. It is the Government, and it must make that decision.

What I am pointing out today is the important necessity of coming forward with that decision if Canada is to be a serious participant in the space program.

Other recommendations were made by the committee, but I have referred to the main ones. I want to conclude by indicating that it is very important for the Government to clarify that there will not be any military use of the space station if we are to become involved with it. It should come forward and say that it will immediately establish the Canadian space agency.

**Mr. Gauthier:** Mr. Speaker, in the course of his remarks the Hon. Member alluded to the difficult decision which the Government must make to situate the space agency. Over the last few months we have been told by several Ministers that the decision was forthcoming one day, that it would be coming forward within the next few weeks, or that the decision was imminent. The President of the Treasury Board (Mr. Mazankowski) told us in the House that all the documentation and research had been available to the Prime Minister (Mr. Mulroney) and that it would be a political decision on his part.

Being from Ottawa—Vanier, being from the National Capital, the Hon. Member will know that I feel strongly about the nerve centre of that agency and that it should be close to the decision-making process, that is, close to Cabinet, close to Ottawa. I would like to see it in the national capital area.

Since the Hon. Member is very well informed on the subject, I would like to ask him whether he would share some views with us. There has been debate in Montreal and in Ottawa, and I am sure members of the committee had a chance to discuss where they would like to see it located. I should like to ask him if the committee made a recommendation to Cabinet on where the agency should be situated, that is, the headquarters of the agency.

We have heard that maybe it is on, maybe it is off, maybe the decision is forthcoming, maybe it is not forthcoming, maybe Montreal, maybe Ottawa, maybe half way between Montreal and Ottawa for all I know. The other day they announced a space garage, that the money is to go into building a space garage. Maybe the agency will be in a space

garage somewhere between Ottawa and Montreal. It is getting a little tiring for the workers and their families who depend upon that decision. I am just wondering whether the committee discussed the issue, and if not why it did not do so. It would help the Government to make a decision.

**Mr. Rompkey:** Mr. Speaker, I thought the Hon. Member for Ottawa—Vanier (Mr. Gauthier) was a friend of mine. It is at times like this that you learn who your friends are, Mr. Speaker.

The committee discussed it, yes. It heard extensive representations on the part of both Montreal and Ottawa. We decided very clearly and unequivocally—there was no question about it—that it could not go in Goose Bay. We came to that absolute conclusion. However, apart from that option there were other options open.

Obviously there were arguments on the part of Montreal, because that is where a lot of the firms are and where a lot of the work is carried out. Edmonton was peripherally considered, as a matter of fact as an adjunct to the mall, recognizing the kind of technology which is going on in submarine warfare in the West Edmonton Mall. It was a clear indication of the eminence of that city in science and technology, but it had a peripheral kind of influence.

Clearly Montreal had an argument to make because of the firms located there and because of the kinds of activities in the area of high level and very excellent research that have gone on there.

However, Ottawa is the capital of the country, whether or not we like it. It is the capital of Canada and headquarters of many national organizations and agencies are located here. The point was made, of course, that it was not necessary to have access to a great deal of technological competence for the agency, in that the agency was an administrative arm. In theory we could have it anywhere—Goose Bay, Edmonton, or even Ottawa. Ottawa qualifies from that point of view, even though it is not the leading edge of the research industry in this particular area.

The bottom line is that the committee made no recommendation to the Government on location, but it made a very strong recommendation that there should in fact be a space agency and that it should be here and now.

**Mr. Tupper:** Mr. Speaker, I congratulate the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) for raising this resolution this morning and for priorizing in the House a matter of imminent importance to Canada. It deals with science and technology, and in the sense Canada's future involvement in space is paramount for all of us. I think it is appropriate that we should be discussing the matter this morning. I notice that the Hon. Member's remarks, in review, related to the space station, space science, and to the space agency.

A few days ago I was delighted in the House when the Hon. Member for Ottawa—Vanier (Mr. Gauthier) came out in support of the space agency being located in the national capital area. We have been waiting a long time to hear a voice from the Liberal Party on where the agency should be located.

I know the Hon. Member for Grand Falls—White Bay—Labrador is the science critic for the Party, and he does an excellent job. He is really a splendid colleague to be associated with in the whole science forum. However, I must put the following to him this morning so that we put the matter to rest.

About 10 days ago his Leader announced in the City of Montreal that the Liberal Party in fact favoured the space agency going to Montreal, and I believe it was last week that we also heard from the Hon. Member for Ottawa—Vanier in the House. I have to put this question to my friend for Grand Falls—White Bay—Labrador. In the Liberal caucus is he arguing that the national capital have the space agency or does he support his leader in this regard? I want to make it absolutely clear this morning across the land that in this House and in my own caucus I support the space agency being in the national capital.

• (1150)

**Mr. Rompkey:** Mr. Speaker, I am finding more friends all the time in this Chamber. I did not know I had so many.

**Some Hon. Members:** Oh, oh!

**Mr. Rompkey:** The Hon. Member for Ottawa—Vanier (Mr. Gauthier) is an outstanding Member of Parliament. He has looked after the wishes and the interests of his constituents for years. As evidence of that, he is sitting in this Chamber as one of the longest serving Members of Parliament. He has been looking after his constituents' interests consistently on this issue and on others, but on this issue for the past several years. He is doing his job as he should and he is doing it well.

I appreciate my colleague's words and I return them. He was an excellent chairman of the committee and I was sorry to lose him. During the whole course of the hearings here I was an English major trying to think about science and technology with no adequate background at all and I relied very heavily on the kind of scientific background we had on that committee. I have to say to my colleague that he is very unequivocal today. He is making a very strong pitch and staking out his ground. As chairman of the committee he certainly did not advocate that the committee take that position or stake out that ground.

The position the committee took was to make no recommendation to the Government on location. It is important that Canada have a space agency. We must and should have one and we should have it now. But the committee, including the Hon. Member, made no recommendation to the Government as to where the agency should be located. That is a political decision for the Government to take. The Conservatives wanted to be in Government. They are in Government and

they are stuck with it. Joey Smallwood used to say that the benefits of being in Government are much greater than the benefits of being in Opposition. One of the benefits of being in Government is taking decisions. I call on the Government now to take the decision on the location of the space agency.

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated. Debate. The Hon. Minister of State for Science and Technology.

**Hon. Frank Oberle (Minister of State (Science and Technology)):** Mr. Speaker, as you know this year Canada celebrates its twenty-fifth anniversary of involvement in space. This debate this morning is most timely because critical decisions have to be made. I too want to join in expressing my appreciation to the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) for taking the initiative to move concurrence in the report which the standing committee of the House of Commons has tabled.

Let me point out how important it is that we have for the first time in Canadian history a Standing Committee on Science, Research and Technology. I thank the committee for its work.

This debate without doubt will provide us with additional information needed to take Canada forward into the 21st century and to identify the role the new frontier of space will play in this journey. I must say I did enjoy, as I always do, the intellectual gymnastics among Members of the Official Opposition, some of whom are in favour of a space agency in Montreal, while others are in favour of the space agency being in Ottawa. As usual, the Official Opposition is in favour of the people.

The Leader of the Opposition (Mr. Turner) announced last week that his Party will support the Montreal location and the Hon. Member in the House this morning from Ottawa—Vanier (Mr. Gauthier) says he is strongly in favour of an Ottawa location. As I pointed out, I will take this useful advise into consideration before announcing the location of the space agency which we think has to be in the best interests of the over-all Canadian space program.

As I said, we celebrate 25 years involvement in space. It was on September 29, 1962 when Canada positioned itself as the third nation in the world next to the United States and the Soviet Union in space on a new frontier with the launch of Alouette I, a research satellite. That was followed by a second Alouette satellite. The Alouette series was followed by the ISIS series, another research satellite and then the launch of the Anik A series early in the 1970s. In 1976 we had the Hermes satellite which really paved way for the next Anik series of satellites. There were three more, all of which were in the communications area.

We were not only the third nation to establish a presence in space but the very first to establish and position a geostationary communications satellite for commercial purposes.

The success did not end there, Mr. Speaker. As you know we assumed a certain leadership role in the development of space robotics. We built the Canadarm which was launched with such incredible success as part of the shuttle system. It is our intention to build on this technology.

We co-operated with the United States, France and the Soviet Union in the so-called SARSAT cosmos series of satellites which are intended for search and rescue. These satellites have saved literally hundreds of lives since first being deployed. Now, of course, we are developing and deploying the next Anik series, Anik E. What a proud record for a nation our size. We are also in a prominent position having earned prestige and respect as a result of our initiatives in these areas.

It was natural for us when we assumed our mandate in 1984 to build on the record of those who were far-sighted and visionary in 1962, to move Canada toward the next generation of communications facilities and move closer toward what some people call mankind's last frontier.

In May of last year we announced our comprehensive space program. We identified the challenges that lay ahead and also the opportunities. Our comprehensive space program which is the topic of the committee's report is predicated on a number of very basic principles. The first is that the program has to be designed in a way which is sensitive to Canadian needs. We in Canada have always been fascinated with the need to bridge distance and to communicate with one another. We have built communications and transportation infrastructures and we have become the best in the world in communications technology. It was for that reason that we moved into space with these technologies to keep pace with the trends and developments taking place. We assumed and maintained an important leadership role in this area.

• (1200)

It is also important to practise responsible custodianship of the vast territory over which we claim sovereignty and the resources we have inherited. Here too we have used the new technologies to improve our practices. That is why we have used the Radarsat program.

The next generation of remote sensing is so important to us because it will do all of the things the Hon. Member outlined it would do. It will permit us to improve the control of our sovereignty over our resources, to have proper forecasting of weather for crops and to have ice surveillance on the oceans. Who knows, I am as visionary as my hon. friend is about what the Radarsat program and future research might develop. For instance, many people have the idea of the transparent sea, and it is hard to imagine what that would mean to the management of our ocean resources and fisheries. As well, the military implications of this are really quite exciting. All of these things must be included in a comprehensive program.

Second, like all of our science and technology initiatives, the space program had to be designed to overcome some of our historic problems. One of these historic problems is our

dependence on traditional resource industries. Our space program had to be designed to help us revitalize our resource industries and use the new technologies available to make them more efficient and productive and to add greater value to the products that are delivered.

There is the historic problem of regional disparity. The space program had to be designed to deliver benefits to all regions of the country in a fair and equitable manner.

The third major principle upon which the program is built is the commercialization of our space-related products, activities and research. As important as it is for our prestige, it is not good enough to simply fly our flag in space. It was a source of pride to all of us to see the Canadian flag printed prominently on the Canadarm every time the shuttle took off. However, it is even more important that the technology that is developed for space and the research that is done find quick and efficient diffusion into applications for more conventional uses.

The remote manipulation technology which underlies the advanced robotic system that is the Canadarm is equally applicable underground in mines, under the oceans and inside nuclear reactors, wherever there is hazard to human presence. Already we have seen the application of this technology in those areas. It is important that that technology is quickly diffused and commercialized.

The fourth principle is international co-operation. We will continue to put a very strong emphasis on that. As Hon. Members would readily understand, we are not able, with the limited resources we would have, to develop by ourselves a system such as the launch system or the space transportation systems that underlie the shuttle technology. We will continue to rely on the co-operation of other countries. In fact, even the most powerful of nations in the world finds that to be very important now.

There is more and more international co-operation in space as we develop and contemplate new and exciting prospects. This we have learned to exploit in a peaceful way. Of course, that is always the underlying principle of Canadian participation in international efforts as we exploit the benefits of space.

Finally, the program had to be designed to inspire young Canadians and future generations of Canadians to take up science and technology-oriented careers to help us through the space program and provide us with the exciting benefits that flow from it. Science and technology must be made an important element of our culture.

We think that our space program meets all of these principles it was designed to meet. The space station is an example of this. The Hon. Member made reference to it in his remarks as being one of the items with which the committee had to deal. The space station program is a civilian program for peaceful purposes and 13 European countries, Japan, the United States and Canada are partners in it. That gives Hon. Members an indication of how exciting this project is. These countries will all co-operate in common facilities at the station and will work together in a peaceful way to exploit the new technologies that will flow from that enterprise.

There is no doubt in anyone's mind, and the committee came to that conclusion, that the space station will perhaps be the single largest repository of new technologies and ideas that will be generated in the early part of the next century. It is critically important. Yes, it is important to us that the concept on which the invitation to Canada was based is maintained. It is important that it remain a civilian and peaceful exercise. We shall not have it any other way. I was in Europe a month ago and found that Switzerland, Sweden and the other European countries will not have it any other way, nor will the United States have it any other way. We have this assurance and I can further assure the Hon. Member that the MOU that has now been negotiated will provide additional safeguards to ensure that our strong position in this area is respected. I was in Washington last week and I am in a position to provide Cabinet with some recommendations on that which it would have to consider.

Our space program is designed to improve our communications infrastructure and custodial practices over our natural resources. The space station is perhaps the most adventurous of the three main components of the space program and is designed for the purposes I have stated. The program will provide many, many more future-oriented jobs in all regions of the country.

The prime contractor, Spar, has been relied on in the past to act as the chosen instrument of Canada in a private-sector way. It has now rearranged its corporate structure to include companies in all regions of the country in the space program. MacDonald Dettwiler in Vancouver, British Columbia, will be the partner for British Columbia. SED Systems of Saskatoon will be the partner for the Prairies. The IMP group in Halifax will be the partner in the maritime provinces, and of course, CAE of Montreal which has built all the simulator systems for the various projects in the past will be the Quebec component of the new private-sector space consortium, and information will be exchanged. The program will deliver a balanced regional presence throughout the country.

Already the space-related private sector is one of the fastest growing sectors in the country. Already 3,500 Canadians work directly in the space-related industry and the industry has in the last few years experienced a rather spectacular growth factor.

I am pleased with the work that has been done by the committee. It produced an excellent report. Again, I thank the Hon. Member for bringing it before the House. We have a sort of mutual admiration society. The committee did endorse what we proposed and committed to do, though there were some minor concerns expressed. I think those concerns were allayed in the Government's response to the committee report. The committee produced an excellent report in which it expressed strong support for the federal Government's objectives in space—to build on Canada's expertise in space, to maintain

Canada's precision and international co-operation, to ensure that maximum economic and social benefits are obtained from the applications of space technology, and to ensure that Canada maintains a position of excellence in the world-wide scientific exploration of space.

• (1210)

The committee endorsed the principle of a balanced and co-ordinated program—a balanced a program in terms of funding between the various components and in terms of the importance ascribed to space technology as compared with other science and technology initiatives; a balance between pure research and applied research; a balance of the various components of the program.

The space program has additional components. There is the space science program and the astronaut program. This must all be kept in proper balance in order to ensure that at the right time we will have sufficient highly-qualified personnel to take advantage of the benefits which we expect to flow from the program. The regional balance and international balance of which I spoke is important.

As you know, Mr. Speaker, we are the only country outside Europe to be a member of the European Space Agency. That gives an indication that we do not intend to tie all our efforts to the United States. We have been recognized as good partners with the Swedes and even the Soviet Union. Of course, we maintain our membership in the European Space Agency to ensure that the products which will result from the research and development that is undertaken finds application and commercial use in other parts of the world as well.

There must be a proper balance between research and the transfer of technology of which I have spoken. There must be co-ordination between the various departments of government. The Department of Communications, the Department of Energy, Mines and Resources, and the Departments of Forestry, Fishery, and Agriculture all have an important stake in the benefits which can be delivered through space-related activities. The program must be balanced with the fluid international trends which we experience every day.

That is why the Government has responded in such a positive fashion to the committee's report. The report has raised some concerns about the balance of spending for space science and the transfer of technology to the space user program. I agree with those concerns. I can assure the committee, as I have to their report, that in the time leading up to the turn of the century the balance they have suggested may well be achieved.

The committee suggested that another $200 million a year should be put into the program to help us commit to the Radarsat program. As the Hon. Member has already stated, in June of this year we announced the Radarsat program. Of course, the program still depends on our partners in that program, the United Kingdom and the United States, being able to mount the necessary commitment and provide the resources which they would be expected to contribute. My friend has pointed out the importance of the Radarsat program to the oceans. As I said, I share his enthusiasm.

Our space effort in the past has earned us recognition and prestige throughout the world. It is a source of pride for all Canadians as they travel throughout the world to be told how much we are recognized and appreciated for our work in this critical area. It has helped us turn adversity into opportunity. I believe that whenever Canadians learn to do that, whenever we commit ourselves to building on our strengths and bridging the obstacles presented by our vast regions and intemperate climes, we will become the best in the world. Our space program has shown that. Our program for the future will keep us in the fast current which is sweeping mankind toward a new frontier and a new age.

I again thank the committee for its excellent work and the Member for bringing this matter to the attention of the House today.

**Mr. Greenaway:** Mr. Speaker, I want to compliment the Minister on his reply to the committee report. I, too, found the report very interesting. It proves the worth of the efforts of myself and other Members for so many years to get a full committee assigned to research and development. The report deals mainly with the space agency and that line of research and development.

Would the Minister comment on a problem which we have faced for years in Canada, that being that we cannot seem to produce enough qualified researchers in almost any field? We know that we cannot solve our R and D problems by throwing money at them because we do not have the personpower to handle the modern day problems which we are trying to tackle with regard to R and D. Could the Minister comment on what the Government is doing to try to remedy the age old problem of graduating more masters and Ph.D.s in various disciplines in Canada?

**Mr. Oberle:** Mr. Speaker, my hon. friend from Cariboo-Chilcotin raises a very important issue which immediately jumped out at us as we considered the longer term future of science and technology in Canada. We discovered that the pressures were so great and the challenges so immense that it will literally require a fundamental restructuring of many of our institutions and programs which are designed to keep us in the fast current.

We discovered that our educational system, not only the university system but the high schools and even the primary schools, are not properly orientated toward the new age which is now beginning—the information society, the technological revolution. It is perhaps partly a cultural problem which is providing us with the greatest obstacles in this area. There are not enough women in the natural sciences and engineering. Fifty per cent of the population is shut out. We looked into the high schools and primary schools and found that around grade

eight there is a cultural barrier keeping women from entering these areas. These barriers must be broken down and bridged.

The first major thrust in our innovation program, apart from the space program, is public awareness and culture building. We take that very seriously. As you know, we had a national forum on post-secondary education. We now have councils of Ministers under the new concept of co-operative federalism which are addressing themselves, on a priority basis, to these critical issues. The Hon. Member is quite right that unless we do we shall not be able to respond properly to the challenges and opportunities which exist.

**Mr. Cassidy:** Mr. Speaker, in October of 1986 the Government announced its intention to create the space agency by legislation. Is it still intended that legislation will be brought forward? When will that legislation come forward? Why have the delays now gone on for some 14 months? Why has the Government undertaken such lengthy delays? Can the Minister tell us where the headquarters of the space agency will be? If not, when will that decision be announced?

**Mr. Oberle:** Mr. Speaker, I assume that the NDP now wants to get into this debate and give me advice on where the agency should be located.

• (1220)

Yes, we have announced that there is a need now as we put more and more of our assets into space and into space programs. Both Opposition Parties agree that this is the proper way to proceed. It will be important for us to develop a central agency to better manage and co-ordinate our activities, not just domestically with the provinces, who have an important role to play, but to manage our international obligations under the treaties we have.

There will be an agency. It will be established with legislation.

The question about when it will be established is asked every day. I can tell the Hon. Member that I was asked that question the day before yesterday, and I was asked yesterday. I can tell him that today I am a day closer than I was yesterday and two days closer than I was two days ago. I cannot tell him when.

As far as the location is concerned, it will be in the place best suited to strengthen our space program. It may well be in Chetwynd, British Columbia, which would be an excellent place, or Montreal, or Ottawa. I can tell the Hon. Member that it will be some place, but it is not the most critical decision we have to make in the next two or three weeks in terms of the space program.

**Mr. Tupper:** Mr. Speaker, I am delighted that the Minister and the Government have endorsed this very valuable report. The committee made 24 recommendations and, as I recall, the Government accepted 21 or 22 of those recommendations as presented. I believe that is a rather remarkable achievement.

The two committee recommendations which the Government did not accept include the area of space science, on which the Minister commented this morning. The other dealt with another aspect of the space agency.

I want to put a question to the Minister concerning that aspect. There was unanimous advice across the country that the space agency should be established. However, the committee received advice that the space agency, as the administrative body, ought to have research laboratories in its own jurisdiction so that the agency would have at its elbow expert opinion for such things as granting contracts, directing research and so on. That was recommendation No. 13 of the report, which stated that the agency should have under its jurisdiction all of the federal Government laboratories involving space or space science.

The Minister has accepted part of that recommendation in the sense that the agency should have some laboratories under its surveillance, but maintained the caveat that there should be some departmental activity. Would he expand on that recommendation No. 13 and state which labs he would see coming to the agency and which labs he would see staying in the departments? I hope that is not a premature question.

**Mr. Oberle:** Mr. Speaker, that is perhaps one of the reasons why there has been somewhat of a delay in putting the agency in place. As I said earlier, we want to be absolutely sure that the program is properly balanced and co-ordinated.

We want to be sure that the line departments, such as the Department of Communications particularly, and the Department of Energy, Mines and Resources, will be in a position to continue their critical role in research and development in the areas for which they are responsible and to serve them in the best and most efficient way.

There is no doubt that such research and scientific work that goes on in these departments will have some implication in space. Therefore, the question is whether one transfers it all to the agencies or establishes the agency in a way that helps to co-ordinate the various roles of these departments. We opted for the latter.

Not all of the laboratories and basic research facilities will be transferred to the agency, but it will be strong enough in terms of its capability to play this co-ordinating role, to oversee contracts and develop a strong scientific base on which we launch our major projects.

**Mr. Gauthier:** Mr. Speaker, I have a short comment and question for the Minister. The NDP's position as to whether it should be in Montreal or Ottawa reminds me of the saying, "If you ask some of their friends, they say it should be in Ottawa. If you ask other friends, they say it should be in Montreal". When we asked the Member for Ottawa Centre (Mr. Cassidy) where it should be, he said, "With my friends". No one knows exactly where it should be because they have not been very clear on that issue.

The Minister said that 13 European countries and Japan would participate with Canada in the space program. Of the 13 European countries and Japan who have given their undertaking, how many of those would have the space station in the capital of the country, and how many have their space agency headquarters outside the national capital of the country?

**Mr. Oberle:** Mr. Speaker, I can give the Hon. Member the answer right now. The 13 European countries that are participating with the space agency enterprise are members of the European Space Agency. That agency has its headquarters in Paris, which I just visited recently. It is not the capital of Europe.

Not all the 13 countries have a space agency. Therefore, it is not very helpful to use Europe as an example. It is not helpful to listen to the Liberals because they are in both camps, and the New Democratic Party has not stated any position at all. I guess it is up to me and my colleagues to eventually decide the best situation for Canada.

**Mr. Rompkey:** Mr. Speaker, during the course of his remarks the Minister said that we have a commitment from the Americans that there will be no military use of the space station. He went on to say that if there ever was a military use, we will get our money back. I suggest that it is something like telling the Trojans that we will help them build their horse as long as they make a commitment not to use it for military purposes, and if they do, we want our money back. The point is that it will be too late to get the money back. The money back guarantee at that point is certainly not very effective.

How can the Minister have a commitment not to participate in military use of the space station and at the same time have a money back guarantee if they do? Does that not reflect equivocation, doubt and uncertainty? When is a decision going to be made one way or the other; yes it is going to be military or, no, it is not? When is there going to be a clear and unequivocal position on that?

• (1230)

With respect to the space agency, is it not true that NRC is going to be the headquarters of the space agency? Does it not have it now and is it not going to keep it? Has not the decision in fact already been made? And is the game that is going on now not verbal pyrotechnics, but no more than that?

**Mr. Oberle:** Mr. Speaker, the Hon. Member is very imaginative and generous in interpreting what I said. I did not say that we will walk away and get our money back, "if". I share this information with the Hon. Member. The fact is I was in Washington last week to look at the text which had been negotiated and to remove a couple of minor irritants that had to be discussed at a higher level. The military aspect has not changed from the time the President and our Prime Minister (Mr. Mulroney) agreed to co-operate with this enterprise. Yes, some concern has been expressed by the defense department in the United States, something which was all very public, that a large expenditure such as that should produce some benefits for the military. Our European partners have raised some concerns, as did we. How do we interpret this concept of international law?

The problem we are facing right now, and I share it with the Hon. Member, is that we will provide a mission critical element to the enterprise because we will be the first on site. Our equipment will literally assembly the station and then service the various elements of the station. So the contribution the Europeans and Japanese are making are different from ours. It is, therefore, necessary, if we are to keep to the timetable of the launch of 1994, that we make our commitment at this particular time to move into Phase C and Phase D of the enterprise. So we now want to go into a phase where we actually go into design and manufacture of the various components. The Americans insisted, "We cannot wait for the Europeans. They have more time than you have.

We have to have a decision now". What I think the Cabinet will be considering will be a participation in line with the invitation. It will be a civilian peaceful exercise. We have built into this concept of a dispute mechanism, which has been bandied around and which is now part of the free trade deal, and we have built certain safeguards into the MOU, which I will be recommending to Cabinet, that would permit us in the event—never mind militarization, which would be one aspect—that we do not like the management regime agreed to by the Europeans and Japanese, if we do not like any aspects of this thing later on, to perhaps sell our assets to the other partners. It may well be a situation where we get this thing up there and the cost becomes so horrendous we can no longer participate. At that point we would like to be in a position to say, "Look, this is our contribution. Here are the drawings. Would you kindly compensate us? We can no longer participate in the enterprise". I think it is a major accomplishment to have these safeguards built in because our main objective was to safeguard and protect all the elements on which our comprehensive space program is based and, in the main, our Canadian interest. I think the recommendations I will be making to Cabinet will do all of that.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have been asked to participate in this debate as a former science critic for my Party. I left that position prior to the creation of the Standing Committee on Research, Science and Technology, although I supported its creation. I think, in the context of parliamentary reform, it is very useful to see that the committee is taking its responsibilities seriously and has come up with a report which has a good deal of substance and demonstrates why we should have had such a committee a very long time ago.

Unfortunately, our science critics are absent because they did not anticipate that this debate would take place today. I would have to say to my colleagues in the Chamber that in a week when we were meant to be debating free trade, I find this

debate on space policy helpful, but not as relevant as it should be. I, for one, regret that we have not begun this week, as we were told by the Government we would, to deal with the free trade accord which was made public only last Friday and which apparently the Government is still determined to sign in one week of parliamentary time from now, that is, two weeks after we adjourn on Friday.

I do want to speak about a number of the elements in this report. I commend the committee for the fact that some of its criticisms revealed it really did take issue with a number of the priorities put forward by the Government with respect to its science program, in particular, the committee's emphasis on the need for the remote sensing program, the Radarsat program, to go forward as a priority, and its criticism of the Government which is quite blunt. The committee feels that the 1986 space plan fails to strike an appropriate balance, that Radarsat should have the highest priority of the three major programs, that is, the space program and space station and communications, because Radarsat best fulfils the stated objectives of Canada's space program.

It cannot be much clearer than that, particularly as we know how to read between the lines. This was a committee which had a majority of members of the Government, yet even the government Members had grave misgivings about the degree to which we are putting all of our eggs into one basket, namely, the space station, rather than other areas of space science and research and development.

I will put this in some context by first pointing out that the Government's commitment to establish a space agency was announced in October, 1986, at the time of the Throne Speech. Second, I cannot recall the exact date when Canada made the commitment to the space station, but I believe that commitment was made during the period up until June of 1985, because that is when I ceased being the science critic for my Party, and I can recall commenting on it at that time. So we are now looking at a decision which is some three years old. Yet, a great deal has happened since that time, which I think confirms some misgivings that many people have had about the degree to which we are putting so much of our emphasis into this particular project.

We have seen since then a continuing series of cut-backs in the National Research Council made by the same Government that says "Is it not wonderful what we are doing in space?" It is kind of a bread and circus as type of approach in which the Government tells us it is going to do great things in space but at the same time it savagely attacks the National Research Council. It has totally failed to put into place a program to ensure that Canada achieves the levels of spending on research and development that the Conservatives promised during the course of the 1984 election campaign. We have seen no meaningful means of that taking place. We have seen instead a series of programs that have also had the effect of cutting back federal funding to the Natural Sciences and Engineering Research Council and other research councils, which have been told to go with their begging bowl and get money from the private sector to make up for what Government is not prepared to come up with.

As I said a moment ago, the key recommendation in the report, it seems to me, is the finding of the committee that balance is lacking in terms of the Government's program. Second, what I think is key is the committee's concern about the military use of the space station and this rather ineffectual announcement that Canada will take away its chips if it finds that somehow the United States has taken the space station and used it for military purposes, as clearly the hawks in the Pentagon would like to do, despite any agreements having been made right now. Third, there is the whole question of the overrun and the degree to which that could very quickly gobble up any amount of money in Canada's space budget, and the Government's failure to come to grips squarely with that particular issue and its inadequate response in the November 27 response to the committee whose report, of course, had been tabled some six months earlier. I note that because in the next five years space station spending will take up more than 25 per cent of the budget according to the figures the Government has made public. But the 20-year commitment makes the situation look a good deal more radical than that, and the 15-year commitment to the turn of the century.

• (1240)

In that period of time it is estimated that the space station will consume some $697 million of federal funding in Canada. Radarsat is estimated to cost approximately $236 million, according to the committee's own figures; the mobile satellite, the communications satellite program will cost $151 million; the European Space Agency will cost $122 million; the astronaut program will cost $55 million; space science in general will cost an additional $70 million on top of what is already being spent. All those figures added together total approximately $1.3 billion which is being committed by the Government to space science over the course of the next 15 years.

What is interesting and disturbing is that the American estimates for the space station have gone completely off the rails. Where they stated it would cost $8 billion, they are now stating it will cost $14 billion. I suspect, after the tragic failure of the Challenger program a year or so ago, the deaths of the astronauts involved at that time, the necessity to put the space shuttle program on hold, and the delays that is having for the space program in general, that we will see further costly delays and cost overruns in the American space program.

If one takes the increase from $8 billion to $14 billion and applies that to Canada, we are talking about an increase in the cost of the Canadian element of the space station from $700 million to possibly $1.3 billion. What is instructive about that is that that is equal to the total space program that has been enunciated for the course of the next 13 or 15 years. On top of that, the carrying and operating costs for Canada's participation in the space station are estimated to be a possible $30 million a year. That is more than is currently being spent on all

of space science here in Canada. That, too, raises some very serious problems.

This one prestige project—the opportunity or the hope that the Minister of State for Science and Technology (Mr. Oberle), or the Prime Minister (Mr. Mulroney), can go and wave as the satellite goes aloft, or cut a ribbon at Cape Canaveral, or something like that—is quite profoundly distorting Canada's space program.

The committee itself found a great deal more benefit in many ways from Radarsat. The committee stated that Radarsat fulfils all the relevant objectives of the Canadian space program; that it would build and expand on Canada's expertise in remote sensing; that it would maintain Canada's position in international co-operation on the peaceful uses of space, particularly because it would be a Canadian-led project; that it would provide substantial economic and social benefits for Canadians, and not only through the sale of hardware or of expertise.

It was pointed out that much of the hardware for Radarsat would probably be located or built in Ontario and Quebec, but that the resource management data would benefit every region of the country, particularly the remote regions where resources are most often to be found. Second, Canada and Canadians as a whole would benefit from Radarsat because of its ability to reinforce Canada's claims to sovereignty in the Arctic, particularly in those areas of the Arctic which are frozen ice and not land.

It is quite clear that it is a lot cheaper and probably more effective for Canada to exercise its sovereignty by satellite in the Arctic wastes of the northern part of this country than it is to put eight or ten nuclear submarines up there at a cost of somewhere over $8 billion, the cost of a space station project in its entirety.

I recognize that in its response the Government has committed its approval to the Radarsat program, subject to the conclusion of agreements with our partners in the United Kingdom and in the United States, and that is welcome. But I note the priorization which the committee itself indicated to the Government—it is a Government-dominated committee so I suppose it could not reject totally Canada's participation in the space station. Clearly it indicated where it thought the priority should lie.

I also note the committee's concern over the possible military spin-offs from the space station program. I for one am disturbed at the inadequate response given by the Government on this particular question.

The committee stated in its recommendations that there should be agreement with the United States on the military use of the space station. When one looks at the committee's report in more detail, it specifically states, "Overt military use of the space station is unacceptable to the committee". What has the Minister got? He has an agreement in the Memorandum of Understanding which he will shortly submit to Cabinet that, if the Americans try to do something that is too overtly military in the space station, then we can ask them to buy us out. Is that not ridiculous?

In other words, we have not got the specific commitment that Canada should have sought and insisted upon, that before we participated in the space station the Americans clearly and unequivocally promise they will not use the space station as a part of the star wars program.

Scientists have told me that the star wars program is probably impossible in scientific terms. I suspect that that is probably true. Computers cannot be built for it, and it cannot be done. Nonetheless, that assurance should have come from the Americans rather than this rather awkward situation where we might get our money back if we find that we are not particularly happy with the way the Americans are using the space station. That seems to be what the Government is pursuing at the present time.

In addition, the committee indicates that experimentation dedicated to the development of weapons systems including the Strategic Defense Initiative should not be performed on the space station. What does the Government state in its response? It states that it would be inappropriate to discuss these conditions about military use in detail. However, the Government has made its position very clear with respect to the possible military use of the space station.

The Government wishes to ensure that any military use of the space station is consistent with international law, and with the treaty obligations of all participants in the space station. The Minister of State for Science and Technology is nodding, Mr. Speaker. I would like to know what are the treaty obligations.

Secretary Gorbachev and President Reagan met in a summit last week, which was welcomed by people from around the world, but on the question of the Anti-ballistic Missile Treaty which effectively governs experimentation in space that might be used for the SDI, for star wars, they went away agreeing to disagree. They simply stated that both countries would respect the treaty obligations.

It is interesting that Canada should parrot that particularly word which we know is used by the right-wing hawks in the Pentagon as a code word for saying, "We will do what we please and damn the ABM Treaty", and the Government seems to be going along with that particular interpretation.

In addition, with respect to cost overruns, the matter that I have already raised, the Government states and I quote, "The issue of dealing with cost overruns is related to the over-all issue of maintaining a balance within the Canadian space program". The Minister is certainly correct on that front. It goes on to state that, "It is not feasible for any Government to give assurances in advance that cost overruns in one project will not affect other programs". In other words, since the largest amount of money in the space program has been committed to the space station, therefore, cost overruns in that

station are likely to gobble up money that should have been allocated in other areas.

I also note with a certain amount of concern that the committee recommended in recommendation no. 10 that the use of Radarsat for arms control surveillance and verification was proposed only as an alternative and not as a primary purpose of the Radarsat program, as I believe it should have been.

Perhaps the Minister's Department could have co-operated with the Department of External Affairs on this particular question, because I would like to have seen Canada, as part of our space program, find the necessary funds, perhaps $50 million or $100 million was all that might be required, in order to offer to the United Nations an international satellite program that could come under the control of the United Nations for arms control surveillance and verification. Canada would be prepared to build and offer that to the United Nations, hopefully with partners, but we would be prepared to do it on our own if partners were not forthcoming. That is not there, and I am very sorry about that.

I note that the Government's response to this particular question is that it will continue to pursue the potential applications of remote sensor technology for the verification of arms control agreements. That is all very nice, but there is no sense of commitment there.

A few months ago I turned on the television and got hooked on the reruns of the television series "Space", which I hope the Minister has also seen. It was very well done. It was based on the James Michener novel. The Minister may recall one of the very touching scenes of a young man, a high school student, in a small town somewhere in the mid-west of the United States. He became excited about space because of his exposure to a world ranked astronomer whose observatory was located near where the young man and his girlfriend lived. They eventually became very much involved in the program and were central figures in the fictional but semi-realistic presentation of *Space*.

• (1250)

The Government has given the most wishy-washy set of responses on this particular area of which I can conceive in respect of the desperate shortage of scientifically trained manpower or womanpower for Canada's space programs. The Minister's response to recommendation No. 17, which calls for a study of the training and supply of space scientists and engineers, is that the Government shares the committee's concerns in this area and has a study under way to identify future personnel requirements. The Minister says that this is a necessary precursor to any study of the training and supply of space scientists and engineers. Once a demand study is completed, the Government will decide the need for and nature of a follow-on supply study.

It is time to stop studying and to start supplying, particularly if we bear in mind that it takes something over 10 years between the time a high school graduate enters a university program and the time that the graduate is a competent and fully trained space scientist. We are talking about people from this year's graduating class who will not in fact begin to engage in an active and constructive way as fully trained space scientists until the year 1998 or thereabouts.

I know the comments with regard to that question which were made by some of the witnesses who appeared before the committee. For example, Professor Rostoker of the University of Alberta said that the lack of career positions in the space sciences over the past 15 years has led to a significant drop in the number of young people prepared to pursue a research career in that particular area. He concluded: "It is my opinion that the scientific community of space researchers in Canada is in no position to effectively participate in major new initiatives such as space station".

In my contacts with the Natural Sciences and Engineering Research Council I have heard exactly the same testimony again, again, and again. It is not only the Government which is at fault, it is the previous Government, the Liberals as well. They have systematically choked off post-doctorate fellowships, support for academic research, and support for the kinds of programs which would help to encourage and develop space scientists. It is this Government which stopped the Black Brant rocket experimentation in Manitoba. It is this Government which shut down one of the observatories in Algonquin Park as part of its cut-backs to the National Research Council. It is pure hypocrisy for the Government then to turn around and say that there may be a problem. If the Minister were honest about this, he would recognize that the problem exists and has existed for some substantial amount of time and should have been addressed before now.

[*Translation*]

Finally, Mr. Speaker, I would like to talk about the Space Agency. As I said in my comments to the Minister, I am very disappointed that after eighteen months, the Government has yet to establish the Space Agency and announce where its headquarters will be located. I believe the choice is now between Ottawa and Montreal.

Mr. Speaker, as a Member from the Ottawa area, I obviously support the choice of Ottawa as headquarters for the Space Agency. I realize, however, that as the centre of the aerospace industry, Montreal with its surrounding area has every reason to claim the Space Agency should be located in the Montreal area.

Mr. Speaker, when my Leader spoke at the University of Montreal not long ago, he stated in no uncertain terms that Montreal was a logical choice as headquarters for the Space Agency, since the city and surrounding area is the centre of our country's aerospace industry.

[*English*]

While I have supported putting the space agency headquarters here in Ottawa, I must say that that is not the primary question for me as an Ottawa Member who is concerned about

research and development in all areas. I look at hundreds of positions in the National Research Council which have been shut down. I look at people with promising scientific careers who have not been taken on. I look at people who had another eight or ten years of productive scientific work ahead of them in the NRC who have been pressured into taking early retirement.

I look at that kind of tragic waste, which has been a product of the Government, and I say to myself, if I had the choice of having the space agency headquarters with 30 or 50 people in it in Ottawa, or having had a Government which dealt fairly with scientific research and development in the capital region, particularly in respect of the National Research Council, I would opt for fair treatment of the NRC. I think it is criminal what the Government has done to the National Research Council. I think it is criminal that the Government and Ministers like the present Minister have not been prepared to speak up on that particular issue and to come to the defence of the National Research Council. The NRC is to be commended for the fact that it is now stepping in to fill the gap because of the Government's inaction in terms of the location of the space agency—

**The Acting Speaker (Mr. Paproski):** I regret to inform the Hon. Member that his time has expired.

**Mr. Tupper:** Mr. Speaker, the report with which we are dealing in the House today and introduced by the Hon. Member for Grand Fall—White Bay—Labrador (Mr. Rompkey) is entitled *Canada's Space Program—a Voyage to the Future*. The report has been widely sought. If members of the public would like to get copies of it, they can do so by writing to the clerk of the committee.

Effectively the Hon. Member for Ottawa Centre (Mr. Cassidy) ended his presentation this morning, or his critique if I may put it that way, by dealing with the National Research Council on the one hand and the space agency on the other. That was a really noble endeavour, but as an Ottawa area Member I think it is very important that the space agency be located in the national capital area. In his comment the Hon. Member said that he—and I hope I quote him correctly—"had supported the space agency" being located in the national capital area. I have two very simple questions for him, because it is awfully important that all Ottawa area Members be unanimous on the question of where the space agency should be located.

First, does the Hon. Member support the space agency being located in the national capital area today? Second, what is the position of his Party on the location?

**Mr. Cassidy:** Mr. Speaker, I realize that time is short. I said *en français* that I did support and do support having the space agency headquarters in the capital region. I also pointed out that my Leader, when he was speaking at the University of Montreal the other day, indicated that in fact there were many reasons why Montreal was the logical place for it to be located. This is why I spoke specifically about the degree to which the scientific community in Ottawa has been chopped by the Government.

I would cite the fact that the Hon. Member for Nepean—Carleton (Mr. Tupper) has not resigned or broken ranks with the Government on the criminal cuts in the National Research Council. If the space station is located in Montreal by his Government, we will then be in a position where not only is Ottawa losing a space station but it has also lost an enormous amount of important scientific activity through the National Research Council. Yet, Ottawa area members of the Conservative Party have failed to prevent that from taking place.

**Mr. Greenaway:** Mr. Speaker, I would just like to draw to the attention of the Hon. Member that over the last three years funding to the NRC has increased by 21 per cent. I think he is leaving the impression that the budget of the NRC has been cut and that it is suffering. It is not. It is being well looked after, and I think it is a much stronger organization than it was even a year ago.

**Mr. Cassidy:** Mr. Speaker, in 1984-85 hundreds of jobs were forced to be cut within the National Research Council because of the cuts imposed by the Government. Many of those cuts were achieved by attrition. Not only were scientific careers interfered with, but a great amount of important work by the NRC was in fact cut. Those cuts have yet to be restored in terms of effective operation of the NRC.

**The Acting Speaker (Mr. Paproski):** It being one o'clock I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*English*]

## TRADE

### CANADA-U.S. FREE TRADE AGREEMENT—APPLICATION OF SALES TAX AND IMPORT DUTIES

**Mr. Maurice Foster (Algoma):** Mr. Speaker, the Minister for International Trade (Miss Carney) has done her best to deceive Canadians about the Government's trade deal with the United States with regard to bringing goods into Canada without paying duty, sales tax, or without limits on the amounts. She said in a recent speech that she had been asked if free trade meant you could bring anything you wanted back from the United States without paying duty, and the answer was yes.

The problem with this statement by the Minister is that it is simply not true according to government officials, and it is quite improper for her to mislead Canadians this way, especially those who live in border cities like Sault Ste. Marie, Canada.

The 12 per cent sales tax will still apply to imports from the United States; the $100 limit after a 48-hour visit will still apply; duties will not be reduced if the article imported is not made in the United States. The reduction in duties where they exist on U.S. manufactured goods will take place slowly over a 10-year period on many items.

The Minister and the Government should stop deceiving Canadians about the trade deal.

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## THE DISABLED AND THE HANDICAPPED

PUBLIC SERVICE—INCREASED HIRING OF DISABLED PERSONS

**Mr. Bill Tupper (Nepean—Carleton):** Mr. Speaker, for many years I have been interested in the welfare of the handicapped. While at Carleton University I urged the university on many occasions to develop the institution in such a way that it would make the entire university more accessible to the handicapped.

Last spring I introduced a Private Members' Motion in this House seeking certain tax concessions for the handicapped. That motion, regretfully, was talked out. I am pleased to note that when the Minister of Finance (Mr. Wilson) presented his White Paper on tax reform many of the proposals I made were incorporated.

Last week I particularly welcomed the announcement by the Deputy Prime Minister (Mr. Mazankowski) that the federal Government will hire an additional 2,700 disabled persons over the next three years and will proceed with plans to make federal government programs and services more accessible to the handicapped. This will bring the number of disabled persons in the Public Service by 1991 to 6,900.

The Government has also approved a number of measures to enhance the Employment Equity Programs, and some $3.7 million will be provided to improve counselling services and to ensure that technical aids for the handicapped are available in the workplace.

The handicapped deserve everything with which society can provide them. This Government, sensitive to their needs and requirements, has taken a very positive step forward.

*S. O. 21*

## SOVEREIGNTY

CANADIAN ARCTIC—PROPOSED CANADA-UNITED STATES AGREEMENT

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, the deal to allow American ice-breakers in the Canadian Arctic will soon be signed, we are told by the Secretary of State for External Affairs (Mr. Clark). We are assured that this agreement which does not assert our sovereignty acknowledges it through the back door by giving permission to be informed by the United States—hardly the brave words and strong stand taken by the Minister in 1985 when he assured us that the policy of the Government was to exercise full sovereignty over the Arctic and that, in his words, "we will accept no substitute". Further, on March 23, 1987, we were told by the same Minister that "our sovereignty is not negotiable".

We are not reassured. We appear to have a treaty which indeed accepts a substitute for clarifying Canadian sovereignty.

The trail of broken promises is littered with questions.

Will this treaty prejudice Canada's case with the International Court should we pursue this avenue? Is this agreement a prelude to guaranteeing commercial marine traffic through the passage? What is the tie to the trade agreement? Does this mean exports of Alaskan oil to Canada negotiated in the trade agreement will be moved via the passage rather than the West Coast? Is this a case by case approval for the movement of ice-breakers or, indeed, a blanket approval?

Credibility is strained. Canadians have a right to know. I call on the Minister to bring this treaty before Parliament before it is signed. Arctic sovereignty is too crucial to be given away by benign acquiescence.

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## THE FAMILY

TRIBUTE TO SCHOUTEN FAMILY

**Mr. John Oostrom (Willowdale):** Mr. Speaker, the Hon. Member for Simcoe North (Mr. Lewis), the Hon. Member for Simcoe South (Mr. Stewart), and myself wish to honour Mrs. Karen Schouten and her late husband Fred. Fred Schouten, 36, died suddenly of a heart attack, a mere two months after daughter Gabriel, and one day after his second wedding anniversary. For Mrs. Schouten this was a double blow.

It was the Schoutens' courageous decision to allow the birth of Gabriel even after they discovered that baby Gabriel would be born with a partial brain. Baby Gabriel was kept alive for three days and her heart was transplanted into another baby who was born with a poor heart and, in the process, brought hope and happiness to another family.

*S. O. 21*

This decision was based solely on the unselfish desire to see another life take hold, and by that action Gabriel made the ultimate contribution toward another human being. The actions of this family demonstrate to the entire world just how precious life is, and they exhibited a love for life beyond expectations. It clearly shows that abortion is not the answer to malformed babies. By their unselfish action the Schoutens have left the world the true meaning of life and love.

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## CANADIAN BROADCASTING CORPORATION

PROPOSED ALL-NEWS CHANNEL—APPOINTMENT OF JOAN DONALDSON AS DIRECTOR

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, the CBC's all-news channel will begin operations next September and it promises to be an important addition to programming choices for Canadians.

According to the CBC's Chief of News and Public Affairs, the channel will have a mixture of news, weather, sports and documentaries. It will focus on regional, national and international events from a Canadian perspective, as well as including repeats of some of the most worth-while of the public affairs programs, such as *The Nature of Things* and *The Fifth Estate*.

The CBC has also announced that Joan Donaldson, a very experienced and able broadcaster, will head up the all-news channel, and she is uniquely qualified for this task. Ms. Donaldson began her career as a journalist, has taught journalism at Ryerson and the University of Western Ontario, and has worked as an editor on Radio National News. She has recently been active on a committee aimed at making CBC programming all- Canadian by 1990, and has spent the last four years in training and developing regional news.

I know my colleagues will join me in congratulating Ms. Donaldson and wishing her well in her new challenge, and in congratulating CBC on its choice of this outstanding woman as director of this new all-news Canadian service.

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## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—SASKATCHEWAN PREMIER'S VISIT TO OSHAWA

**Mr. Jack Scowen (Mackenzie):** Mr. Speaker, the Hon. Grant Devine, Premier of the great Province of Saskatchewan, recently visited Oshawa, Ontario, with a delegation of business, government, and youth representatives.

Our Premier was very impressed with the city of Oshawa and what the United States investment in General Motors and other companies has done for the area. He noted that the City of Oshawa is one of the few municipalities with a surplus of $57 million, which pretty well tells all about its prosperity.

Probably the most interesting aspect of the visit was that Oshawa residents were still Canadian. There was no "yo'all" expression, no Americanism, but a retaining of Canadian culture and, above all, Canadian sovereignty.

Premier Devine even went so far as to state that he did not want more United States investments than the city of Oshawa but would settle for as much for the Province of Saskatchewan in the free trade agreement. Premier Devine thanked the people of General Motors and Durham Manufacturers Association for the royal treatment he and his delegation received.

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## LABOUR RELATIONS

PRINCE RUPERT GRAIN HANDLERS' STRIKE—CALL FOR APPOINTMENT OF MEDIATOR

**Mr. Jim Fulton (Skeena):** Mr. Speaker, a proposal has been made by the National Farmers Union which could re-open the Port of Prince Rupert for grain exports. I met with Art Macklin, Vice-President of the NFU this morning, and he confirms the following: One, Mr. Justice Emmett Hall is prepared to act as a mediator in the dispute while the workers return to their jobs while mediation is in progress. Two, Henry Kancz, business representative for the grain workers Local 333, has confirmed that he is receptive to the appointment of Justice Hall and will recommend that the striking members return to work while mediation is in progress.

Since the Minister of Labour (Mr. Cadieux) and the Minister of State for the Wheat Board (Mr. Mayer) have been aware of this proposal since Friday, I urge them to pursue this matter with vigour and appoint Mr. Justice Emmett Hall so that a resolution can be found for the workers who have been three and a half years without a contract, and get the farmers' grain moving to market.

Is it the grain companies or the Government that are holding up a resolution to this matter?

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## TRADE

CANADA-U. S. FREE TRADE AGREEMENT—POSITION OF ONTARIO PREMIER

**Mr. John A. MacDougall (Timiskaming):** Mr. Speaker, I am disturbed at recent comments on the weekend by critics of the Canada-U.S. trade deal. Their criticisms are completely unfounded. It is interesting that the Premiers who are against this trade deal are from the Liberal and NDP ranks. I suggest

the critics are playing political football with the future prosperity of our country.

Take, for instance, the comments of the Premier of Ontario on Saturday. He stated he had not yet read the final trade text but, even without reading the pact, his mind was made up in spite of the study his own Treasurer and senior Cabinet colleague released that showed the trade deal is very good for Ontario and the Canadian economy.

The Premier has commented today that the whole deal is coal. His comments are made with an open mouth and a closed mind. I can tell him that the residents of Ontario and the Canadian people are expecting more than these uninformed statements. They are expecting intelligent debate. They want to know the facts, know of the benefits this trade deal will bring them, and not the hollow rhetoric of the Liberal Premier.

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## TRADE

CANADA-U.S. FREE TRADE AGREEMENTS—STATEMENTS ATTRIBUTED TO MINISTER OF TRANSPORT

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, the Government claims that it wants to talk about the trade deal but, in fact, judging by its representatives who are going across the country, if they are any indication of the calibre of the debate, it is pretty disgusting.

• (1410)

Last week there were press reports that the Minister of Transport (Mr. Crosbie), the Minister sent by the Government to represent the Government's view, made comments about me and about other women. When I raised the question of surrogate parenting, the Minister said before a public meeting the following:

> No wonder her book was entitled *Nobody's Baby*. Apparently, our Canadian womanhood is in severe danger they'd have to creep around the country with their knees crossed if Sheila is correct that this danger—

The Minister also called himself the father of Canada's anti-pornography legislation, but said before the St. John's Board of Trade that he loves pornography himself but he wants to protect the people from it. He went on to tear after a nun who happened to speak out against the trade deal.

I would like to ask if this Minister is representing the Government. If he is not representing the Government, he should resign and get himself off the speaking circuit. If he is representing the Government, it is a disgusting, anti-woman, sexist, anti-—

**Mr. Speaker:** Perhaps the Hon. Member could put a question another time.

*S. O. 21*

## PROVINCIAL AFFAIRS

ALBERTA—ATTRACTION OF INDUSTRY FROM MANITOBA

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, business growth and job opportunities are being snuffed out by a New Democratic Government in Manitoba. According to *The Winnipeg Sun*, the warm business climate in Tory Alberta is pulling Westfair Foods and 400 head office jobs away from the wintry blasts of Manitoba's New Democratic Government. A representative of Westfair is quoted as saying:

> We felt unwelcomed here, the provincial Government of Alberta wants us there, they would see us as a valuable part of their economy . . . Manitoba Government takes the attitude that if you are a certain size they may expropriate you or drive you out of the province.

The reason for this is simple. Payroll taxes are now at 2.5 per cent. There is a regressive final offer selection for labour disputes. There have been increased telephone rates, increased hydro rates, increased Auto Pact rates, and government service rates have increased by 20 per cent. When Westfair and 400 jobs go, how can this Government say it is standing up for Manitoba?

I have a solution. Industry Minister Vic Schroeder should go. No, Mr. Pawley should go. No, the New Democratic Government of Manitoba should go and call an election before the rest of Manitoba's businesses leave. He is not standing up for Manitoba. He does not know what standing up for Manitoba is.

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## NUCLEAR ENERGY

LOW-LEVEL RADIATION HAZARDS—RE-EVALUATION OF NUCLEAR INDUSTRY URGED

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, research reported in the press today confirms what a growing number of experts have been telling us for years, which is that the hazards from low-level radiation have been greatly underestimated. New standards for acceptable-dose risks must now been determined at roughly half the levels previously allowed.

For Canada, this means a serious reassessment of our entire nuclear industry, from mining and processing to nuclear reactors through to waste disposal. The whole atoms for peace hope may prove to have been a sad mistake as even low-level exposure can mean cancer deaths, mental impairment, and genetic deformities.

Note that I am not even talking about a meltdown, nuclear war, or a disaster on the scale of Chernobyl, but simply about low-level, long-term exposure. The people of Canada and their Governments must now re-evaluate the nuclear option against the alternatives of safe, renewable energy and the promotion of conservation. We must have the courage to ask the really tough questions, be prepared to admit we were wrong in the

past, and resolve to act in the interests of the health of Canadians and our environment in the future.

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## TRADE

INCREASE IN SOFTWOOD LUMBER EXPORTS TO UNITED STATES

**Mr. Ted Schellenberg (Nanaimo—Alberni):** Mr. Speaker, last January 19 the Right Hon. Leader of the Opposition (Mr. Turner) told the House that "the 15 per cent export tax on Canadian softwood lumber being shipped to the U.S. will throw thousands of forest workers out of work, and imperil Canadian sovereignty." His Liberal colleagues agreed with him and, of course, the NDP said the same thing that day, predicting again that the sky would fall.

It is now 11 months later. Let us turn to a recent study issued by the International Woodworkers of Canada. The study says that "the massive job losses that were predicted simply have not occurred. It has had a minimal effect on production and employment. In fact, almost 900 million more board feet have been produced this year—and 600 sawmill jobs were added in British Columbia between January and September of 1987."

This is just one more example of the phoney doom and gloom the opposition Members have been spouting for three years now.

They predicted that our deficit reduction measures would cost 60,000 jobs, but we have created almost a million jobs.

They predicted that the export tax would cost hundreds of jobs, but hundreds of jobs were created. Now they are feeding us the same drivel about free trade. Once again the Progressive Conservative Government of Canada will prove the Opposition wrong.

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[*Translation*]

## 1994 COMMONWEALTH GAMES

GOVERNMENT'S OBLIGATION TO RESPECT CRITERIA IN MATTER OF OFFICIAL LANGUAGES

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, we all know that the Winter Games will soon open in Calgary. All Francophones outside Quebec remember they almost missed out on the right to have the Games televised in their own language. The situation was caused by the fact that the Olympic Organizing Committee ignored federal language criteria when negotiating its contracts.

In the House, I asked the Minister of Communications at the time to take steps to ensure there would be no recurrence of this kind of situation. He replied that he agreed and that my suggestion was an excellent one.

Since the 1994 Commonwealth Games have just been awarded to Victoria and the Government has decided to investigate this choice, I want to take this opportunity to ask the Government to lay down firm guidelines to ensure that the Commonwealth Games will be held with due respect for Canada's linguistic duality, in terms of public facilities, national advertising, contract negotiations, and the broadcasting and televising of the Victoria Games.

* * *

[*English*]

## TAX REFORM

MODIFIED ACCRUAL ACCOUNTING—EFFECT ON FARMERS

**Mr. John Gormley (The Battlefords—Meadow Lake):** Mr. Speaker, the sensitivity of the Government to western agriculture is well known. A $1-billion special grains payment, a capital gains tax exemption, a $200-million annual farm fuel tax rebate, and a $1.4-billion western grain stabilization payment in the past year are just a few examples of a Government that is committed to prairie farmers.

There is, however, one current issue that has caused some concern to farmers across Saskatchewan. It is the issue of modified accrual accounting as contained in the recent White Paper on tax reform. Most farmers agree that there should be a clearer definition of a real or bona fide farmer. There is also broad agreement that the profitability requirement should be re-examined as the White Paper undertakes to do. However, it is not the best time to suggest a new and different accounting formula during this period of depressed grain prices and uncertainty in the farm community. After giving this matter a great deal of thought, I would ask that the Government reconsider the proposal to bring in modified accrual accounting.

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## CANADIAN NATIONAL RAILWAYS

ANNOUNCED INTENTION TO SELL TELEPHONE COMPANY SUBSIDIARIES

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, Canadian National has announced its intention to sell off two of its telephone subsidiaries, Terra Nova Tel in Newfoundland, and NorthwesTel in the Northwest Territories and Yukon. This is to be done in order to reduce its outstanding $3.2 billion debt.

Important to the telephone subscribers in the service areas is CN's commitment that there will be no decrease in levels of service or increase in tariffs charged. Employees are to be

protected in that any new owner will be required to honour existing labour agreements and pension benefits.

NorthwesTel ought to be sold to private investors and certainly not to a provincial Crown corporation. It would be improper for Alberta Government Telephones, for example, to own and operate a telephone system outside the Province of Alberta.

If privatization is handled correctly, it could result in improved service and lower prices to telephone users in both the Northwest Territories and Yukon.

## ORAL QUESTION PERIOD

[*English*]

### TRADE

CANADA-U.S. FREE TRADE AGREEMENT—REQUEST FOR PARLIAMENTARY DEBATE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is for the Prime Minister. I have been expressing concern for months that the Government would attempt to ram the final text of the Prime Minister's trade deal between Canada and the United States through Parliament without giving the Canadian people the proper time to review, investigate, and study the deal, and without giving the House a proper opportunity to debate it. The Prime Minister has always told me that this would not be the case. He knows that the House will apparently adjourn in four days and that, some time in the next four days, he wants the House to debate the issue in a meaningful way. This is an issue that is fundamental to the style of Canada in which many of us believe, and is certainly fundamental to Canada's future.

Will the Prime Minister give me an assurance today, and I believe that his credibility and his word are on the line, that he is prepared to tell the people of Canada that there will be time for a full public review of this deal through committee hearings and a full, meaningful debate in the House of Commons before he signs the deal?

• (1420)

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if the Right Hon. Leader of the Opposition is patient I am sure that he will see, on the Order Paper tomorrow morning, a resolution which will allow Parliament to debate this very important issue. I hope we will have the support of the Opposition in bringing the debate forward tomorrow in order that we can have a good debate this week.

**Mr. Turner (Vancouver—Quadra):** Mr. Speaker, I was hoping for a reaffirmation of the commitment of the Prime Minister that he would allow the people of this country sufficient opportunity to review the text and examine how it affects their futures, their jobs, their professions, and their businesses, and allow the House of Commons sufficient time to review the matter properly.

[*Translation*]

CONTROL OF RESOURCES—GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** The Prime Minister claimed on the weekend that people already had a good understanding of this matter. Well, I would like to know what his understanding is of the instruments of this Agreement. Could the Prime Minister explain why, under Sections 408, 409, 903, 904, Canada's provinces are deprived of their jurisdiction over their own energy resources? Can he explain why we, as Canadians, can no longer cut energy exports to the United States if there is a shortage or other crisis? And can he explain why these rules not only apply to energy but to all our nonrenewable resources, including water?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Leader of the Opposition has made some very serious factual errors. There is nothing in the document that would deprive the provinces of their jurisdiction in the energy sector. There is nothing in the document that would undermine the provincial or federal governments' authority to reduce energy exports. In fact, these provisions are to become effective pursuant to an international agreement signed thirteen years ago by the previous Government. The Leader of the Opposition has raised a number of points. I may draw his attention to the fact that his points were dealt with very satisfactorily this morning in the newspaper *Le Devoir*, where the reference is to an historic challenge, and the conclusion "that the Government was right and that this will increasingly be borne out by events. *Le Devoir*, like most Quebecers, endorses the Free Trade Agreement as being in the best interests of Quebecers and Canadians.

[*English*]

EFFECT ON REGIONAL DEVELOPMENT

**Right Hon. John N. Turner (Leader of the Opposition):** With respect, Mr. Speaker, I do not believe the Prime Minister has read the deal he intends to sign. He talks about the international energy agreement which applies to stocks. This agreement applies to all resources, renewable and non-renewable, not only processed but in the ground. It is the most far-reaching agreement any country has ever signed. We have really made ourselves a resource reservoir for the United States by virtue of this agreement.

The Prime Minister has repeatedly promised the country that regional development would not be covered by this agreement. Yet nowhere in the text is there a specific exemption in favour of regional development. Indeed, precisely the opposite has happened.

I want to refer the Prime Minister to page 115 of his deal where it says that the Prairie Farm Rehabilitation Act, PFRA; the Agriculture and Rural Development Act, ARDA; and the Economic and Rural Development Agreements, ERDA; are defined as subsidies within the meaning of the agreement.

They are, therefore, covered within the future scope of the agreement although the Prime Minister said they would not be.

Why does the final text not reflect the Prime Minister's assurances given to the less favoured regions of Canada that regional development would not be touched? Why did the Prime Minister not protect the regions of Canada?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, may I say in English that which I just had occasion to say in French. My hon. friend's preface is loaded with flaws and inaccuracies which thwart any truth at all in the subsequent question which he tries to put forward.

He asks me whether I read the deal before I signed it. I read it all right. He did not read it before he announced he was going to tear it up. There is the fundamental difference.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Mr. Speaker, the important question of regional development was very carefully considered by the negotiators and by the Government throughout. It has been totally protected—

**Some Hon. Members:** Where?

**Mr. Mulroney:** —as an instrument of economic growth in Canada—

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** Your nose is growing.

**Mr. Mulroney:** —which is one of the reasons 19 associations endorsed the Free Trade Agreement this morning as being profoundly in Canada's national interest. They include the Automotive Industries Association, the Canadian Association of Equipment Distributors, the Canadian Agricultural Policy Alliance, the Canadian Chemical Producers Association, the Canadian Construction Association, the Canadian Export Association, the Mining Association of Canada, the Retail Council of Canada, the Tourism Industries Association of Canada, and the Trust Companies Association of Canada—everybody except the Liberal Party of Canada.

* * *

## FISHERIES

### SHELLFISH HEALTH WARNING—EFFECT ON LOBSTER AND SHRIMP INDUSTRIES

**Mr. George Henderson (Egmont):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Last Friday the Minister of Fisheries and Oceans and the Minister of National Health and Welfare issued a joint press release alerting Canadians not to consume shellfish from Atlantic Canada. "Shellfish" means lobsters, crabs, and shrimp—all crustaceans, as well as molluscs, which include mussels, oysters, and quahogs.

My understanding is that the release was withdrawn after a few hours, but not before terrible damage had been done to the industry, especially the lobster and shrimp industries.

Why did the Minister of Fisheries and Oceans allow his name to appear on that erroneous press release which was so damaging to the fishing industry? Does the Minister of Fisheries and Oceans not know the difference between a scallop and a mussel, or a mussel and a quahog?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the gentleman and the House must recognize that on Friday—and I have given the times when the information came to me—Canadians had been hospitalized. One Canadian had died because of the toxins. Evidence showed that the problem was no longer geographically contained. In addition, for the first time we had a clear indication that species other than mussels were involved.

I therefore took a health decision. In fact the Member's Leader, the Right Hon. Leader of the Opposition, said in the House on December 8 that public health must always be a priority. It was on the basis of that priority that the decision was taken.

**Mr. Henderson:** Mr. Speaker, health must always be a priority but that erroneous press release included lobster, shrimp, and other products which had nothing to do with the problems which were at hand.

### REQUEST FOR RESIGNATIONS OF TWO MINISTERS

**Mr. George Henderson (Egmont):** Mr. Speaker, I will direct my supplementary question to the Right Hon. Prime Minister. I am not questioning the character of either the Minister of Fisheries and Oceans or the Minister of National Health and Welfare. However, I am questioning the judgment of those two Ministers which had such a devastating effect on the shellfish industry in Atlantic Canada.

Will the Prime Minister do the honourable thing today and ask for the resignations of both the Minister of Fisheries and Oceans and the Minister of National Health and Welfare? Those two Ministers are totally incompetent and should be fired today.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, in answer to that question, decisions were taken on the basis of investigations relative to mussels and the information that I received on the morning of the Friday in question. The Member says that there has been damage done. The alert went out at eleven o'clock of that day, at 12.27 on the CP wire. It included lobsters and shrimps and scallops—not by this Minister, and at 12.46, in fact 19 minutes later, it already was corrected.

The greatest damage is that we cannot clear up a health problem. We have not yet found out what the toxin is or what

anyone else is facing. I think that what is important is that the health of Canadians be first protected. The Member cannot have it both ways, arguing one day this way and one day that way.

* * *

• (1430)

## TRADE

### CANADA-U.S. FREE TRADE AGREEMENT—EFFECT ON HEALTH MANAGEMENT SERVICES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister and the Minister for International Trade have persistently said that, short of the selling of wine, provincial jurisdictional authority is not impinged upon by this agreement. Of course that is not the case. Many provincial areas are affected. The more we look at the agreement, the more we discover.

Will he now acknowledge that management services, virtually right across the board in the health field, are also included in this deal? These include hospitals, nursing homes, ambulance services, home care services, health clinics and a variety of other medical services, all of which are clearly within the health field and clearly within provincial jurisdictional authority.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I do not know if my hon. friend is asking for a legal opinion. Perhaps he could ask the courts in that regard at the appropriate time. I have my opinion. He is entitled to his.

Surely he is not trying to contest the right of the federal Government of Canada and the Parliament of Canada to negotiate treaties on behalf of all Canadians. That is exactly what we have done. It is a treaty that we deem to be in the national interest, and surely as a national parliamentarian there ought not to be any suggestion, certainly not in this House, that the right of this Parliament should be frustrated in that regard.

**Mr. Broadbent:** The question is about Canadian health services which we now discover will be included in this deal.

### GOVERNMENT POLICY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, it is not a matter of legal opinion. If he looks at the document and the attached tables he will find that health service are clearly spelled out. Why has the Government not only acknowledged privatization in the health mangement services field, but gone beyond that by indicating that not only are these services for mangement to be open to the Canadian private sector, but private American companies will now have the right to intrude right across the board in the management of our health services? Why has the Government taken this totally unacceptable step in this deal?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I know that my hon. friend is bereft of argument, but I am sure that upon reflection even he would agree that this is the silliest thing he has raised in this House in a long, long time. In one question he includes the privatization of the health services field. These are scare tactics of the worst kind.

**Mr. Hnatyshyn:** What about the marines invading Manitoba?

**Mr. Mulroney:** It is typical of the latest comment by the NDP in Manitoba where a Cabinet Minister said that, if we had free trade, the marines will invade Manitoba.

**Mr. Broadbent:** The problem is the level of ignorance shown by the Prime Minister about his own deal. It is absolutely astonishing. If he reads the deal he will find out that what I said is absolutely true.

[*Translation*]

### HEALTH SERVICES—THE AMERICANS—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** My last question is directed to the Prime Minister and is very specific. Security services are specifically excluded from the Agreement. Why didn't the Government do the same for health services? Why this sell-out of our health services to the Americans?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I can hardly call this a question, and I am surprised the Leader of the New Democratic Party would ask this kind of question. One question was asked about services that are not included in the Agreement.

[*English*]

"cultural industries are specifically excluded, Government provided service such as health care, education and social services including child care and child welfare services, all transportation modes", et cetera, et cetera, et cetera.

My hon. friend knows full well—

[*Translation*]

—as was obvious from his question that this particular point was examined by many others, including the director of *Le Devoir* this morning. All are very concerned about provincial interests and have an historic mission to protect provincial rights, and they support the Agreement because it is not only in the interests of Quebec but also in the interests—

**Mr. Broadbent:** Read the document!

**Mr. Mulroney:** He is asking me to read the document. It really is a shame, and I am sure Quebecers will agree, that the Leader of the New Democratic Party spoke out against the Free Trade Agreement before reading it. It really is a shame for Quebec and for Canada.

[*English*]

## HEALTH

ISSUANCE OF SHELLFISH WARNING—REQUEST FOR MINISTER'S RESIGNATION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In response to the question by my colleague, he claimed in the House this afternoon that the decision to issue the ban on all shellfish, including lobsters, did not emanate from his Department. I have in my hand a press release which states: "Health and Welfare Minister Jake Epp and Fisheries Minister Tom Siddon announced today an alert is in force on all shellfish from Atlantic Canada".

The Minister will know that his Department changed its story approximately 10 times on Friday as to what was in and what was out. Lobster was in, lobster was out. Mussels were in, other shellfish were out.

Does the Minister not recognize that the Canadian public can have absolutely no confidence in any of his health warnings right now because he has misled, us so many times, and that he should take the only responsible course and resign?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, no, I have not misled and I did not deny the health warning. Again, it is just one of the examples of her active imagination, saying one thing quite different from what I have said in the House.

I am saying to the Hon. Member that the health warning was put out for very good reasons, which I have given. I ask the Hon. Member: from her point of view, was the health warning not justified?

[*Translation*]

MINISTER'S CREDIBILITY

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, the Minister changed his mind ten times in one day. First lobsters were in, then they were withdrawn. How does the Minister expect the Canadian people to trust him when they know he changed his own story ten times last Friday? How can Canadians be expected to trust a Minister who deceived the House and deceived the Canadian people several times over?

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, that is not correct. The Hon. Member says: "Changed 10 times". That is also not correct. I think it is about time that her statements, which so often have proved to be incorrect, be given the scrutiny that they deserve. The only question that came forward from the hours that I gave was on the matter of scallops. It was not the others. It is about time that she stay with the truth.

REQUEST FOR PUBLIC INQUIRY

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Prime Minister. It is clear that the Canadian people and the Canadian fishing industry have lost complete confidence in the Minister. First, the Minister delayed issuing health warnings and during that period people were hospitalized and died.

This weekend he created even more confusion with mixed messages which have seriously threatened the shellfish industry of Atlantic Canada and indeed the broader fishing industry of Atlantic Canada.

As the head of the Government, does the Prime Minister not agree that the only way to restore confidence is to have a full public inquiry into this matter and, pending the results of this inquiry, to accept the resignation of the Minister of National Health and Welfare?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I did not delay health warnings. That is incorrect, that is false. I did not. That was discussed last week, and that is the case.

Second, in terms of the issue, it was very clear that on the Friday, as I indicated before, in view of the investigation on mussels and the additional information that came forward on the Friday, the health warning was put forward. As I have said to her and others, the only part was on the matter of scallops and nothing more.

**Ms. Mitchell:** I can tell you that people who watched him on television last week had a very different perception from the one he is trying to create today. Five days is a long time to wait when there is a risk to health.

REQUEST THAT PRIME MINISTER SEEK MINISTER'S RESIGNATION

**Ms. Margaret Mitchell (Vancouver East):** My supplementary question is directed to the Prime Minister, not the Minister of National Health and Welfare. Will he do the honourable thing, as Leader of the Government, supposedly, and insist that a full hearing be conducted and the Minister resign while the hearing is taking place?

• (1440)

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, again, the Hon. Member is incorrect. That is not the case at all. I said last week, and I am saying again this week—my story has not changed one iota—when I was informed, and I have the memo right in front of me, which was on the Monday of the 30th, additional work was done. I received the information on December 1, and that is when the health alert was given. It was nothing different. That has been the story last week. That is the story this week. I would ask the Hon. Member, if she wants to look at other people's reputations, then base hers as well on what is said in this House.

[*Translation*]

## LABOUR RELATIONS

AIR CANADA STRIKE—REQUEST THAT GOVERNMENT INTERVENE IMMEDIATELY

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Minister of Transport or the Minister of Labour.

The disruption of Air Canada's services has been a great inconvenience to the Canadian public, but with the holiday season approaching, the situation is getting even worse because of the large number of people who are trying to join their families. What started as a series of rotating strikes has turned into a general lock-out as a result of a decision by Air Canada's top management. Now, Air Canada is a Crown Corporation, owned by Canadians and managed on their behalf by the Government.

I would like to ask the Government to intervene and to instruct Air Canada to suspend its lock-out immediately until mid-January, so that thousands of Canadians can join their families, and also to instruct both parties to continue their negotiations during this moratorium. Is the Government prepared to take this step?

**Hon. Pierre H. Cadieux (Minister of Labour):** Mr. Speaker, the Hon. Member knows perfectly well we have already intervened in this conflict, and I am referring to last Friday when I appointed Mr. Bill Kelly as mediator.

I can inform the Hon. Member and this House that Mr. Kelly has been very busy meeting with the parties since yesterday, and, Mr. Speaker, I dare say we all hope the parties will act responsibly and negotiate a settlement as soon as possible, so that all Canadians will be able to travel in this country without any trouble.

[*English*]

REQUEST THAT MINISTER ASK AIR CANADA TO SUSPEND LOCK-OUT

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, mediation, although started too late, is a great thing. I agree. I have been calling for it. I would like to say that this is not enough for people who are stranded, who want to make sure they will be able to reunite with their families. I am asking the Minister to move in and instruct Air Canada to suspend, between now and mid-January, the lock-out it has imposed so as to give some sort of guarantee to Canadians that they can go home and meet with their families at Christmas and on New Year's Day, like we all want to do.

**Hon. Pierre H. Cadieux (Minister of Labour):** Mr. Speaker, I think every one agrees there is great inconvenience being caused to a lot of travelling Canadians right now in this country because of this dispute between Air Canada and its employees. Nevertheless, and I have said this to my hon. colleague in other disputes before, there is a Canada Labour Code which is being applied right now. The parties have both used legal means in order to impose economic pressures on one another. We have moved as quickly as we could in this particular case.

I would like to remind my hon. colleague that in the last conflict he was accusing us of moving too quickly.

**Mr. Guilbault (Saint-Jacques):** I never said that in my life. How could you act too quickly?

**Mr. Cadieux:** This time we have followed the dispute very closely and I think that the parties, who know their responsibilities and who are with the mediator right now, hopefully will come to a settlement within the next hours.

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## TRADE

CANADA—U.S. FREE TRADE AGREEMENT—INCLUSION OF HEALTH CARE FACILITIES MANAGEMENT SERVICES

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, my question is directed to the Prime Minister. I want to quote directly from page 203 of his vaunted agreement which includes the various services, which are part of what we have agreed to in free trade with the United States. One item, and I quote directly, is health care facilities management services. In view of that very direct quote, does the Prime Minister in fact deny what the Leader of my Party said, that the health care management system of this country has been laid open by this agreement which has been set forth?

**Hon. Jake Epp (Minister of National Health and Welfare):** Through you, Mr. Speaker, to the Hon. Member, the Hon. Member knows that under the agreement, Canada has the full right to have whatever health system it wants. That has been established very clearly through a long period of history going back to the Hospital Act as well as the medicare Act and confirmed by the Canada Health Act.

What the Hon. Member is trying to put forward to Canadians is the matter of management. Surely, he knows, coming from Ontario, that there are a number, for instance, of nursing care homes which are in private hands and privately managed. He also knows, for example, that there has been one example in Ontario in terms of public management of a hospital. For him to try to make the quantum leap from a health system to the argument on the point of management, I think he should re-examine what in fact he is trying to do.

OMISSION OF DAY CARE SERVICES

**Mr. Steven W. Langdon (Essex—Windsor):** That is precisely the point. These health care services are under provincial jurisdiction and that is the point my Leader was making in his opening statement. We left out in this same document quite explicitly day care services. Why did we not

similarly leave out services in the health care field, if the Government does not want to see health care handed over to the United States?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, of course, health care is in provincial hands under the Constitution. All of us recognize that. Surely, keeping in mind the five principles of the Canada Health Act, for example, public administration and universal access, the provinces have scope within that Canada Health Act to have the kind of administration of the health care system, the hospital system, they want. The same thing with day care. What the hon. gentleman has in mind is one system only. Surely today, when 40 per cent of day care spaces are in the commercial section—

**Mr. Broadbent:** Day care is out of the Act.

**Mr. Epp (Provencher):** —the provinces have made the decision as to what is best. The New Democratic Party so often wants to stand up here and say provincial rights and at the same time hope that from a national point we impose—which we cannot constitutionally do—issues and directives which in the health care field or day care system are totally within provincial jurisdiction.

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## NATIONAL PARKS

NEGOTIATIONS TO ESTABLISH GRASSLANDS NATIONAL PARK IN SASKATCHEWAN

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, my question is directed to the Minister of the Environment. It concerns the ongoing negotiations between the Government of Saskatchewan and Canada for the establishment of the Grasslands National Park in southwestern Saskatchewan. The negotiations at various times have reached an impasse over oil and gas exploration rights and also over jurisdiction with respect to river beds. Can the Minister tell the House the current status of the negotiations? And when can Canadians expect an announcement concerning the establishment of this new national park for generations to come?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, over the course of its mandate to date, this Government has established three new national parks, Ellesmere Island in the high Arctic, Bruce Peninsula in Ontario and South Moresby in British Columbia. We have completed, or are in the process of completing, two additional ones. We are now turning our attention as a major priority to a sixth, the establishment of a national park called Grasslands in Saskatchewan.

In that connection, I will be meeting Wednesday with the deputy premier of Saskatchewan on Wednesday, who will, I hope, be resolving with me all outstanding issues, including the ones to which the Hon. Member has made reference. After that meeting, in the next few weeks, I expect to be in a position to put forward some specific proposals to my cabinet colleagues to resolve this very important national question.

* * *

[*Translation*]

## FREE TRADE

REQUEST FOR EXPLANATION OF CLAUSES AFFECTING FARMERS

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. In his litany of supporters, the Prime Minister of course did not refer to the agricultural community, because he broke his promise and reneged on his commitment to them. The question I want to ask the Prime Minister, if he read the agreement, is as follows: In Article 710 he sought to make the agricultural community feel secure by saying that GATT Section 11 could be invoked. On the other hand, he has also negated that section in Article 703 where the Government signed a clause aimed at improving access to respective markets by eliminating or reducing import barriers with respect to agricultural products.

Here is my question to the Prime Minister: How can he justify including this clause in the agreement after having stated that agriculture would not even be covered by the agreement?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, had the Hon. Member been able to listen to Mr. Bernard Landry Friday night when he commented on the impact of the agreement articles on agriculture he would have heard him say that it is indeed a truly remarkable gain for Quebec farmers, that these articles have been greatly improved, and that Mr. Landry, like the spokesmen for the Quebec Government, Mr. Macdonald and Mr. Pagé—

**Mr. Lapierre:** How many cows does he have?

**Mr. Mulroney:** He says: How many cows does Mr. Macdonald have? Mr. Macdonald is the Quebec Government External Trade Minister and, next time I see him, I will tell him the Hon. Member for Shefford is interested in his cows!

THE AGREEMENT—FAMILY FARMS—GOVERNMENT POSITION

**Hon. Jean Lapierre (Shefford):** Mr. Speaker, the Prime Minister was unable to quote a single farm source to support his position.

My question is this. After promising farmers they would be protected and first, that they would be excluded from the Agreement, he is now doing a job on farmers in this very Agreement. His Minister of State (Agriculture) has promised to add certain products to the quota list, but according to Section 48 of the Agreement they can't do this. Consequently, is the Prime Minister prepared to admit to farmers that as a

result of this Agreement, the family farm is about to become an endangered species?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I am truly appalled to hear a Member of this House address an important issue with such a show of hysterics and bad faith.

I have already referred to the contributions made by Mr. Bourassa and Mr. Pagé. I mentioned the comments of the Hon. Bernard Landry, former Minister of Finance with the Parti Québec Government. And since the Hon. Member raised the issue, I would like to mention someone else's opinion . . . If the Hon. Member will allow me—there was an editorial this morning in *Le Devoir* on the same question . . . he does not seem to take *Le Devoir* seriously, or the Liberal Government of Québec or the PQ for that matter. He doesn't take anyone seriously except his cows.

Mr. Speaker, I think the Hon. Member should listen to the following statement that appeared in *Le Devoir*: "In the agricultural sector, Quebec obtained a specific reference to Article No. XI of GATT which gives it authority—" with respect to "—imports. Dairy producers may rest easy: supply management programs are not affected by the Agreement and are judged to be in line with GATT". *Le Devoir*, like all leaders of public opinion in Quebec, except for the Liberal Party here in the House, and in fact all Quebecers are in favour of the Agreement, especially the provisions on agriculture, and it is time the Hon. Member stopped talking about his cows and told Quebecers that the Liberals in Ottawa are going to approve their choice.

* * *

• (1450)

[*English*]

## LABOUR RELATIONS

PRINCE RUPERT GRAIN HANDLERS' DISPUTE—REQUEST THAT GOVERNMENT APPOINT MEDIATOR

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, my question is directed to the Minister of Labour.

The Minister is aware that the National Farmers' Union has proposed a method to get the grain moving through the Prince Rupert terminal. The proposal is that, if the Government will appoint Mr. Justice Emmett Hall as mediator, the union is prepared to return to work immediately. Mr. Justice Hall has agreed to accept such an appointment.

Is the Government proceeding with the appointment of Mr. Justice Emmett Hall as mediator in the Prince Rupert grain terminal dispute?

**Hon. Pierre H. Cadieux (Minister of Labour):** As my hon. colleague knows, Mr. Speaker, a mediator was appointed in this particular dispute on March 20, 1986. But that, notwithstanding, I will take his request into consideration.

MINISTER'S POSITION

**Mr. Stan J. Hovdebo (Prince Albert):** Since the National Farmers' Union proposal appears to be the simplest and the surest way to get the grain moving through the Prince Rupert terminal, since you have known this—

**Mr. Speaker:** I am sure that the Hon. Member wishes to place his question in the appropriate manner. Perhaps he can continue the question.

**Mr. Hovdebo:** Why has the Minister not proceeded with this appointment?

**Hon. Pierre H. Cadieux (Minister of Labour):** As I have already indicated, Mr. Speaker, there was already one mediator in this particularly dispute, but I will take that suggestion under consideration.

AIR CANADA STRIKE—SUGGESTED SUSPENSION OF WORK STOPPAGE

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is directed to the Minister of Labour, and it is a supplementary to a previous question on this subject.

Very often in a labour dispute all the attention is given to the two adversaries, and none to the consumers, such as the thousands of Canadians who are understandably concerned about their Christmas travel plans.

I ask the Minister, if there is no settlement in the work stoppage of Air Canada by Friday of this week, will he direct his mediator, William Kelly, to discuss with management and labour the possibility of suspending the work stoppage over the Christmas season, as a service to their fellow Canadians?

**Hon. Pierre H. Cadieux (Minister of Labour):** Considering all the inconvenience that this particular dispute is causing, I am hopeful that there will be a settlement before Friday.

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## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—STATEMENTS ATTRIBUTED TO MINISTER OF TRANSPORT

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Prime Minister.

The Prime Minister is no doubt aware of the insulting comments—insulting to the women of Canada—made by the Minister of Transport last week in St. John's, and in other cities in Canada, as part of the Government's so-called campaign to sell its free trade initiative.

The Minister of Transport's belittling comments about the women of Canada are as insulting as Ambassador Simon Reisman's remarks last month that some of those who oppose free trade can be compared to Nazis. Regrettably, the Prime Minister refused to demand an apology from Ambassador Reisman last month. Today I wish to ask the Prime Minister, on behalf of the women of Canada, whether or not he will demand an apology from the Minister of Transport?

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, there have been no insulting comments made in connection with the women of Canada by myself, so the premise of the Hon. Member's question is entirely wrong.

I did have some comments to make on some things said by several women here in Canada, one of them the Hon. Member for Hamilton East who made the extraordinary statement that the opening of Canada's service industry to the Americans could allow them to expand their growing surrogate mother industry into Canada in search of babies for export.

**Some Hon. Members:** Shame!

**Mr. Crosbie:** I satirized this attempt by the Hon. Member to arouse needless fears because, of course, the free trade agreement has nothing to do with, and certainly will not permit the surrogate mother industry to establish itself, by force or whatever, in Canada. In responding to that, I certainly was satiric.

I also answered several other inaccurate statements made by that Hon. Member, including the statement she made last week in Vancouver that the agreement would have a five-year termination clause; she was positively sure of it.

**Ms. Copps:** I didn't say that all.

**Mr. Crosbie:** It turned out it has a six-month termination clause. That is how accurate the Hon. Member's Party has been in this free trade debate.

**Some Hon. Members:** Hear, hear!

MINISTER'S HUMOUR—REQUEST FOR APOLOGY

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, banner headlines in *The Sunday Express* in St. John's suggest that some people were insulted.

The Minister's comments that he "doesn't give a damn" what the member for the National Action Committee on the Status of Women in St. John's thinks, or Sister Lorraine Michael of the Catholic Social Action Committee, bespeak of more than just responding to the Hon. Member for Hamilton East.

What is in question here is not the Minister's use of humour, which is well known in this House. What is in question is the Minister's brand of humour.

I ask the Prime Minister whether or not he thinks it is acceptable for the Minister of Transport, speaking on behalf of the Government of Canada in selling free trade, to use a brand of humour that essentially says, "Now we have consulted the boys, it doesn't matter a whit what the women of Canada think. We can proceed unanimously without consulting the women of this country".

Given those types of comments, and I ask the Prime Minister to check the record, will he seek an apology from the Hon. Member for St. John's West? This is not a laughing matter.

• (1500)

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, the actual headline of the story from which the hon. gentleman gets his question—he lacks imagination to research his own—says: "Crosbie's 'scandalous' remarks have several women up in arms". Who are the women who are up in arms?

The Hon. Member for Hamilton East whom I trimmed in a debate in Vancouver last week, and several other NDP representatives—

**Ms. Copps:** Mr. Speaker, this is not funny.

**Mr. Crosbie:** —one of whom appeared before the House of Commons committee representing the Coalition of Citizens Against Pornography and said that free trade would make it more difficult to enact and enforce Canadian anti-porn legislation. These are the people who are protesting, the people who make these silly, jejune, and false statements.

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## HEALTH

SHELLFISH PUBLIC HEALTH ALERT

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Minister of National Health and Welfare. It has to do with the mussel mix-up of last week. Prior to last Friday the Minister, on the question of the mussels, was as communicative as an oyster. Last Friday it was as if the magpies had taken over in his Department and, as a result, considerable confusion has been created in the shellfish industry in the country, resulting in some threats to the producers and the distributors of shellfish in Atlantic Canada.

What steps will the Minister or his Government take to restore the confidence of consumers in the shellfish industry?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I would be glad to answer the question of the Hon. Member. As he possibly knows, an operations centre was established which is headed through the Department of Health and Welfare. The 1-800 number was put into place. Additionally, all product is being taken off the market. We hope that that will be completed by today. Procedures are being put into place so that new products coming on to the market are totally within the keeping of health and quality requirements. That is

being backed up by research, I believe now in 13 labs in a number of countries, relating to the toxin which still has not been isolated, as well as inspectors throughout the industry, as well as through Fisheries and Oceans, and also the assurance to the industry.

My overriding consideration has been health. I think, though I do not get into or haven't talked to the industry—it is not my role—for the industry as well it is best. Once there is a clean bill of health for them as well, that is the best news for them in relationship to this incident.

REQUEST THAT GOVERNMENT CONSIDER COMPENSATION FOR PRODUCERS AND DISTRIBUTORS

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my supplementary question is for the same Minister. In view of the fact that there is another concern which particularly small producers and distributors have, that is the one of compensation, would the Minister and the Government consider compensating producers and distributors? In light of the fact that this particular incident had more to do with the mix-up last Friday and the various statements with respect to shellfish and the toxin, it is completely out of their control. Would the Government consider compensation?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, in relation to the toxin first of all I, possibly more than anyone else, would like to have an answer on that as quickly as possible. We are working to that end.

In respect to the industry, I think what is important for the Minister of Health is to make sure that the research and the investigation are complete, and I think that any assessment in respect to all other issues can then take place after that.

**Mr. Speaker:** This will be the last question. The Right Hon. Leader of the Opposition.

PRESS RELEASE—INITIAL REPORT OF BAN ON LOBSTERS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I have a question for the Minister of National Health and Welfare. Why did medical evidence justify a press release from his Department and that of the Minister of Fisheries at noon on Friday banning lobsters, all shellfish, and yet 45 minutes later that ban was lifted?

I ask the Minister: did he read the press release before it was issued to ensure that it was accurate? Won't he admit that what was negligent on one weekend was a panic the next weekend?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the answer is no, and I have explained the week previous. With regard to the alert on shellfish, I think what the right hon. gentleman has also to accept is the definition of shellfish. I won't go into that specifically, because I think if he would check with Fisheries and Oceans he would find the difference. But I go back and I say to him this: I think it was important as I have given the information in respect to the number of people who had been affected by the toxin—the one death and the 14 who were hospitalized at the time—the matter that a second species was discovered to be toxic, and that we had not contained the issue to the geographic area prior to that Friday.

I come back to the words that he used in the House on the eighth, as I have always used those words myself, that is, for me my over-all consideration was health. Surely if that was valid last week, it was valid last Friday and it is valid today. I say to the right hon. gentleman that he can have whatever views he wants, either of this Minister or of this Government, but one thing he cannot change is, because it suits him politically today, to say something differently from what he was saying last week.

* * *

**Mr. Speaker:** I must advise the House that the Question Period has ended. Before recognizing the Hon. Member for Hamilton East (Ms. Copps) I understand that the Hon. Member for Hamilton Mountain (Ms. Dewar) has a question of privilege and it may well be that it is the same question of privilege. Could I have some indication of that?

**Ms. Dewar:** Mr. Speaker, I think we are dealing with something very serious.

**Mr. Speaker:** I have asked a question of both Hon. Members. Can they tell me if the question of privilege which the Hon. Member for Hamilton East wants to raise and the question of privilege which the Hon. Member for Hamilton Mountain wants to raise are the same?

**Ms. Dewar:** I would think so.

**Mr. Speaker:** I get an indication that that is so. I will hear the Hon. Member for Hamilton East first and then I will hear the Hon. Member for Hamilton Mountain.

* * *

## PRIVILEGE

ALLEGED DISPARAGING REMARKS BY MINISTER

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, you will know that in fact the issue of the comments raised by the Hon. Minister of Transport (Mr. Crosbie) was originally brought to the attention of the Speaker last week when I returned from British Columbia where I participated in debate with the Minister.

I think it is important to read the Minister's remarks into the record. His opening comments were: "Mr. Chairman, fellow debaters"—and this is from a member of the Government who is representing the Government on the trade debate—"it appears that Sheila's broom is not working today.

We hope she will be here shortly". In fact, the Minister was well aware of the fact that I was not going to be arriving on time. The Minister went on to say, in the context of the debate and questions surrounding what is on and what is off the table on the trade deal: "No wonder her book was entitled *Nobody's Baby*. Apparently our Canadian womanhood is in severe danger. They would have to creep around the country with their knees crossed if Sheila is correct", and then he was booed on his remarks. In fact, he was booed right out of the auditorium.

At that time I really had no intention of raising the issue in the House because I considered the source of the comment and it really was not worth raising.

**Mr. Shields:** Are you kidding?

**Ms. Copps:** However, subsequent to that, the self-same Minister went to the St. John's Board of Trade where he made similar ignorant comments—

**Mr. Thacker:** Stop whining and sniveling.

**Ms. Copps:** —about myself, about a Roman Catholic nun, about Canadian womanhood in general, and in particular he made very disparaging remarks about the fight against pornography. He said—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Earlier today the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) put some questions to the Prime Minister (Mr. Mulroney) with respect to some allegations about what the Hon. Minister of Transport (Mr. Crosbie) had said and the Hon. Minister of Transport replied.

The difficulty I have with respect to a question of privilege is that, at least up until this moment, the Hon. Member for Hamilton East is referring to alleged comments made outside the Chamber which, whatever one may think of them, I do not think come within the scope of privilege. The Hon. Member for Hamilton East may have reference to something said in this Chamber, and if she is getting to that I will hear it and then I might have to rule on it.

• (1510)

I would ask the Hon. Member for Hamilton Mountain (Ms. Dewar) to keep in mind the procedural difficulties the Chair may be in. The Hon. Member for York South—Weston (Mr. Nunziata) on a point of order?

**Mr. Nunziata:** Mr. Speaker, just a few moments ago the Hon. Member for Lethbridge (Mr. Thacker) referring to the Hon. Member for Hamilton East (Ms. Copps) said, and I quote, "Get out of the kitchen" or, "Go back to the kitchen".

**Some Hon. Members:** He didn't say that.

**Mr. Nunziata:** Yes, he did.

**Some Hon. Members:** Sit down.

**Mr. Nunziata:** Stop lying.

**Ms. Copps:** He said go back to the kitchen.

**Mr. Shields:** He said get out of the kitchen if you can't stand the heat.

**Mr. Speaker:** Perhaps if all Hon. Members, until they are recognized, constrain their desire to get into this debate we might be able to sort out the issues and I might even be able to settle the matter to everybody's satisfaction.

The Hon. Member for York South—Weston is rising on a point of order. What exactly is the point of order?

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, just a few moments ago—and I would ask you to check blues to confirm what we heard on this side of the House—the Hon. Member for Lethbridge (Mr. Thacker) said to the Hon. Member for Hamilton East (Ms. Copps) to get back to the kitchen.

**Some Hon. Members:** No.

**Mr. Nunziata:** —and he ran away. I would ask you to review the blues to determine whether or not those were the words spoken.

**Mr. Speaker:** The Hon. Member may or may not have said that. I certainly will look at the blues to see whether there was anything said which was out of order. In the meantime, I am hearing the comments of the Hon. Member for Hamilton East and I will recognize her again.

**Ms. Copps:** Mr. Speaker, seek the guidance of the Chair because I do not want to belabour the point. I can take the kind of personal insults which the Minister of Transport levels on a regular basis. I can take it and I can certainly dish it out.

**Mr. Crosbie:** Crybaby.

**Ms. Copps:** At the same time when the Minister of Transport representing the Government of Canada is sent out on a speaking tour which goes from one coast to the other and makes ignorant disparaging remarks—

**Mr. Clark (Yellowhead):** How is this privilege?

**Ms. Copps:** —about Canadian women, I think there should be some recourse in terms of Parliament.

**Mr. Speaker:** I certainly understand the point of the Hon. Member. The Chair is, of course, bound by procedural matters. I have to advise her that there are ways and means to ask the Government to respond to this sort of thing. The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) did just that in Question Period. There may be other imaginative means.

The difficulty the Chair is having is that I cannot bring this problem within the scope of privilege. No matter how serious the issue may be, as I say, I have to advise the Hon. Member for Hamilton East that her point does not come within privilege.

The Hon. Member for Hamilton Mountain (Ms. Dewar) has some remarks. I would ask her to keep in mind the same strictures to which the Chair must subscribe.

ALLEGED RIDICULE OF WOMEN BY MEMBERS

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, I do think it is a point of privilege—

**Mr. Clark (Yellowhead):** Order.

**Ms. Dewar:** —I would hope that—

**Mr. Speaker:** The Hon. Member for Hamilton Mountain (Ms. Dewar) is rising. She has said that she thinks she has a point of privilege. I will hear whether the Hon. Member has or has not a question of privilege. Surely in this place she has every right to be extended the usual courtesies while she attempts to make her point. The Hon. Member.

**Ms. Dewar:** Mr. Speaker, this afternoon in response to some questions some Hon. Members from the Government ridiculed and laughed at questions asked. It is not just an Hon. Member who is being ridiculed and criticized in this Chamber but it is the women of Canada—

**Mr. Clark (Yellowhead):** Don't be so presumptuous.

**Ms. Dewar:** —which is something that is very distasteful not just to myself but I am sure to the majority of the Members of this House. I would ask you whether it is possible, by way of privilege for the women of Canada to demand the same kind of dignity from Members of the House of Commons as the men constantly require. I think those comments made by the Minister of Transport (Mr. Crosbie) in laughing at reproductive technology this afternoon in this House are an insult to the women of Canada.

**An Hon. Member:** That is a fraud.

**Mr. Speaker:** The Hon. Member may very well be offended and, for that matter, people outside or inside this Chamber may be offended but I have to say to the Hon. Member for Hamilton Mountain (Ms. Dewar) that privilege is a narrow thing in this Chamber. As I have explained on other occasions, and I remind Members and also the public watching and listening, that when something has been done which limits or interferes with the capacity of an Hon. Member from carrying out his or her duties as a Member of Parliament that may very well be privilege. It is not privilege just because there are strong differences of opinion expressed in the Chamber or even certain comments which may be disagreeable in the Chamber. It can be privilege if, as I say, the attack on any Hon. Member in whatever way is such that the Hon. Member cannot carry on his or her duties.

In this case, while the Hon. Member for Hamilton East (Ms. Copps) and the Hon. Member for Hamilton Mountain have expressed their feelings on the matter, those feelings may or may not be understandable, given the context, but I have to say to both Members that what has taken place here in an unofficial exchange across the Chamber does not go to the narrow point of privilege and, as your Speaker, I cannot so rule.

The Hon. Member asks what other recourse she might have. That other recourse is to proceed along the lines of what the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) did today. There is the usual political recourse outside of this Chamber when an Hon. Member can express views about any other Hon. Member. I think both Hon. Members have made their points. I find that under the circumstances the matter is not a question of privilege.

I will hear the Hon. Minister of Transport (Mr. Crosbie) but I would ask him to be conscious of the fact that I have ruled that the matter does not constitute a question of privilege.

**Mr. Crosbie:** Mr. Speaker, I am conscious of your ruling. I just wanted to say that the circumstances of my remarks which have offended these Hon. Members opposite are not correctly put on the record.

I said nothing at all about the women of Canada. Nor did I say anything insulting to the women of Canada. I addressed myself to remarks made by two or three women, one of whom happens to be the Hon. Member for Hamilton East (Ms. Copps) who had made a particularly silly statement about the free trade arrangement, that it would open up Canada to a tremendous expansion in the surrogate mother industry with Americans coming up here to search for babies for export. I responded to that and to several other remarks made by women who support the NDP in St. John's, Newfoundland. At no time did I say anything insulting to Canadian womanhood. I have too much respect for the women of Canada to believe that their views are represented by these two Hon. Members here who apparently want to be treated equally but then whenever anyone debates lustily with them they want to bring up charges of sexism, whatever that is, or call upon their sex to save them and give them a special and peculiar status—

**Mr. Speaker:** I hear the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) rising on a point of order. Perhaps all Hon. Members would just hear the Chair for a moment. There will be a cut-off point and it is coming very rapidly in this exchange because this is getting into debate. The Hon. Member for Humber—Port au Port—St. Barbe.

**Mr. Tobin:** Mr. Speaker, given that I raised this issue today in Question Period I hope you will afford me a few moments as you have the Minister of Transport (Mr. Crosbie).

• (1520)

**Mr. Crosbie:** Why?

**Mr. Tobin:** To respond because I raised this question. The Minister of Transport (Mr. Crosbie) should note that it was not the Hon. Member for Hamilton Mountain (Ms. Dewar) or the Hon. Member for Hamilton East (Ms. Copps) who raised the matter today in Question Period, it was the Member for Humber—Port au Port—St. Barbe (Mr. Tobin). No one disputes the right of the Minister of Transport to defend himself or to put another view in any debate nor does anybody dispute the Hon. Member's right to use humour. I submit that all Hon. Members have enjoyed it on occasion. However, it is this particular brand of humour which, I submit, belittles all the women of Canada that is in question.

If the Member would put aside his partisanship, come to his senses and realize that we live in 1987, he would quietly come to his feet and submit an apology for any insult that was felt by the women of Canada, not by specific Members of this House who can defend themselves because they are here. If he did that, perhaps this matter could be closed and done away with. That would be the proper, acceptable thing.

**Mr. Speaker:** The Chair has heard representations and comments on both sides of the House. It may very well be a matter of considerable debate between others, but it is not a question of privilege. It is the view of the Chair that the interests of this place are not advanced by proceeding with further points of order on this question.

* * *

**Mr. Hockin:** Mr. Speaker, I rise on a point of order to ask if I could lay upon the table copies of a motion. Pursuant to the provisions of Standing Order 84(1)—

**Mr. Speaker:** The Hon. Minister of State is, I think, technically out of order. He would require consent to continue. I see the Hon. Member for Ottawa—Vanier (Mr. Gauthier). Perhaps he could assist the Chair.

**Mr. Gauthier:** Mr. Speaker, I know, like any Member of the House, that there are times of the day for tabling of documents. We passed that time this morning around eleven o'clock. If the Minister was not in the House to table his document, he should have at least come to us to tell us of his intent to table something and to consult. Maybe we would agree with him if we knew what he wanted to do, but to have Ministers come in any time of the day to table documents will not be in order as long as I am Whip of this Party.

**Mr. Speaker:** Perhaps the Hon. Minister of State for Finance (Mr. Hockin) could assist the Chair and the Chamber by indicating just what it is he wishes to table.

**Mr. Hockin:** Mr. Speaker, I would be very happy to consult. Indeed, I always try to make sure proper consultations occur and, if they have not, I do apologize. I understand the point the Hon. Member is making.

It is a copy of a Ways and Means motion to amend the Excise Tax Act.

**Mr. Speaker:** Perhaps I can assist Hon. Members. Standing Order 84(1) reads:

> A notice of a Ways and Means motion may be laid upon the Table of the House at any time during a sitting by a Minister of the Crown, but such a motion may not be proposed in the same sitting.

I would hear from Hon. Members, but I think on the face of it that the Hon. Minister of State, if it is a Ways and Means motion, is in order. My difficulty is that I did not know for what purpose the Hon. Minister was rising.

**Mr. Gauthier:** Mr. Speaker, just to clarify that point, I understand the point you are making. I understood the Minister to say that he had a document to table and that is why I took exception to his tabling of a document. However, if it is a Ways and Means motion, of course a Minister can table that at any time.

**Mr. Speaker:** The Hon. Minister of State seems to have gone over all hurdles and may now proceed with his Ways and Means motion.

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## WAYS AND MEANS

### TABLING OF NOTICE OF MOTION

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, I apologize to my hon. friend.

Pursuant to the provisions of Standing Order 84(1), I have the honour to lay upon the Table copies of a Ways and Means motion to amend the Excise Tax Act and, pursuant to the provisions of Standing Order 84(2), I ask that an Order of the Day be designated for the consideration of the said motion.

* * *

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, briefly, the Hon. Member for York South—Weston (Mr. Nunziata) mentioned another Member's behaviour during Question Period. By the time that was done the Hon. Member for Lethbridge—Foothills (Mr. Thacker) had left the Chamber because of other responsibilities. I would like it to be on public record that he was not in the Chamber and, according to our customs, might indeed want to reply at the earliest possible occasion, something which was not possible because he was not here.

**Mr. Speaker:** I have indicated to the Hon. Member for York South—Weston (Mr. Nunziata) that I would look at the "blues", and if I find that there is something there that has transgressed our rules or in some other way is, under our rules, a matter with which I have to deal, I will return to the Chamber with it. If that should come about, I of course would make arrangements for any Hon. Member who might be affected to address the Chair. I think that that is where we can leave the matter at the moment.

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## POINT OF ORDER

TABLING OF EXAMINATION OF FINANCIAL STATEMENTS AND ACCOUNTS OF CANADA LANDS COMPANY

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I rise on a point of order. I am seeking clarification from the Chair. It was our opinion that the Minister of Public Works (Mr. McInnes) was to ask at this time for the consent of the House to table a document regarding the examination of the accounts and the financial statements of the Canada Lands Company at Mirabel;, this was to have been done at three o'clock. I notice that the Minister is not present in the Chamber. Perhaps the Deputy government House Leader could assist us in determining if the document is still under embargo at this time because I understand that it has not yet been tabled. Will the Minister table it at some other time? Is the document free from embargo if that is the case?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there have been no communications with my office that the Minister was to do that in the House at three o'clock. He may be doing it, as the phrase goes, through the back door. In any event, I will check to see exactly when and where it is his intention to table it. I am sure the Hon. Member will be made aware of it as soon as possible.

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## BUSINESS OF THE HOUSE

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there are three Bills which the House will be proceeding with this afternoon. It is my understanding that we have consent to refer all three Bills to the Committee of the Whole House and to deal with all three stages of each Bill this afternoon. I think you will find consent for the Bills to be introduced and the motions put in that manner.

**The Acting Speaker (Mr. Paproski):** Is there such unanimous consent?

**Mr. Rod Murphy (Churchill):** Mr. Speaker, it is the intention of the New Democratic Party caucus to give speedy passage to these pieces of legislation and we do agree to having them go to Committee of the Whole and to be dealt with at all stages today.

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I understand that there have been consultations between our Party and the other Parties on this procedure. I see that the official critic for this Party has just entered the Chamber. I will hand him the document and he can skate around the issue if he wishes, but I think we will support that.

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# GOVERNMENT ORDERS

[*English*]

## CANADA LABOUR CODE

MEASURE TO AMEND

**Hon. Pierre H. Cadieux (Minister of Labour)** moved that Bill C-97, an Act to amend the Labour Code, be read the second time and, by unanimous consent, referred to the Committee of the Whole.

He said: Mr. Speaker, I rise to speak on the proposed amendments to Part III of the Canada Labour Code which, as Hon. Members know, regulates conditions of work for several hundred thousand Canadian workers subject to federal labour jurisdiction.

The proposed amendments which were prepared after consultation with concerned employer and labour groups are designed to rectify a problem which has arisen in the every-day application of the Code and which concerns the pension, health and disability benefits of many Canadian workers. I would now like to take this opportunity to outline the nature of the legislative changes and the problems they address in the hope that Hon. Members on both sides of the House will see their way clear to pass these important and useful amendments as expeditiously as possible.

● (1530)

We are proposing to repeal subsections 59.52(2) and (3) as well as subsections 61.4(2.2) and (3) of Part III of the Code in order to replace them with a more comprehensive text concerning the accumulation of pension, health, and disability benefits by employees who are on child care or sick leave under the Code.

[*Translation*]

Mr. Speaker, for a better understanding of the problem the proposed amendments are intended to rectify, we should go back to June 1984. At the time, Mr. Speaker, this House adopted a series of amendments to all parts of the Canada Labour Code, including Part III.

The amendments were concerned with child care and provided that parents subject to federal labour jurisdiction could take twenty-four weeks unpaid leave in addition to the

seventeen weeks of maternity leave provided under the Canada Labour Code at the time.

[*English*]

The legislative changes passed in 1984, with the support of all Parties, were both progressive and forward-looking in keeping with the Code's reputation as a trend setter in the field of labour legislation. For instance, the amended Code permits both natural and adoptive parents to benefit from the 24 weeks of child care leave, and it is possible for a female employee to combine both child care leave and maternity leave for a total of 41 weeks of unpaid leave.

[*Translation*]

Employees who take advantage of these child care and sick leave provisions are entitled to return to their original position.

[*English*]

The amendments of 1984 also provide that the pension, health, and disability benefits of employees absent from work under the Code's child care or sick leave provisions continue to accumulate during their absence. The Code stipulates that in order to benefit from this provision employees must continue making any monetary provision normally required of them.

As I mentioned, these progressive amendments were approved on both sides of the House and came into force on March 1, 1985. Since that time, however, it has become obvious that an amendment is necessary in order to correct the following problem concerning the accumulation of pension, health, and disability benefits by employees during child care and sick leave.

The problem is that while the law requires employees to make their normal contributions in order to continue accumulating these benefits, it does not specifically require employers to continue their contributions. In the absence of such a legislated obligation some employers are requiring employees to assume more of the costs of benefits during leave than when the employees are at work.

[*Translation*]

Mr. Speaker, this practice is contrary to the publicly stated intent of the law and contrary to departmental policy. Although legally, it does not constitute an offence, this practice has led to many individual complaints and to pressure by unions to have the law amended.

[*English*]

In considering the problems that this situation can create for employees we must remember that the Code provides for unpaid child care or sick leave. Although collective agreements may provide some form of pay during this leave, and although women on maternity leave can collect unemployment insurance up to a certain number of weeks, it is obvious that most employees who avail themselves of the Code's provisions on child care and sick leave must cope with a period of more restricted income. It may also be a period of increased expense because of the birth of a child or because of medical expenses.

Yet, as the law now stands, it is precisely during such a period of budgetary restriction that an employee can be told by an employer that if he or she wishes to accumulate benefits under the company pension plan, for example, they must pay both the employee's and the employer' share to the pension fund.

The amendments of 1984 were never intended to allow such a situation which, as I said earlier, is contrary to the publicly stated intent of the law and contrary to departmental policy.

[*Translation*]

Mr. Speaker, the purpose of this Bill is to remedy the problem and put an end to this unfair practice. We intend to amend the Canada Labour Code so that it clearly requires an employer to continue payment of contributions to pension, health and disability plans for employees who are on child care or sick leave, such contributions being at least equal to those paid when the employees are at work. Should employees not contribute to the plans while on leave, the employer's obligation would cease.

[*English*]

As I mentioned earlier, this clarification of the employer's responsibility in this area can be accomplished by replacing a few subsections of the present Code with the text contained in the Bill before us. Hon. Members will note that the proposed amendment to subsections 59.52(2) and (3) would clearly require an employer to continue the payment of contributions while an employee was on leave of absence for maternity or child care purposes. On the other hand, since employees have the option not to avail themselves of the Code's provision and not to make contributions during their absence the Bill provides that in such a case the employer's obligation to contribute would cease.

[*Translation*]

The Bill also proposes to amend Subsections 61.4 (2.2) and (3). This amendment would have the same effect as in the case of Subsections 59.52(2) and (3), but would apply more specifically to sick leave.

As I said before, Mr. Speaker, we are justly proud of the Canada Labour Code and the progressive provisions it contains with respect to sick leave and child care leave. However, there is a flaw which the proposed amendment is intended to rectify.

[*English*]

Therefore, considering the importance of these amendments to so many working men and women in Canada, and considering that Hon. Members on both sides of this House share an interest in establishing and maintaining equitable labour relations, I ask for the support and co-operation of all my hon. colleagues in ensuring quick passage of this Bill.

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the support and co-operation for which the Minister of Labour (Mr. Cadieux) is asking will be forthcoming. In my opinion, Bill C-97 is a worthy piece of legislation. We believe that the

right of an employee to contribute to a pension, health, or disability pension fund is a sacred entitlement. The Labour Code sees it that way but, unfortunately, because of a loophole in the Code, certain employers have been able to circumvent the law and escape their responsibility to contribute the employer's share to a pension fund when, for example, an employee is rightfully on sick leave or maternity leave. Bill C-97 will close this loophole, which we believe is the right thing to do.

[*Translation*]

The Minister of Labour (Mr. Cadieux) had already told me about his intention to introduce Bill C-97 to fill some of the gaps in the existing Labour Code. All employees contributing to a pension fund, a fund which protects them in case of illness or disability, expect to be able to continue their contributions and especially see that the employer as well makes his contributions to these funds when the employee is off because of illness or on leave to look after children, the most frequent occurrence being what is commonly called maternity leave. Unfortunately, clear though the intention of the Labour Code may be, it did have a loophole which made it possible for certain employers to evade their responsibilities. The measure under consideration is clearly intended to ensure that the employer will continue to pay his share of the contributions to these plans which protect the employees, provided of course the employee himself pays his contribution. Therefore we believe this measure will clarify certain sections of the Labour Code, and with that we agree.

This Bill reaffirms the spirit of the Labour Code and adds something that was missing in certain sections. This is why I do not intend to keep the floor much longer. I think the Bill is short but well drafted, a measure we were waiting for and which will certainly be welcomed by all working men and women throughout the country who contribute to various plans so as to be covered after retirement or in case of illness. To that extent we support this Bill, Mr. Speaker, and we hope it will go through all stages in the House of Commons as soon as possible.

• (1540)

[*English*]

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I rise to give our support for this legislation. On a number of occasions in the House I asked the Minister to bring this legislation forward. On those occasions, as well as in private conversations, the Minister indicated that he would move with speed. I want to congratulate him for that.

This is one time when we knew that the law contained an unintentional flaw when it was passed in 1984. It became apparent that some employers would use that loophole in order to deny benefits to people who are on maternity leave, child care leave or sick leave.

We welcome this legislation. Again, I congratulate the Minister for moving quickly in this matter.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time, and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

**The Deputy Chairman:** Order. House in Committee of the Whole on Bill C-97, an Act to amend the Canada Labour Code. Shall Clause 1 carry?

On Clause 1:

**Mr. Murphy:** Mr. Chairman, I have one question. When does the Minister intend to have this Bill proclaimed?

**Mr. Cadieux:** Mr. Chairman, hopefully as quickly as the Senate is prepared to look at the legislation. We should proceed as quickly as possible.

**The Deputy Chairman:** Shall Clause 1 carry?

**Some Hon. Members:** Agreed.

Clause 1 agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

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## ACT RESPECTING THE HUDSON BAY MINING AND SMELTING CO., LIMITED

MEASURE TO AMEND

**Hon. Pierre H. Cadieux (Minister of Labour)** moved that Bill C-98, an Act to amend an Act respecting the Hudson Bay Mining and Smelting Co., Limited, be read the second time and, by unanimous consent, referred to Committee of the Whole.

He said: Mr. Speaker, I rise to address the House concerning the proposed amendments to the Act respecting the Hudson Bay Mining and Smelting Co., Limited.

These amendments concern a subject which, I am sure, is of great concern to all Hon. Members, namely, the health and safety of Canadian workers.

[*Translation*]

Mr. Speaker, the importance of safety and health in the workplace cannot be stressed often enough. The statistics are

eloquent. In 1985, the last year for which figures are available, 768 Canadians lost their lives on the job and 16.2 million working days were lost as result of accidents. The cost, both direct and indirect, works out to about $14 billion, a very high price to pay for this country, both in human and financial terms.

[*English*]

This tragic and intolerable situation demands that we make every effort to ensure efficient, modern and effective regulation of safety and health in the workplace.

The amendments which I have proposed will make an important contribution to protecting the lives and well-being of employees of the Hudson Bay Mining and Smelting Company in the Flin Flon mineral area of northern Manitoba and Saskatchewan.

[*Translation*]

I want to take this opportunity, Mr. Speaker, to explain the reasons for these amendments and give a short history of the problem we are anxious to solve.

[*English*]

As you may know, the Flin Flon mineral area is a large, vaguely defined region situated mainly in Manitoba but extending into Saskatchewan, with the majority of employees and mining operations located in Manitoba. Hudson Bay Mining and Smelting mines and plants straddle the border between the two provinces.

Because of the interprovincial nature of the enterprise, mining operations in the area were brought under federal labour jurisdiction by the Hudson Bay Mining and Smelting Act of 1947.

However, as we all know, mining is an occupation with many specific hazards not found in other types of work. As a result, specific regulations are required to deal with all the special occupational safety and health problems in this industry.

Therefore, the problem in the Flin Flon mineral area is that Hudson Bay Mining and Smelting operations are under federal jurisdiction, and federal occupational safety and health legislation has applied. However, for many years each of the provinces has tried to apply its own mining occupational safety and health legislation.

[*Translation*]

The result has been a degree of overlap and even a certain amount of confusion, so that protection of the occupational safety and health of company employees was not as effective as it should have been.

[*English*]

Provincial Governments, industry and unions have stated concern regarding this situation and their strong preference for any arrangement that would permit one uniform set of provincial occupational safety and health legislation to apply.

• (1550)

In order to eliminate all possible confusion, and to give Hudson Bay Mining and Smelting workers the benefit of a single uniform set of rules in this all-important area of occupational safety and health, I propose the following measures, which have been developed after extensive consultation with the provinces, the company and the unions; first, amendment of the Hudson Bay Mining and Smelting Act to provide that Manitoba occupational safety and health statutes and regulations will apply to all Hudson Bay Mining and Smelting operations in the Flin Flon mineral area on both sides of the boundary between Manitoba and Saskatchewan; second, the Flin Flon mineral area will be defined in a Memorandum Of Understanding between the parties involved; third, inspection in occupational safety and health services will be provided by the Manitoba inspectorate.

A letter of agreement will cover this issue. The details relating to this element are now being discussed with the Province of Manitoba.

[*Translation*]

Since a very small proportion of the company's operations and jobs is located in Saskatchewan, that province is willing to let Manitoba statutes apply on its territory. Current mining operations in Saskatchewan will be terminated in a few years.

Finally, I should add that Manitoba recently passed a new series of updated mining regulations. These regulations are the result of a tripartite consultation process and provide good protection in terms of occupational health and safety in contemporary mining operations.

[*English*]

This Bill, which has the support of the Provinces of Manitoba and Saskatchewan, the company and the unions, provides an effective resolution of this long-standing problem, ensuring a high standard of occupational safety and health protection for Hudson Bay Mining and Smelting employees. The proposed Act will come into force on a date to be fixed by order of the Governor in Council. This will be the earliest date that will provide for, first, the finalization of the letter of agreement with the Province of Manitoba and, second, a clear transition to the administration by the province.

This Bill will help achieve better protection for the well-being and, indeed, the very lives of Hudson Bay Mining and Smelting employees in Manitoba and Saskatchewan. These workers daily face occupational hazards in order to earn their living and contribute to the economic well-being of our nation. They have a right to be protected by efficient, modern occupational safety and health regulations designed for their industry and their needs. I urge Hon. Members on both sides of this House to co-operate in passing these amendments as quickly as possible.

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, in saying a few words on Bill C-98, I will say it is a lucky day for the Minister of Labour (Mr. Cadieux). He is going to get two

pieces of legislation passed quickly, which goes to prove that sensible legislation can pass rather swiftly in this House.

The Minister is right again that the situation that prevailed in the Flin Flon mineral area had to be settled. It was difficult for the people to understand who had jurisdiction, and which statute would apply with respect to occupational health and safety, the Saskatchewan statutes or the Manitoba statutes. A solution had to be found.

I think the solution the Minister has been able to negotiate with the parties involved, including the two provincial Governments, is the right one. I am going to try to stay away from what the Minister said because he has described the situation very faithfully.

The schedule lists a number of legislations and regulations that will become standard for the area after the Bill is passed. Could we, for example, accept what has until now been the practice that the Elevator Act of either one province or the other would apply? Surely not. In this case, the Acts to which I will refer are Manitoba Acts. For example, with respect to the Fires Prevention Act, if a fire starts in an operation, they will want to know which fire marshal has jurisdiction over the area. This was not clear until now. From now on the Fires Prevention Act, a statute of Manitoba, will apply. The same thing with the Gas and Oil Burner Act, the Manitoba Hydro Act, the Steam and Pressure Plants Act, and the Workplace Safety and Health Act.

The regulations which derive from these pieces of legislation are also listed. Surely one expects that when situations that are likely to be covered by these Acts arise, one knows exactly what statute applies. This is what this Bill will do. It will clarify the whole situation. I think it is a fine piece of legislation that deserves quick passage.

I will conclude by saying that I believe the Minister has depicted the situation in sufficient terms. I also want to give the floor to my colleague, the Hon. Member for Churchill (Mr. Murphy), in whose riding the operations are located. I am sure he will be able to add to what I have been able to say so far. I am rather certain that he will also give his approval to this piece of legislation.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I think this is the second time I have been introduced by my Liberal colleague before I rose to speak. It is true that the legislation does affect my own riding. I must say I am very happy to see this piece of legislation come forward. It has been something I have had the opportunity of working on ever since I became a Member of Parliament in 1979. I do congratulate the Government for doing this.

It has taken a lot of work by the unions and company involved, by the two provinces, the federal Government and the officials of the Department of Labour to have this legislation come before us. I would like to congratulate all the people involved.

The mining communities which are affected by this legislation are in northern Manitoba, as one would expect. They are far from the services the federal Government is able to offer in the area of occupational health and safety. Nearby communities with mines come under provincial legislation and those services are readily available. That has been the genesis, the reason for this legislation.

I do have one concern with the legislation and that is something I will deal with when we go into clause by clause study in a few moments. I must say it does make sense to assign this responsibility to the Province of Manitoba. Most of the current mining is being done on the Manitoba side, and on the Saskatchewan side it has actually been a reducing operation with the passage of years. We also have in the Flin Flon mining area more mines being discovered over the years and it is actually an expanding area. Therefore, more and more of the employment is being done on the Manitoba side.

As the Minister did, I would also like to point out that Manitoba legislation is very progressive when it comes to occupational health and safety. That has been the result of tripartite work by employers, employees, and the Government over the years. This legislation does meet the needs of people and it is good legislation for the miners in northern Manitoba. Again, I would like to thank the Minister for moving forward with this very necessary and very progressive legislation.

• (1600)

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the Chair.

**The Deputy Chairman:** Order. House in Committee of the Whole on Bill C-98, an Act respecting the Hudson Bay Mining and Smelting Co., Limited.

Shall Clause 2 carry?

On Clause 2.

**Mr. Murphy:** Mr. Chairman, my question relates to the fact that the workers' compensation will not be affected by this legislation. It does seem important that, if we are in a situation where the occupational health legislation of the Province of Manitoba is going to apply, we should also have some clarification on what the Government intends to do with regard to workers' compensation.

**Mr. Cadieux:** Mr. Chairman, this is a very important question. But as my hon. colleague suggests, the workers' compensation is under provincial jurisdiction. Consequently, I would suggest that both provinces would have to address that particular issue possibly in dealing with our discussions on the administrative arrangements. I do not believe that federal

jurisdiction has any power at this point with respect to that particular issue. I would suggest to the provinces that they should address this very sensitive issue in the administrative arrangements.

**Mr. Murphy:** I was wondering if the Minister would be offering his good offices to make sure that there is some action taken on the workers' compensation issue. It is something that is important. I know that in some of the earlier discussions that took place there was a belief that the workers' compensation would be included in this legislation.

**Mr. Cadieux:** Again, I do not think that we can address this particular issue in this legislation because of the jurisdiction. But I will surely raise that particular question, which is very important, and it has to be dealt with by the appropriate authorities. I will definitely offer my good offices to raise the question with the appropriate provinces, and hopefully convince them to deal with it in their arrangements.

Clauses 2 and 3 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

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## PENSION ACT, WAR VETERANS ALLOWANCE ACT AND COMPENSATION FOR FORMER PRISONERS OF WAR ACT

MEASURE TO AMEND

**Hon. George Hees (Minister of Veterans Affairs and Minister of State (Senior Citizens))** moved that Bill C-100, an Act to amend the Pension Act, the War Veterans Allowance Act, to repeal the Compensation for Former Prisoners of War Act and to amend another Act in relation thereto, be now read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, once again it is my pleasure to introduce legislation to this House which will be of benefit to Canadian veterans and their families.

Bill C-100 is omnibus legislation which will remove deficiencies that have been revealed within the existing legislation. We want our legislation to be fair and equitable to all veterans and their families, and Bill C-100 will erase injustices that have inadvertently been allowed to exist.

Spouses of former prisoners of war have been particularly affected, and that is why I am proposing that the Compensation for Former Prisoners of War Act be repealed, and that our POWs and their dependants be covered in the future by the Pension Act, as they were from 1971 until 1976.

I say this, Mr. Speaker, because I believe that Parliament on several occasions intended benefits in the Compensation for Former Prisoners of War Act to parallel those in the Pension Act. Unfortunately, as there were two separate pieces of legislation, this did not always happen. Repeal of the Act will reduce future chances of this happening.

This legislation puts forward 12 amendments in all, but as many are of a housekeeping nature, my comments will concentrate on the more major items.

As I suggested a moment ago, the Compensation for Former Prisoners of War Act has been lacking in a number of areas, and I am proposing amendments to correct this. We will be improving areas that have been of concern to organizations such as the National Prisoners of War Association, the National Council of Veteran Associations, and the Royal Canadian Legion.

Hon. Members will know, Mr. Speaker, that we compensate former prisoners of war for their time spent in captivity. Also, as with all veterans, former prisoners of war may be entitled to compensation for any disability they sustained during the time of their service.

It is my belief that Parliament's intention had always been to recognize this dual entitlement in the calculation of survivor benefits. Indeed, this was the practice followed by the Canadian Pension Commission until 1986, when it was determined that the legislation, as written, did not include prisoners of war who had not been in receipt of a disability pension. Repealing the Prisoners of War Act and placing prisoner of war benefits in the Pension Act rectifies this situation and means that for all future applicants, dependant and survivor benefits will again be in step as intended.

• (1610)

Similarly, it was found that the POW legislation did not permit the Canadian Pension Commission to combine rates when it had to calculate survivor benefits. Prisoner of war compensation and disability compensation must now be determined independently, and this reduces the payments being made to a number of widows. The amendment before the House will allow the commission to return to its traditional methods and cap the maximum at one full survivor's pension.

This will be of particular benefit to widows of prisoners of war who had been in receipt of pension and compensation which, when combined, yield a total of 48 per cent or more. For example, a widow of a POW who had been receiving 25 per cent compensation and 25 per cent pension will currently receive a survivor benefit of half the 25 per cent compensation and half the 25 per cent disability pension. This amendment will permit the commission to add the two percentages and pay the higher full widow's pension instead of two proportionate pensions.

We are also proposing that the married rate should be paid for one full year following the death of a spouse. This puts our POW benefits in line with those that already exist for disability pensioners.

Hon. Members will recall that a similar amendment was made in Bill C-28, passed in February, 1985. I said then that it bordered on the inhumane to reduce a widow's income within a month of the veteran's death, and I feel exactly the same about the benefits paid under the POW Act. This amendment will keep these benefits in pay for a full year following the POW's death and thereby give the widow an opportunity to adjust to her changed circumstances.

I am sure that all Hon. Members will enthusiastically support another measure which will introduce further compassion into our legislation. The House will recall the plight of those Canadians who were held prisoner in North Africa during the war. These veterans had been unable to receive prisoner of war compensation because there was doubt as to whether they had been detained in enemy territory. Eventually, and happily, this matter was resolved, but not before these veterans had been denied compensation for many years because they did not meet the strict criteria.

Now we want the Canadian Pension Commission to have the discretion to grant POW compensation in specially meritorious cases such as the ones which came forward from veterans held prisoner in North Africa.

This flexibility already exists in the case of disability pensions and has enabled such deserving people as the veterans exposed to nuclear radiation in the 1950s to make application for pension.

I have confined my remarks to the more important amendments contained in this legislation. All amendments, however, are designed to improve the existing legislation for veterans and their dependants.

Veterans and their families are very special Canadians, and I am confident that all Members fully appreciate the fairness of this legislation, just as I very sincerely appreciate the support the Bill has received from all sides of the House.

**Some Hon. Members:** Hear, hear!

**Mr. Len Hopkins (Renfrew—Nipissing—Pembroke):** Mr. Speaker, first of all I want to say that the Liberal Party agrees with this Bill. I compliment the Minister on bringing it forward. It is in keeping with the historical and traditional policies of Parliament that we look after our veterans and their survivors because we owe it to them.

The Bill today is a very humane act. It recognizes or reminds us once again of the realities of war. It also reminds us of the consequences of war. In many ways, as the Minister has said, it is a housekeeping Bill, but it is a very necessary Bill and the amendments are very important to the people who will benefit from them.

As the Minister stated, there has been legislation which intended to do many of these things but because of technicalities did not work in the way Parliament intended it to work. This Bill will repair those things.

The Minister also mentioned that it will repeal the Compensation for Former Prisoners of War Act. What it really does is transfer the responsibilities or the purpose of the Compensation for Former Prisoners of War Act to the Pension Act, so that the amendments to the Pension Act, when passed, will apply to both veterans who were not prisoners of war and those who were prisoners of war. Hence, prisoner of war benefits will become part of the Pension Act. It makes the legislation more simple. It creates less red tape for veterans, their survivors, and their dependants who qualify for the benefits mentioned herein.

Today we hear many people talk about the cost of social benefits in Canada, but I want to point out that in the Bill the Minister brought in today all the benefits that benefit people in a very sincere and humane manner will cost less than $3 million. If we say it slowly, it sounds like a lot of money. However, if we consider the number of people who will benefit from it, it is not a lot of money. In fact, if we want to use a comparison, let us say that this Bill will cost Canadians slightly more than a present day, modern, heavy-armoured, battle-line tank. I think that is a good comparison to make since today we are talking about veterans' benefits.

It will reinstate payment of prisoner of war survivor benefits where the deceased veteran was not in receipt of a disability pension. This technicality arose in 1986. If a prisoner of war was being compensated for the fact that he had been a prisoner of war, he and his survivors did not qualify for other benefits. In order for his survivor and dependants to qualify, he had to be on disability pension as well, or singularly on disability, whatever the case may be.

As a result, compensation for being a prisoner of war is valid now for continuation of a pension. The disability and compensation factors will both be tied into the Canadian Pension Commission after the legislation is passed. The particular amendment will enable the Canadian Pension Commission to return to its traditional procedures. In other words, it will deal with both compensation and disability at the same time.

Another important facet is the fact that the Bill re-authorizes the combining of the rate of disability pensions with the rate of prisoner of war compensation payable to a deceased veteran in determining a survivor benefit and will cap it at one full survivor's pension instead of two. It will also entitle the survivor to a full widow's pension, which is an extremely important point.

• (1620)

A very important amendment in this Bill on which I want to compliment the Minister authorizes payment of the married rate for one full year following the death of a spouse or veteran. This brings the Prisoner of War Act directly into line with the Canadian Pension Act. The authorization of these payments for one year following the death of a veteran when his spouse and dependants will be receiving a full income from the veterans pension is important because that time is very

difficult. It is a period of transition when they need to carry on and adjust to the future. This amendment adds a great deal to the humane attitude to veterans legislation.

You had to be a prisoner of war for 30 months on a continual basis before qualifying for any compensation under the Compensation for Former Prisoners of War Act. Now you can add one, two or three imprisonments together to get a total of 30 months. That is only fair. A person who was captured two or three times went through much greater ordeal.

There is another technical amendment. These sorts of things pass by legislators when Bills are drawn up. If a person was captured on February 1—and the legislation in the past said that you required three months to get a prisoner of war pension—you would require only 89 days to qualify for that pension, but if you were captured on July 1 you would require 92 days to qualify. Those of us who handle a lot of veterans' cases run across these inequities from time to time.

Another important part of this Bill authorizes the Canadian Pension Commission to grant compassionate prisoner of war compensation in cases of special hardship where an applicant is otherwise unqualified. The Minister in this case today mentioned prisoners in North Africa who were considered to be outside the enemy's territory. I think what this legislation recognizes and should recognize is that in times of war we know no boundaries. Boundaries can change from day to day. You cannot really say that because it is not in actual enemy territory, you are not in enemy territory. How would you be captured if you were not in enemy territory or vice versa? That is a good amendment.

In bringing all this together today I think again that the historical tradition of Canada and Canadian Governments over the years has been to provide for veterans, survivors and their spouses. This is a great responsibility that must never be forgotten. We must look after families of those who have died in defence of freedom and those veterans who came home incapacitated, unable to provide for their spouses and families. That is our job here at home and one that we must continue.

I know that the Minister today has a great feeling for his job, as did the Hon. Dan MacDonald when he was in this House. He understands it is important that veterans be made comfortable for the remainder of their lives. That is the least we can do for the service they have given to this country. He understands it is important that veterans be made comfortable for the remainder of their lives. That is the least we can do for the service they have given to Canada. Therefore, we must be reminded at this time that present day Canadian nationalism was really born on the battlefields of Europe, of the world and also at the negotiating tables that brought World War I and World War II to a close, not forgetting the Korean War later on. Only if we ourselves in this Parliament look after normal lifetime responsibilities that would have belonged to those veterans who did not return and only if we look after the lifetime responsibilities of those who returned incapacitated, can we really say that we are remembering them. That is the job of every Canadian, not just at the cenotaph on November 11. They may have been maltreated while in prison or wounded in war, but it is the job of Canadians as a whole to remember them by looking after those who returned incapacitated, their spouses, families and dependants.

The Minister mentioned various organizations. I would like to pay tribute, on behalf of my Party today, the Liberal Party of Canada to organizations such as the National Prisoners of War Association, one of which is the renowned Dieppe Prisoners of War Association; the National Council of Veterans Associations; and the Royal Canadian Legion, which has some 1,700 branches across Canada. People in these organizations have continued to champion the causes and brought forward representations to the Government of Canada to amend the legislation so that we as parliamentarians can better carry on the job of supporting our veterans. Of course then we have the Canadian families who are directly affected by things that arise by way of technicalities and legislation that do not apply to their individual cases. We owe it to them too for bringing their ideas forward to us.

To all those people I want to say thank you today. I appreciate that the Minister has brought this legislation forward in the historical and great traditions of Canada as a caring nation on behalf of its people for those who sacrificed their lives or health for our country. Last August I had the privilege of attending the ceremonies in Dieppe with the Minister along with many other veterans in remembering that horrendous day, August 19, 1942. It brought home the fact that there should be no complaint or disagreement among political Parties in Canada to support legislation benefiting those who were killed or wounded in such battles all over the world on Canada's behalf. They fought for all of Canada. Therefore, all Canadians, regardless of their political stripe, should defend spouses and dependants of veterans at a time of need.

Thank you for giving me this time to say a few words on this Bill, Mr. Speaker. Again I congratulate the Minister for bringing this legislation forward today.

**Mr. Neil Young (Beaches):** Mr. Speaker, at the outset I want to say that the proposed legislation before the House, Bill C-100, has the full support of the New Democratic Party. My remarks will be extremely short. It is crucial that this legislation be passed in all stages today because it contains quite a number of improvements for prisoners of war, their dependants and their widows.

• (1630)

I have been a member of the House of Commons Standing Committee on Veterans Affairs since I came here in 1980. At practically every appearance before the committee of the Royal Canadian Legion, the Canadian Council of War Veterans' Associations, the National Prisoners of War Association of Canada, as well as of the wives and widows of the members of the National PWO Association, we heard a

litany of complaints dealing with various pieces of legislation affecting prisoners of war and veterans' benefits.

I must take this opportunity to compliment the Minister. Since I have been here, he has been one of the most responsive Ministers of Veterans Affairs. He has managed to clear up most of the petty, niggling little problems which should have been rectified long before this. Even though they may seem like small problems to us, they are huge problems to the people who rely on those benefits for an adequate and decent standard of living. I believe that the Minister should be complimented for that, and I know, speaking for myself and, I think, for other members of the Veterans Affairs Committee from all Parties, he will receive the continued support of that committee for the work he does on behalf of veterans and their families.

This is not to say that the Minister and I do not disagree from time to time. We certainly do disagree, and of course that is what we are all here to do.

Some of the other issues the wives and widows of members of the National Prisoners of War Association raised with the Standing Committee on Veterans Affairs at a meeting on June 18 have not been addressed by this legislation. However, I have had a discussion with the Minister and he has assured me that he will be pursuing the concerns which those individuals raised with the committee over the next short period of time, and of course, knowing the Minister, I accept that he will do so. We look forward to the moment when we can improve the legislation affecting veterans, their families and prisoners of war even further.

That is about all the time I wish to take on these amendments. I think they speak for themselves. We are not talking about a large amount of money. I think it amounts to about $3 million over the next five years. In terms of total government expenditures over that same five-year period, we are talking about peanuts, but that amount of money represents a substantial improvement in the lot of POWs, their families and their dependants. It is an extremely important move, even though it does not seem to be such a massive amount. It is the least we can do to help the people to whom we owe so much to live a decent life in Canada, and I think this legislation goes in that direction.

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I hesitate to rise to speak to Bill C-100, given the eloquent words of the Minister and the two opposition spokesmen who have already addressed themselves to this Bill. Nevertheless, I feel compelled to rise.

I listened with great interest to the Minister of Veterans Affairs (Mr. Hees). As Hon. Members know, the Minister is a man of few words and a man of considerable talent. He has done a considerable amount of good for the Veterans Affairs Department, but I submit that he is also a man of some modesty. When he rose in his place to introduce this Bill to the House, he described it as a housekeeping measure. I want to say to the Minister that I fundamentally disagree with him. This Bill is substantially more than a housekeeping measure, and I say that with great respect.

Hon. Members on all sides of the House will recall that some months ago, CBC Radio did a Sunday morning program about people who were prisoners of war in Laghouat, Algeria. There are some several dozen of them across Canada, including about half a dozen in my own Province of Newfoundland. These people spent years in a prisoner of war camp. Jim Templeton from St. John's went in there weighing 180 or 190 pounds and came out weighing 130 pounds. Some of them saw their colleagues shot and killed while trying to escape the camp. So that we are clear as to whether or not it was a prisoner of war camp let me say that it was administered by the Gestapo.

**Mr. Benjamin:** And the Vichy French.

**Mr. Tobin:** And the Vichy French. However, because that camp was located in Algeria, a nation with which we had not formally exchanged a Declaration of war, under the terms of the Compensation for Former Prisoners of War Act as defined in the legislation of 1976 or 1977, the Government was unable to find that these men had been prisoners of war.

The situation was brought to the attention of the Minister. Indeed, I raised it myself on a number of occasions in the House. The Minister, without argument and without hesitation, acknowledged that, given the circumstances involved, it was indeed not a grey area, it was not a question of a judgment call, but it was clear that these Canadian veterans had been prisoners of war in the most brutal sense of the word and that they had suffered greatly in their service to the nation.

I am saying this because the Minister is somewhat modest and would not say it himself. He was able to find a way, through the use of historical documents, to bring benefits under the old Act to these people who had been held prisoners in Laghouat, Algeria. The many people who were involved in this case rejoiced and indeed gave due respect and thanks to the Minister for his action.

Some of us who were involved in this matter were concerned about other prisoners of war about whom we do not know yet who suffered under similar conditions. We wondered if there would be an historical document somewhere, as there was in the case of Laghouat, which would allow us to recognize those others. In the case of Laghouat, a technicality was used to recognize that at least during wartime, the prisoners were held in enemy territory. What if there is no such technicality for the others?

Today the Minister is bringing in Bill C-100 and at the same time repealing the Former Prisoners of War Compensation Act. This new legislation brings the plight of those people under the discretion of the board, something which was not available before. The Minister has ensured that in future, when people who have suffered the same kind of treatment as those who were held at Laghouat, Algeria, come forward, we

will not have to search for a technicality in order to give them simple justice.

Let me say, as one who is not a member of the Veterans Affairs Committee, as one who does not normally participate in these debates, but as one who brought the conditions of former prisoners of war to the Minister's attention, that I think the change the Minister has made to ensure that all legitimate prisoners of war are compensated is an important one and goes far beyond simple housekeeping. In fact, it is an entrenchment of the principle of simple justice in Bill C-100.

There is no question that justice and fairness do not have price tags and cannot be measured in dollars and cents. It struck me, as I know it struck the Minister as we discussed the matter, that in the case of Laghouat, those people were less interested in receiving financial compensation for being recognized as prisoners of war than they were in receiving the dignity of recognition for the price they had paid in the service of their country. They asked for recognition that they had indeed served Canada and paid a price as prisoners of war—not as interns at some resort, but as prisoners of war. That was their first interest.

• (1640)

The Minister has given to all of those in similar circumstances, not only benefit of a pension provided under the Pension Act—which is important and not to be belittled—but their dignity. That is what they asked for first and foremost. For that I heartily congratulate the Minister of Veterans Affairs today.

**The Acting Speaker (Mr. Paproski):** Before I recognize the Hon. Member for Regina West (Mr. Benjamin) I would like to remind him that the Bill is to go through all stages before Private Members' Hour.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I guarantee you that that will happen. When have I ever caused you any trouble? Perhaps in other places, but not with you.

I will keep my remarks brief. I would like to congratulate the Minister on this legislation. I want to appeal to him as well. The Minister is making some corrections of errors of omission or commission and giving some recognition to veterans and their survivors. I hope he will address himself to two further areas.

By the way, I enjoyed watching the brief exchange between our honorary member at the Clerk's Table, the former member for Winnipeg North Centre, and the Minister of Veterans Affairs (Mr. Hees). The honorary member at the Table carried on the fight for veterans in this place along with the Hon. Minister since 1942. I would like to carry on the fight which my former colleague carried on with previous Ministers of Veterans Affairs.

The first appeal I would like to make is with regard to the Spanish Civil War veterans. Several thousand of them fought the Fascists in Spain between 1935 and 1938. Most of them volunteered for the Canadian Forces in 1939 and fought in the Second World War. In fact, for some of them it was a third war. They had been in World War I, the Spanish Civil War, and then World War II.

As I am sure the Minister knows, there are only about 200 of these veterans left of the several thousand who served, and a few surviving widows. I had a Private Member's Bill before this House for many years, to which precedessors of the Minister responded, in the bureaucrats of the Department, that they were mercenaries. The Minister and I know that that is not true. Most of them paid their own way. They were all volunteers. None of them made any money. Some of the 200 who are left served as prisoners of war, and a few were even tortured by the Fascists in Spain.

All they really want is recognition as veterans. I doubt whether very many, if any, are looking for any benefits. They only want recognition as veterans. The handful who are left are now in their 70s, 80s, and 90s I think that recognition long past due is deserved. I hope the Minister, unlike at least five of his precedessors with whom I have dealt, will recognize that.

In this Bill the Minister is dealing with the criteria for the awarding of decorations. Over the last couple of years I have been working with him on the case of a veteran who served for five years overseas. This veteran did not spend the 160 or 180 days on continental Europe, which is the criterion for the 1939-45 Star, because so much of his time was spent in England and Ireland. I did not know that England and Ireland had been moved out of northwest Europe, but the Department of Veterans Affairs has done so. This veteran manned anti-aircraft guns for the Canadian Forces on the south coast of Britain. There is no way that that was not the front line. The criterion for the 1939-45 Star should be changed to include England and Ireland.

Another case has come to my attention recently, about which I will be writing to the Minister. I will tell him now that it is with regard to a person who was in the RAF for approximately five years. He served in England with RCAF squadrons, but a lot of the time was spent in Canada as an instructor. All he would like to have is the War Medal or the 1939-45 Star as recognition of his service with the Canadian Armed Forces in World War II.

I plead with the Minister to review the criteria for those medals. I want to plead, for the umpteenth time in this place since 1968, for recognition of the veterans of the Spanish Civil War. If the few survivors who are left are entitled to a few tens of thousands of dollars, let us give it to them.

**Mr. Hees:** Mr. Speaker, I would like to advise the Hon. Member, who I know has always taken a very sympathetic and energetic interest in veterans, that the case of the Mac-Pap is now before the Committee on Veterans Affairs. I can assure him that we will review the findings of that committee very sympathetically indeed. I am sympathetic to the case and will do everything I can.

With regard to the other matters which the Member brought up, I am sympathetic to practically all the representations which are brought forward on behalf of veterans because they are such deserving people. I am sometimes tied down by the cold hand of the law. However, I have been able to work around some of the problems and I can assure the Hon. Member that I will work around any problems that I can.

**Mr. Benjamin:** Mr. Speaker, as the Hon. Minister of Veterans Affairs has so often said: "If it can be done it will be done".

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the Chair.

**Mr. Deputy Chairman:** House in Committee of the Whole on Bill C-100, an Act to amend the Pension Act, the War Veterans Allowance Act, to repeal the Compensation for Former Prisoners of War Act and to amend any other Act in relation thereto.

• (1650)

Clauses 1 and 2 inclusive agreed to.

On Clause 3—*Composition of Commission*

**Mr. Hopkins:** Mr. Chairman, Section 3(1) at page 2 of the Bill states:

> There shall be a commission to be known as the Canadian Pension Commission, consisting of not fewer than eight and not more than 14 commissioners, not more than 10 *ad hoc* commissioners and such number of temporary commissioners as the Minister considers necessary.

Will the Minister advise us what effect, if any, this Bill will have on the terms of appointment of present members of the Canadian Pension Commission, and will any be added or subtracted?

**Mr. Hees:** Mr. Chairman, I am advised that it does not have any effect on present members of the commission.

**The Deputy Chairman:** Shall Clause 3 carry?

**Some Hon. Members:** Agreed.

Clause agreed to.

Clauses 4 to 22 inclusive agreed to.

Schedule A agreed to.

Schedule B agreed to.

**Mr. Hopkins:** Mr. Chairman, the Minister is to be congratulated for carrying this Bill through quickly this afternoon. Does he have any time schedule for the formal proclamation of this Bill?

**Mr. Hees:** Mr. Chairman, just as soon as is possible. It is something that is very much overdue. We will bring it in with the greatest possible speed.

**The Deputy Chairman:** Shall the title carry?

**Some Hon. Members:** Agreed.

Title agreed to.

**Mr. Hees:** Mr. Chairman, I just want to say a couple of words to thank those who have taken part in this debate this afternoon. I want to thank them very much for their extremely able representations and remarks in the debate today. It was a very constructive debate.

I appreciate their support and the kind things they had to say about me. They are not deserved but very much appreciated. I thank them all.

It has been a very good afternoon. We will be bringing more legislation forward as soon as we can find other corrections to make.

Bill reported, concurred in, read the third time and passed.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

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## PRIVATE MEMBERS' BUSINESS—PUBLIC

[*English*]

### FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

The House resumed from Monday, November 2, consideration of the motion of Mr. Nickerson that Bill C-211, an Act to amend the Freshwater Fish Marketing Act, be read the second time and referred to a legislative committee.

**The Acting Speaker (Mr. Paproski):** When the Bill was last before the House, the Hon. Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Binns) had the floor.

**Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans):** Mr. Speaker, it is my pleasure to rise to speak to this Private Members' Bill, Bill C-211. Indeed, it is a Bill that has been before the House a number of times. It has been debated in the House for two hours and is now being debated for its third hour this evening.

This Bill was introduced previously as Bill C-235, and was identical in purpose to Bill C-211.

Previous speakers in the debate have indicated the need for the Freshwater Fish Marketing Corporation and the spirit of co-operation among the federal, provincial and territorial Governments. The Bill was conceived so as to bring order in the marketing of freshwater fish while at the same time increasing returns to fishermen. The financial success of the corporation has been highlighted. Today, however, I would like to focus briefly on the effects of the Bill. It is time to take

stock of these arguments and ask what this Bill would really accomplish if it were to pass.

In previous debates, the Hon. Member for Egmont (Mr. Henderson) has said that the Bill would really gut the Freshwater Fish Marketing Corporation. If we look at the text, it will repeal the definition "participating province" from the Freshwater Fish Marketing Act, repeal Part III of the Act, and repeal the schedule to the Act.

Part III of the Act which the Bill proposes to eliminate is, no doubt, the "gut" to which the Hon. Member referred. It concerns the regulation of interprovincial and export trade, the duties and powers of the corporation, including the orderly marketing of fish, increasing returns to fishermen, and promoting international markets for and increasing interprovincial trade in fish. It also concerns the agreements respecting participation, which include that aforementioned co-operation among Alberta, Saskatchewan, Manitoba, Ontario and the Northwest Territories. This section of the Act refers to agreements between the Government of Canada and these provinces for matters such as the sharing by provinces with the Government of Canada of any losses by the corporation, and functions relating to interprovincial trade in fish.

Thus we have a corporation established by the collective will of the participating provinces and the Government of Canada.

The Bill before us will commit the Government to repeal unilaterally this area of participation and co-operation. If passed, it would also remove the area of jurisdiction of the corporation and basically render it inoperative in the sense of federal and provincial territorial agreements which were signed to establish the corporation itself.

• (1700)

It is important to note that the Bill has been drafted but the provinces and the Territories have not expressed their consent at this point to the Bill in its present state. Therefore, we have to ask in fact what is the provincial reaction to Bill C-211. I would like to refer to that briefly because in the last couple of months all four provinces have cautioned us to treat the Bill gently or not to touch it.

Saskatchewan, clearly indicated its opposition to the Bill in a letter written by the Minister of Parks, Recreation and Culture for Saskatchewan. In his letter he stated: "Saskatchewan is committed to a unified marketing effort through a strong freshwater fish marketing corporation". He went on to say: "I do not support Bill C-211 and feel that it would be inappropriate to consider such legislation without consultation between all participants".

In a similar vein, a letter from the Minister of Forestry, Lands and Wildlife of Alberta said:

> I understand that the single-desk marketing control provided by the present act is essential to the overall continued, successful working of the corporation. Consequently, I am not supportive of the principles which the Bill puts forward.

The Provinces of Manitoba and Ontario have sent similar letters. The Government of the Northwest Territories has not in any way asked for an alteration of the mandate of the corporation. While speaking on this matter on November 2, the Hon. Member for Portneuf (Mr. Ferland) indicated that this Bill would not only get rid of the corporation against the evident wishes of the provincial Governments but, indeed, it would do so unilaterally and without prior consultation with those provinces.

I refer to these communications to show that this is not a partisan matter but a matter guided by facts, logic and common sense. I would also like to observe that this is an era which has seen milestone events in the progress of federal-provincial relations. Can we not take advantage of the expertise and the active involvement of the provinces in making the fisheries respond to the challenges now put before them?

These challenges are very real. They include new technology, over-participation and over-capitalization at the processing level. They include insufficient development of local markets and product substitution. Can we possibly expect our fishermen, who are spread over an area of five million square kilometres and who market 23 species of fish to different and varied markets, to face and successfully master these challenges by themselves?

Provincial officials and members of all three Parties in this House are not the only ones who think that the FFMC and its concept of a single-desk marketing system is working. The Senate's Standing Committee on Fisheries in its 1986 report on the marketing of fish in Canada concluded, after extensive investigation, that there was more to be gained by improving single-desk selling than by getting rid of it. The committee's report gives a glimpse of the opportunities and pitfalls which face the fishery. It recommends that the provincial and territorial Governments, in co-operation with the FFMC, co-ordinate their efforts to bring about a good balance of investments in harvesting facilities, and the number of participants in the western fisheries given the harvestable quantities of fish.

I would have to join my provincial counterparts, my colleagues of all Parties, the Senate committee and the vast majority of our fishermen in saying I believe that Canadian freshwater fishermen should not be deprived of this organization if they feel it has been effective for them.

I am not suggesting that the FFMC has no room to improve. In fact, I believe my colleague who has promoted the Bill has expressed very well that there must be changes to affect the livelihood and well-being of fishermen from the Northwest Territories. However, to cut the FFMC unilaterally and without further consultation with the provinces will destroy the co-operative climate we have forged among the provinces, the fishermen and the federal Government.

We know that the provinces and the vast majority of the fishermen continue to support the FFMC. Fishermen have just

recently spoken through the chairman of the advisory committee pleading that Bill C-211 not be adopted.

As my colleague, the Hon. Member for Selkirk—Interlake (Mr. Holtmann), said in this House on October 1: "Fishermen tell me they are getting quite a good run for their product and I think the facts bear that out".

Adopting Bill C-211 is not a simple change. The Bill would, in essence, unilaterally kill the corporation as it now exists. It would do so against the wishes of several parties, including the provinces. I would want to add my voice to those facts and to the wishes of so many others and say that it is probably better to improve the FFMC than to pass this legislation at this point in time. If we wish to change and improve the FFMC, we should look at internal changes which can accommodate the needs of fishermen from the Northwest Territories.

I would urge the Government to work with the Hon. Member to make those kinds of internal changes to the organization, in consultation with the FFMC, and I think we will find that the end results will be much better for the Government. In conclusion, I have to say that I will not be supporting this Bill.

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I am delighted to have the opportunity to stand and speak on Bill C-211. A year and a half or two years ago, I had the opportunity to visit the riding of the Hon. Member for Western Arctic (Mr. Nickerson) and the communities on both sides of Great Slave Lake. There is no question about it when the Hon. Member for Western Arctic says there is not total happiness and unanimity with respect to the value or otherwise of the Freshwater Fish Marketing Corporation. One can find that sentiment quite readily on both sides of Great Slave Lake, particularly on the lower side. There is no doubt about that at all.

Despite the sentiment that there were problems with the FFMC, I am not sure there is a unanimous view that it ought to be wiped out of existence. Having said that, let me say that I was very interested to hear the Parliamentary Secretary for the Minister of Fisheries and Oceans (Mr. Binns) speak because I was not quite sure at all what the Government's position on the Freshwater Fish Marketing Corporation was going to be. In fact, if I were a betting man, and I am not, I would have bet a substantial amount of money that when the Parliamentary Secretary to the Minister of Fisheries and Oceans, as he is wont to do, stood in his place to speak on behalf of his Minister, he would not have been urging those of us in the House who are interested in this matter to vote against the Bill which was prepared and supported by the Member for Western Arctic, namely Bill C-211, which would wipe out the Freshwater Fish Marketing Corporation. I thought he was going to stand and encourage all of us to join him and his Minister in putting the thumb on the spread of communism in this country just as fast as we could.

Why would I say communism, Mr. Speaker? Because I did some homework. I went back to a speech given by the Hon. Member for Richmond—South Delta (Mr. Siddon), the same Member who is now the Minister of Fisheries and Oceans, to see what his views were on this Freshwater Fish Marketing Corporation. The Minister's Parliamentary Secretary spoke on his behalf, giving his view that this is a useful, helpful and dynamic organization, that it might need some slight changes and tinkering but it is a good organization. This same Minister, speaking in his place in this House as a member of the Opposition, and a lowly back-bencher at that, said, with respect to the Freshwater Fish Marketing Corporation in 1980

> I suggest what we have now is a system of monopolistic dominance in the fish marketing industry, in the prairie provinces in particular, which is a far cry from what I understand to be the principle of democratic socialism where free enterprise and the private sector can operate in competition with one another. What we have is virtual communism in all of its forms in the example and illustration of the Freshwater Fish Marketing Corporation.

• (1710)

He went on to state, "I say it is the beginnings of communism in this country because it takes away from the individual the right to compete". Those were the words of the Hon. Member for Richmond—South Delta before he was the Minister of Fisheries and Ocean, and nothing but a lowly Conservative back-bencher.

I thought the Hon. Member for Richmond—South Delta was seeing red then when he made those ridiculous comments that a Freshwater Fish Marketing Corporation was the symbol of growing communism in the country. The only joy I can take out of this futile debate today, once again about this Bill, is that, obviously, having heard from the Parliamentary Secretary to the Minister of Fisheries and Oceans, in the intervening nearly eight years since the Minister of Fisheries and Oceans gave this speech in which he described the Freshwater Fishing Marketing Corporation as communism he has seen the light and come to his senses, and that the spirit of *perestroika* has invaded his soul. Now he wants to give the Freshwater Fish Marketing Corporation a chance to survive, notwithstanding the heavy hand of the Hon. Member for Western Arctic who wants to put an end to this corporation.

You can well understand, Mr. Speaker, being a long-standing Member of this House who is held in high regard by all Members from all corners and all Parties, and with a good sense of the ridiculous, that I could not help but note that speech given by the Minister who called it communism eight years ago and who now so stoutly defends the Freshwater Fish Marketing Corporation. May I say, it is an interesting conversion on the road to Ottawa to the Cabinet, to 24 Sussex, or the Governor General's residence.

In conclusion, I wish to read a copy of a letter dated November 23, 1987 to the Minister of Fisheries, the Hon. Member for Richmond—South Delta. It was written by Maurice Blanchard, Chairman, Fishermen's Advisory Committee, regarding Bill C-211. I wish to quote a couple of excerpts. Mr. Blanchard states:

By any industry measure, the Freshwater Fish Marketing Corporation is a success. It has shown steady growth and has just completed another year of record sales and record returns to fishermen. The Corporation has consistently generated profits over the past 15 years and has provided fishermen with a level of security that never existed in the past. This is not to say that all fishermen believe the Corporation is perfect. The fact is that even I and other members of the Advisory Committee have questioned the concept of single desk marketing at one time or another. But we did not really understand how the Corporation operates.

Now that we are fully aware of the strengths and benefits of single desk marketing, we have become supporters of the Corporation. This is not to say that we always approve of everything the Corporation does, but there are few issues that we have not been able to work out through reasonable discussion. Like the large marjority of fishermen, we believe that while not perfect, the fishing industry in this region has never been in better shape.

Mr. Blanchard went on to state:

As representatives of fishermen across the Freshwater Fish Marketing Corporation region, we ask that you and other Members of Parliament vote to defeat Bill C-211. If you have any questions or concerns, please feel free to contact me.

This letter was signed by Annie Bird, La Ronge, Saskatchewan; Helgi Jones, Gimli, Manitoba; Jane Mayo, Yellowknife, Northwest Territories—this is in the Member's own riding who wants to gut the corporation—William Quequish, Weagamow Lake, Ontario. I am from Newfoundland, and I forgive people for mispronouncing some rather famous parts of Newfoundland, so I hope they will forgive me for mispronouncing famous places elsewhere in the country. The letter is also signed by Joe Tsannie, Wollaston Lake, Saskatchewan; Raymond Dupres, Slave Lake, Alberta; Ed Isfeld, Winnipeg Beach, Manitoba; William Cordell, Pikwitonei, Manitoba; Elmo Helgason, Ashern, Manitoba; Bessie Irvine, Grand Marais, Manitoba; and Guy L'Heureux, Joussard, Alberta. I am sure that I mispronounced half of those communities, but it was in total innocence.

The point that I am trying to make is that the reason the Minister of Fisheries has come to his senses and no longer sees behind the doors of the Freshwater Fish Marketing Corporation the spread, the germ, or the seeds of communism in this country is that he has obviously had an opportunity as Minister of Fisheries to visit some of those communities, or at least to speak to many of those people who are on the Minister's advisory committee. He realizes that one cannot take a few complaints, albeit sometimes legitimate complaints, legitimate proposals, or legitimate aspirations about an industry and the role that a Crown corporation plays in that industry, and use it as justification for wiping out that corporation.

I would urge all Members to defeat this Bill. I urge my good friend and colleague, the Hon. Member for Western Arctic, who represents such a dynamic, interesting, and important part of Canada not to waste the time of the House or his own valuable time with the continued reintroduction year after year of this Bill. It has about as much chance of passing as the Minister has of going back to his old and rather foolish views about the Freshwater Fish Marketing Corporation.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I rise to oppose this Bill, and advise my colleague, the Hon. Member for Western Arctic (Mr. Nickerson) that I was here in 1969 when we dealt with this legislation in its origins brought in by a Liberal Government, but Members of Parliament from the Conservative Party, the Social Credit Party, and the NDP supported it.

I have carefully read the speech of the hon. sponsor of this Bill, and I find it passing strange. He tried this in 1985 and he got nowhere, yet he still keeps batting his head against the same wall in spite of the overwhelming support by the massive majority of freshwater fishermen in western and northern Canada and northern Ontario.

I notice that his speech amounts to gutting this legislation. I do not know why he did not move a Private Member's Bill to repeal the whole Act, because that in effect is what his present Bill is doing. But in his speech earlier in the House on this Bill he stated that it would bring about the revival of co-operatives.

I wish to advise my hon. friend that we had a lot of small fishermen's co-operatives. At that time I was representing the constituency of Regina—Lake Centre, and there was a fishermen's co-op on Last Mountain Lake. Members of the co-op lived in places like Dilke, Regina Beach, Chamberlain, and Findlater. They also lived on the other side of the lake at Nokomis, Earl Grey, and places like that.

The trouble they had was not in catching fish, but rather, as a little co-op trying to compete in the international market and the domestic market in central Canada against the large fish dealers, Safeways, and the Hudson's Bay Company. They did not have a prayer. They did not have the resources to compete in the market. They recognized that they needed something in the way of orderly marketing and central desk-selling, to some extent modelled on the Canadian Wheat Board. Since 1935 there has always been a handful of grain producers and grain companies that have tried to undermine, undercut, and destroy the principle of orderly marketing and the Canadian Wheat Board. The same thing applies here.

This is a time to enlarge the Freshwater Fish Marketing Corporation and give it the tools to do an even bigger job processing plants in the North and in the northern parts of the western provinces.

**Mr. Nickerson:** Closing them down.

**Mr. Benjamin:** This is a time to give them the tools on equalizing transportation costs in order that those who are furthest away can get their product to market in central Canada, in the United States, or other parts of the world with some semblance of an equal opportunity and equal competition.

I remember that in 1969 Members of Parliament from northern Canada were citing how, because of transportation costs alone, they had to compete with freshwater fishermen in southern Ontario, southern Quebec and the northern United

States who were already catching fish right next door to the big markets. If the Freshwater Fish Marketing Corporation does nothing else but pool those costs for the benefit of all freshwater fishermen, it would be doing a great service to those fishermen in northern Canada, northern Ontario and western Canada.

• (1720)

Of course we need more fishermen's co-operatives. What they should be doing in their co-operatives is pooling their individual resources and with financial support from their local communities, credit unions, banks, or whatever, to purchase things like boats, motors, nets, and insurance. There is a host of other things which could be pooled in a co-operative which would reduce their costs and provide them with a better return on their catches. To expect individual fishermen or small individual co-operatives to move into the big leagues of the international markets is to be totally unfair to them and can have no other result than to lower prices.

We had examples in 1969 and 1970 of fishermen getting two cents or three cents per pound in the territories, ten cents or fifteen cents per pound in Manitoba, and twenty cents per pound in northern Ontario. Why was this? It was because they were closer to the markets and had better transportation facilities. We have been through this once before. If my hon. friend cannot learn from some recent history, he will be condemned to trying to repeat it, which is exactly what he is trying to do now.

We must have stronger central marketing of primary products such as grain and grain products and fish and fish products. Primary producers, whether they are grain farmers or fishermen, have never been price makers. They have never been allowed to set a price related to their costs of production or to their geographic location. They have always been price takers. What happens is that buyers, in particular international buyers, play one area of the country against another. They will get fishermen in the Northwest Territories trying to underbid the ones in Manitoba or northern Saskatchewan. Fishermen have been through that before, and those who have been in the freshwater fishing industry for a while know what it was like then and do not want it to happen again.

If there are problems regarding certain species or certain lakes, they should be solved by the fishermen themselves meeting with the Freshwater Fish Marketing Advisory Board and with the Freshwater Fish Marketing Corporation where they can be resolved. If the corporation needs funding on a pay-back basis over a period of years at a preferred interest rate, let us give it so that it can do an even bigger and better job.

Let us look at the annual reports for the last five years which contain some of the things the hon. gentleman is complaining about. We see that 1987 was the best year they ever had. Initial payments and the final payments totalled $48.3 million. If my memory serves me right about catch in the annual report, it works out to about $1 per pound or whatever. In any case, it was the best year ever. All I can say to my hon. friend is: "If it is working, don't try to fix it". He does not need to throw out the baby with the bath water. He should be moving amendments to strengthen the Freshwater Fish Marketing Corporation so that it can do an even better job for all fishermen in the area which the legislation covers.

I am getting a little tired of seeing the true colour of the Tories. I am not sure whether my hon. friend even knows what supply side economics is, but let me put it to him this way. According to his theory in this legislation, fishermen supply the fish and the market economics tells them how little they will get for it. That has been the problem with the so-called theory of supply side economics. Producers must band together and work co-operatively through their own agency. The agency is there for them and for no one else. We cannot say that it is overburdened with bureaucrats. It does not have a big staff. In fact, it should have half a dozen more people who do nothing but sell freshwater fish and processed fish. There should be more of them doing that in central Canada, in the United States, and in other countries of the world. They need more staff, not less. They do not need friends like my hon. friend from the territories. As far as I am concerned, his legislation means that he is not a friend of orderly marketing to get better income for fishermen. He is also against the best interests of freshwater fishermen generally. He has proven that with what is in his motion. I am appalled that he would try to do it a second time. He did not learn his lesson the first time.

I hope the Government can assure us that the motion will be defeated at second reading, or that it will die in committee where it deserves a totally unnatural death. If the Government cannot give us that assurance, I am sure that we can get enough people to keep it going until five o'clock. Then I hope we will not get to it again until October, 1999, because that is all the motion deserves. I hope my hon. friend will take another look at what he is trying to do and will talk with fishermen all over the North. We not only have good fishermen along our northern lakes and rivers of the prairie provinces, Ontario, and the territories. We have first-class fish. In fact, if you will pardon me, Mr. Speaker, we catch fish that size in northern Canada and the northern parts of the provinces, and that is between the eyes. There is no problem about the quality of fishermen or the size and quality of the fish. However, there is a problem with a few Hon. Members in this place and a handful of disgruntled fishermen. I do not think the hon. gentleman from the territories is doing much to help them with their problems. All he is trying to do is to make them worse.

If there are problems, they can be solved through the fishermen's agency because it belongs to them, not to the Government of Canada. It was set up by Parliament for the welfare, good order, and benefit of freshwater fishermen. It was long overdue. I suppose that every year or two a couple of hon. gentlemen will come into this place and try to wreck what it took decades to build up. Instead of bringing in Bills to

improve and strengthen the legislation, they will try to bring in legislation to kill it, and that can only be to the detriment and loss of freshwater fishermen in our part of Canada.

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, I do not deny the Hon. Member the right to bring this legislation forward during Private Members' Hour. It is his right. It is his prerogative as an elected Member of the House to introduce legislation and to seek the approval of all Hon. Members to ensure passage of the Bill.

As I understand it, the net effect of Bill C-211 will be to gut the Freshwater Fish Marketing Corporation. I do not purport to be an expert on the responsibilities and functions of the Freshwater Fish Marketing Corporation, but I want to take this opportunity to take the Minister of Fisheries and Oceans (Mr. Siddon) to task for what might appear to some people to be a certain degree of hypocrisy. Let me explain why.

• (1730)

As the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) pointed out, the Minister, who was then a Member, one of many, a lowly back-bencher, made a speech on July 10, 1980. That is seven and a half years ago. What did he have to say? The Member for Richmond—South Delta, who is now the Minister of Fisheries, spoke about the Freshwater Fish Marketing Corporation. If you bear with me for a moment, Mr. Speaker, I will quote a paragraph from his speech. It must have been a hot day, but he said:

> I suggest what we have now is a system of monopolistic dominance in the fishmarketing industry, in the prairie provinces in particular, which is a far cry from what I understand to be the principle of democratic socialism where free enterprise and the private sector can co-operate in competition with one another. What we have is virtual communism in all of its forms in the example and illustration of the Freshwater Fish Marketing Corporation. Complete monopoly powers are reflected in part III of the Freshwater Fish Marketing Act to buy, sell, trade and engage in all handling of fish caught in freshwater areas of Canada. This monopolistic corporation comes complete with its mandarins and represents a significant drain on the public purse.

That is what the Minister said on July 10, 1980. You know that we in the Opposition are somewhat concerned about the Tory Members of Parliament who say one thing when it is convenient to say something on one side of an issue and then, at some later point in time, for whatever reason say another thing. We have documented Tory hypocrisy, if you will, over the last number of years. This is another example. The Minister said seven or eight years ago that this board consisted of mandarins and was virtually communistic. Now it appears that he has changed his mind. All of a sudden it is no longer communist. In fact, this corporation is so worthy of support that he is urging his colleagues to defeat a Private Members' Bill introduced by another Conservative Member of Parliament.

What caused the Member back in 1980 to refer to it as communism and today have a change of heart? We know that Mikhail Gorbechev was in Washington last week. We know that, together with Raisa Gorbechev, they were able to woo the American people and woo the world. There was *glasnost*, treaties and East meeting West.

The Fisheries Minister did not indicate whether it was that that caused him to change his mind. Canadians have a right to expect their politicians to do as they say and not do things they say they are not going to do. Is it any wonder that people call into question the credibility and honesty of the Conservative Government when, on the one hand, it calls the Freshwater Fish Marketing Corporation communistic and then, when it is convenient, says what a great corporation it is.

We know how successful that corporation is. Maurice Blanchard from the Fisheries Advisory Committee said, "We strongly support the Freshwater Fish Marketing Corporation and oppose Bill C-11 and any other moves that would weaken this organization. By any industry measure"—and I am quoting his letter of November 23, 1987—"the Freshwater Fish Marketing Corporation is a success. It has shown steady growth and has just completed another year of record sales and record returns to the fishermen".

I will not go on about how the corporation was established by a Liberal Government, except to say that I appreciate the fact that the New Democratic Party has, in effect, through the Hon. Member for Regina West (Mr. Benjamin) applauded the previous Liberal administration for establishing the corporation.

One could go on about the New Democratic Party and how it applauds the previous Liberal administration when it is convenient, but when it is inconvenient the NDP is quick to criticize everything Liberal.

In the spirit of Christmas I will conclude my remarks and take this opportunity to wish you, Mr. Speaker, a Merry Christmas and a Happy New Year and to say to Hon. Members opposite that, hopefully, their New Year's resolution will be not to be as hypocritical as they were in the past.

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I try as much as I can to erase in a way the Hon. Member for York South—Weston (Mr. Nunziata) from my memory, but he has done his usual bit.

With respect to the creation of this Freshwater Fish Marketing Corporation, I think the record will show that the Hon. Member for Regina West (Mr. Benjamin) referred to the fact that its creation was supported by all four Parties in the House of Commons at the time. It was supported because it was generally regarded as something long overdue, probably something which the Liberal Government of the day should have done some years before, having finally done it. The fact remains that there was then and there is now a consensus as to the value of having this Freshwater Fish Marketing Corporation in existence.

I rise to speak because I have an interest in the Corporation. Its major processing plant is in my riding. I have had occasion

to visit it a number of time. I even worked there for a short time one summer way back.

It has been interesting to have the comments of the Minister of Fisheries and Oceans (Mr. Siddon) made back in 1980 read into the record. Not only was that interesting but I do not know what the Hon. Member for York South—Weston was doing when he was admonishing him about being inconsistent. I am thankful that the Minister has changed his view and that he is not as stupid as he was in 1980. I am thankful that finally he seems to have grown a brain cell or two when it comes to the Freshwater Fish Marketing Corporation. The fact that the Hon. Member for Western Arctic (Mr. Nickerson) is still on the same level as the Minister of Fisheries and Oceans was in 1980 is something to be regretted. I hope that the difference between what the Minister of Fisheries and Oceans said in 1980 and what he says now is not hypocrisy but a sign of some development, education, a coming to appreciate reality. I hope that is the case.

Might I also say that it makes me nervous that we can still have Conservative back-benchers moving these kinds of Private Members' Bills. It makes me nervous because we are in the middle of a larger debate in this country right now which will start tomorrow concerning the free trade agreement.

A contentious issue in the free trade agreement has been the role of marketing boards and orderly marketing. It makes me nervous, and it should make all Canadians nervous who are attached to the principle and value of orderly marketing, whether it be the orderly marketing of grains through the Canadian Wheat Board or the orderly marketing of fish through the Freshwater Fish Marketing Board, that the Government, which assures them that the role of marketing boards is not at risk as the result of this free trade agreement, is a government that has in its caucus people like the Hon. Member for Western Arctic and the Minister of Fisheries and Oceans. In 1980 he said that the Freshwater Fish Marketing Board was an example of communism. That is part of the problem with the context in which reassurances are given by the Government with respect to how much it wants to protect orderly marketing in the free trade agreement.

• (1740)

We know that within the Conservative Party, there are long-standing enemies of orderly marketing. There are people over there who have always despised orderly marketing. Yet these are the people from whom we are supposed to accept reassurances that they have gone out of their way and done everything possible to protect orderly marketing in the free trade agreement.

We know full well that, at least on the public record, Members like the Hon. Member for Western Arctic are still trying to kill the principle of orderly marketing. There are many others who are perhaps not as—I do not know exactly what quality to ascribe to the Hon. Member for Western Arctic, but I will be polite and say, people who are not as persistent and up front about their beliefs but nevertheless are looking for every opportunity that presents itself to erode one of the fundamentals of the Canadian economy, the principle of orderly marketing.

Enough said about that. We hope that we can dismiss this Bill this afternoon and move on to more important things in the hope that, after the next election, there will be a new Member of Parliament from Western Arctic who will have a much different attitude toward orderly marketing.

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, I wish to join in this debate in support of my colleagues who are in opposition to the private Member's Bill put forward by my colleague , the Hon. Member for Western Arctic (Mr. Nickerson). In entering this debate, I must underline what appears to be a very serious break within the Tory caucus in regard to this particular Private Member's Bill.

We have heard from a member of the Government in support of this agency and we have heard from Members on this side, but I find that the divisions across the way are very telling indeed. I heard my colleague from Newfoundland talk about some of the aspects of this agency. I heard my colleague from the New Democratic Party being very eloquent in support of change, talking about the substance of this particular Private Member's Motion, something that is quite unusual for him. I must underline that the divisions across the way, as telling as they are, leave many Members on all sides of the House with a very fishy taste when it comes to the intent of the motion.

In essence, the intent of the motion is to gut an agency which I believe has served Canadians rather well. There is no question that there could be improvements made to it. Opportunities for improvements are important to any piece of legislation passed by Parliament, but to suggest that gutting the effectiveness of this agency will in some way improve the situation is, I think, not in order at all.

On that note, I must say that I would be in opposition to the Hon. Member's motion.

**Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I have listened with a great deal of interest to the debate that has gone on since five o'clock on Bill C-211 proposed by my hon. colleague from Western Arctic. The Hon. Member is proposing that the House amend the Freshwater Fish Marketing Act and refer his Bill to a legislative committee.

After hearing the comments from all sides of the House, I am appalled that Hon. Members would not allow this Bill to go to committee for study. First we heard from a member of the socialist Party, the NDP, who said that they will kill it in committee and it shall never come up again before 1999. Is that an open mind?

I wish to speak in support of the motion because I think it is important that the Bill go to committee. I would like to outline why I think it should go to committee.

There are a number of freshwater fishermen in my riding along the Lesser Slave Lake area who depend on freshwater fish for their livelihoods. They give limited support to the Freshwater Fish Marketing Board which is located in Winnipeg. I say that they give limited support to it because, until approximately two years ago, freshwater fishermen in northern Alberta could not market their fish outside northern Alberta. They could not take their fish to Edmonton and market it there. They could not sell it to retail outlets or processors in Calgary, they could only sell it in northern Alberta. That gave them a very limited market.

To get pickerel, which is in high demand, whitefish and trout to market in Calgary, the fishermen had to ship the fish first to Winnipeg, and then the Freshwater Fish Marketing Board would ship the order back to Edmonton or Calgary. Indeed, in some cases, the board even sent orders to Grande Prairie, which is 150 kilometres away from the area where the fish was caught.

**Mr. Benjamin:** So provide them with more facilities.

**Mr. Shields:** The fishermen of my area have indicated very strongly their support for the Freshwater Fish Marketing Board for many of the reasons pointed out by my hon. friend from the socialist Party. However, he has failed to express the dissatisfaction that exists, maybe not with the freshwater fishermen from Lake Winnipegosis or Lake Winnipeg, but clearly with fishermen in northern Saskatchewan, northern Alberta and northern British Columbia. These fishermen do not have the same advantages as the freshwater fishermen in Manitoba.

My colleague interjected by asking, why should we not give them more facilities in the other parts of the province? I would agree with that, but how do we do that? Do we do that by saying that we will not even study this Bill? We all know that if the Bill goes to committee, we are capable of amending it. We are capable of addressing the concerns of the fishermen from Athabasca, Peace River, Atikameg, Fort Chipewyan, Lake Athabasca, Lesser Slave Lake and all of the little lakes in northern Alberta. Let us listen to what they have to say. I think they have some concerns that they perceive to be legitimate and there are ways that we can change the practices of the Freshwater Fish Marketing Board by removing its monopoly or retaining its monopoly but adding other services.

Fishermen from the Lesser Slave Lake area, particularly those from the West End Fishery Co-op, have been able to secure solid markets that the Freshwater Fish Marketing Board has not found in the past, even with its high paid salesmen who seek markets. The little freshwater fish co-op, called the West End Fishery Co-op, has found markets itself but has been denied access to those markets unless it they went through the Freshwater Fish Marketing Corporation in Winnipeg. That small group of fishermen have found markets in the United States on their own. They turned the information on these markets over to the Freshwater Fish Marketing Board in Winnipeg in order to secure the markets. The Freshwater Fish Marketing Board has not, to date, secured those markets.

• (1750)

It seems to me that that is an indication of a complacent Crown corporation. The employees are not paid on the basis of expanding the market but only on the basis of their job descriptions. I am not denying for a moment that the Freshwater Fish Marketing Board in Winnipeg has done a good job for the fishermen on Lake Winnipeg, Lake Winnipegosis, and the lakes in northern Manitoba. However, it does not adequately serve the fishermen in northern Alberta, northern Saskatchewan, northern British Columbia, or the Territories. I am sure it is not by design of the corporation, but I am sure the corporation would be the first to admit that it has problems trying to control the flow of fish.

I am sure that there are an awful lot of people in this House who are prepared to vote against this legislation being referred to committee who do not understand the problems facing freshwater fishermen in Canada.

When I came to this House in 1980 one of the first things I tried to do—in which, I might add, I was successful—was to have freshwater fishermen included under the Unemployment Insurance Act. Until that time they were lumped in with the West Coast and East Coast fishermen, although their time of unemployment was absolutely counter to that of the East Coast and West Coast fishermen.

I want to give credit where credit is due. I took this problem to the then Minister of Employment and Immigration, the Member for Winnipeg—Fort Garry (Mr. Axworthy). We worked on the problem together and were able to accomplish something which was long overdue. Freshwater fishermen had for many years paid unemployment insurance premiums but could never avail themselves of the benefits of it.

I truly believe that this legislation should go to the committee for study. Let us learn from the fishermen in northern Alberta, northern British Columbia, and northern Saskatchewan the problems that they face.

**The Acting Speaker (Mr. Paproski):** I regret but the Hon. Member's time has expired. Is the House ready for the question?

**Mr. Nickerson:** Mr. Speaker, I wish to exercise my right of reply under Standing Order 61(2).

**The Acting Speaker (Mr. Paproski):** I will allow the Hon. Member to make his last speech, which will talk out the Bill.

**Mr. Nickerson:** I understand, Sir, that before you recognize me, pursuant to Standing Order 61(2), to exercise the right of reply it is incumbent upon the Speaker, pursuant to Standing Order 61(3), to give the necessary advice to the House in case

anyone else wishes to speak. If I were to start speaking now, I would close the debate. Therefore, it is incumbent upon you, Sir, pursuant to that article, to give the necessary advice.

**The Acting Speaker (Mr. Paproski):** I have no problem with that. The Hon. Member was not interrupted, therefore, he will be the last speaker the next time this Bill appears on the Order Paper.

The house provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

* * *

## BUSINESS OF THE HOUSE

**Mr. Lewis:** Mr. Speaker, I am pleased to announce that there have been discussions among the Parties. Tomorrow, as House business, the House will debate the following motion:

> That this House endorse as being in the national interest the Canada-United States free trade agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987.

**Mr. Gray (Windsor West):** Mr. Speaker, I want to confirm that, even though the usual 48 hours' notice has not been given for this motion, we are willing to give consent to have the debate on it start tomorrow. I want to make it clear that, while there is agreement that the debate start tomorrow, there is no agreement that it should finish in any precipitous or rushed manner.

We believe that the matter of the Government's trade agreement with the United States is so important that not only should there be a full opportunity for a reasoned and measured debate in this House, even more important, there should be full parliamentary hearings on the full and final text of the agreement to give Canadians in general, as well as parliamentarians, the opportunity to study and consider in depth and in detail the text of the agreement in question. They certainly did not have that opportunity during the committee hearings which were just completed.

I repeat, Mr. Speaker, that we are giving our consent not to have the usual 48 hours' notice to begin the debate, but that it is as far as our consent goes with regard to this matter.

**Mr. Murphy:** Mr. Speaker, on behalf of the New Democratic Party caucus I would like to indicate our support for having the debate begin tomorrow. However, I would also indicate that we believe the Prime Minister (Mr. Mulroney) should have kept his promise to the people of Canada. On October 5 he said that the final document would go to a committee of this House. That will obviously not happen. We consider that yet another broken promise of the Prime Minister.

• (1800)

# GOVERNMENT ORDERS

[*English*]

## CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed from Friday, December 11, consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the third time and passed.

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 13(5), the House will now proceed to the taking of the deferred division on the motion for third reading of Bill C-87.

Call in the Members.

The House divided on the motion (Mr. Hockin) which was agreed to on the following division:

*(Division No. 305)*

YEAS

Members

Andre
Beatty
Belsher
Bertrand
Binns
Blais
Blenkarn
Boudria
Cadieux
Caldwell
Cardiff
Clark
(Brandon—Souris)
Cochrane
Collins
Comeau
Copps
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Crofton
Crosby
(Halifax West)
Crouse
Darling
Daubney
de Corneille
Desjardins
Dingwall
Domm
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Finestone
Forrestall
Fraleigh
Fretz
Friesen
Frith
Gagliano
Garneau
Gauthier
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Gray
(Windsor West)
Greenaway
Guilbault
(Saint-Jacques)
Gustafson
Halliday
Hardey
Hawkes
Hees
Henderson
Hockin
Holtmann
Hopkins
Horner
James
Jardine
Jepson
Johnson
(Bonavista—Trinity—Conception)
Johnston
(Saint-Henri—Westmount)
Jourdenais
Kempling
King
Ladouceur
Lanthier
Lesick
Lewis
MacDougall
(Timiskaming)
MacKay
Martin
Mazankowski
McDougall
(St. Paul's)
McKenzie
McKinnon
Minaker
Mitges
Nicholson
(Trinity)
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Nunziata

Oberle
Oostrom
Pennock
Pietz
Plourde
Price
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberger
(Wetaskiwin)
Scowen
Shields
Sparrow
Stackhouse
Stewart
Taylor
Thacker
Tobin
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vincent
Wilson
(Swift Current
—Maple Creek)
Wilson
(Etobicoke
Centre)
Winegard—114

NAYS

Members

Angus
Benjamin
Blaikie
Broadbent
Cassidy
Dewar
Epp
(Thunder Bay—
Nipigon)
Fulton
Heap
Langdon
Manly
McDonald
(Broadview—
Greenwood)
McLaughlin
Mitchell
Murphy
Parry
Skelly
Young—18

• (1820)

**The Acting Speaker (Mr. Paproski):** I declare the motion carried.

Bill read the third time and passed.

* * *

**Mr. Gauthier:** Mr. Speaker, I take it that we are now proceeding to vote on the Private Member's Motion that was deferred until today.

I would suggest that, following our practice, and after consulting with my many friends in this place, we agree that you go row by row, Mr. Speaker. Since it is a free vote, it is up to individual Members to express their vote according to their conscience.

**The Acting Speaker (Mr. Paproski):** Is the House in agreement that the division be taken by rows?

**Some Hon. Members:** Agreed.

## PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

### NUCLEAR ARMAMENTS

ADVISABILITY OF DECLARING CANADA A NUCLEAR ARMS FREE ZONE

The House resumed consideration from Friday, December 11, consideration of the motion of Mr. Young:

That, in the opinion of this House, the Government should consider the advisability of declaring Canada a nuclear arms free zone by prohibiting the deployment, testing, construction and transportation of nuclear weapons and associated equipment through and within Canada, the export of goods and materials for use in the construction and deployment of nuclear arms and further, the Government should encourage cities, provinces and states throughout the world to take similar action.

**The Acting Speaker (Mr. Paproski):** It is at this point that I would like to remind Hon. Members that the voting will begin with those Members who are in favour of the motion in the rows to my right. They will rise by row, and then those Members in the rows to my left will rise later. I will ask those Members who are opposed to the motion in the rows to my right to rise, and end with those Members opposed to the motion in the rows to my left.

The House divided on the motion (Mr. Young) which was negatived on the following division:

(*Division No. 306*)

YEAS

Members

Angus
Benjamin
Blaikie
Boudria
Broadbent
Cassidy
Copps
de Corneille
Dewar
Dingwall
Epp
(Thunder Bay—
Nipigon)
Finestone
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Johnston
(Saint-Henri—
Westmount)
Langdon
Manly
McDonald
(Broadview—
Greenwood)
McLaughlin
Mitchell
Murphy
Nicholson
(Trinity)
Nunziata
Parry
Skelly
Tobin
Young—34

NAYS

Members

Andre
Beatty
Belsher
Bertrand
Blais
Blenkarn
Cadieux
Caldwell
Cardiff
Clark
(Brandon—Souris)
Cochrane
Collins
Comeau
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Crofton
Crosby
(Halifax West)
Crouse
Darling
Daubney
Desjardins
Domm
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Friesen
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Gustafson
Halliday
Hardey
Hawkes
Hees
Hockin
Holtmann
Horner
James
Jardine
Jepson
Johnson
(Bonavista—Trinity—
Conception)
Jourdenais
Kempling
King
Ladouceur
Lanthier
Lesick
Lewis
MacDougall
(Timiskaming)
MacKay
Martin
Mazankowski
McKenzie
McKinnon
Minaker
Mitges
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oberle
Oostrom
Pennock
Pietz
Plourde

| | | |
|---|---|---|
| Price | Sparrow | Wilson (Swift Current—Maple Creek) |
| Redway | Stackhouse | Wilson (Etobicoke Centre) |
| Reid | Stewart | Winegard—93 |
| Reimer | Taylor | |
| Ricard | Thacker | |
| St. Germain | Van De Walle | |
| Schellenberger (Wetaskiwin) | Vankoughnet | |
| Scowen | Vincent | |
| Shields | | |

• (1830)

**The Acting Speaker (Mr. Paproski):** I declare the motion defeated.

It being 6.35 o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.35 p.m.

# HOUSE OF COMMONS

**Tuesday, December 15, 1987**

The House met at 11 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*Translation*]

### PETITIONS

GOVERNMENT RESPONSE

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-3314, 332-3321 to 332-3324 inclusive, 332-3328, 332-3335 and 332-3336.

* * *

[*English*]

### EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

**Mr. William C. Winegard (Guelph):** Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on External Affairs and International Trade.

The report has a common introduction, a common background section, a very large section concerning the witnesses whom we heard and the broad spectrum of opinion, and a relatively short common ground section. Then there are three reports: A majority view, a minority view of the Liberal Party, and a minority view of the New Democratic Party. I believe it represents the spectrum of opinion that is in the country and perhaps in this House.

[*Editor's Note: See today's Votes and Proceedings.*]

* * *

### BUSINESS OF THE HOUSE

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there have been discussions between the Parties. I think you will find there is unanimous agreement for the following motion to be put to the House immediately. I move:

> That, on Wednesday, December 16, 1987, at 4.30 p.m., the Speaker shall interrupt any proceeding then under way and the House shall revert to the routine proceeding of "Statements by Ministers" for a statement by the Minister of Finance;
>
> And, that following replies to such statement and any related tabling by the Minister, the House shall resume consideration of the proceeding which had been interrupted by the Speaker;
>
> And, that the Speaker shall adjourn the House at the ordinary hour of daily adjournment.

**Mr. Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

* * *

### PETITIONS

PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is my privilege, indeed, honour, to present a petition on behalf of a number of westerners who indicate that the Conservative Government has no mandate from the Canadian people to conclude a free trade agreement with the United States and are concerned that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and will undermine our ability to build a society distinct from that of the United States.

They point out that the agreement denies Canadians the secure access to the United States market which was the key objective in these negotiations, but threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, they are calling upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

• (1110)

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have the honour to present a petition signed by a number of citizens of Thunder Bay and Schreiber, Ontario.

The petitioners say that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

Whereas the proposed trade agreement denies Canadians secure access to the U.S. market, which was the key objective in these negotiations, and threatens loss of hundreds of thousands of Canadian jobs, the undersigned humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I also have a petition signed by residents of Canada stating their objection to the trade agreement negotiated by the Government. They believe it threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunities between the regions of Canada.

Therefore, the undersigned humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I also have a petition from a great many Canadians who wish to have their concern about the free trade agreement expressed in the House today as we begin the debate.

They believe it would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States.

They believe this agreement would deny Canadians the secure access to the U.S. market that was the key objective in these negotiations. They also believe that Parliament should be dissolved and that the people of Canada should be given the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I also have the honour of presenting a petition to the House. Actually, there are six petitions.

The petitioners declare that the Government has no mandate from the Canadian people to conclude a free trade agreement with the United States. The Prime Minister (Mr. Mulroney) promised that Canadian sovereignty would not be compromised and yet this agreement threatens the very fabric of Canadian society. It also removes the powers of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources and to equalize opportunities between regions. It denies Canadians the secure access to the United States market that was promised.

Therefore, these petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Dan Heap (Spadina):** Mr. Speaker, it is my honour and duty to present a petition from a number of residents of the City of Toronto who are very concerned with the trade deal that has been negotiated between the Prime Minister (Mr. Mulroney) and the President of the United States.

The petitioners point out that the fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal and that the Government has no mandate to negotiate a free trade deal with the United States.

Because the deal would reduce Canada's ability to plan the economic, social and cultural programs Canadians need and would integrate Canada further into the North American defence industrial base, they ask Parliament to ensure that a national debate takes place on the Mulroney-Reagan trade deal and that this debate result in a national general election before such an agreement is signed.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have the honour and duty to present a petition from a number of people in northwestern Ontario who believe that the proposed trade agreement not only denies Canadians the secure access to the U.S. market that was the key objective in the negotiations but also threatens the loss of hundreds of thousands of Canadian jobs.

Your petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the trade agreement during a national general election, and your petitioners in duty-bound will ever pray.

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I have the honour to present a petition on behalf of several hundred people in northern Alberta. In fact, they are all residents of the constituency of the Deputy Prime Minister (Mr. Mazankowski), the constituency of Vegreville.

I thought it would be an appropriate matter to bring to the attention of the House that those people in that constituency say that whereas the Mulroney Government has sold out Canada, whereas Canadian industries are still not protected from U.S. trade laws, whereas the United States obtained everything it wanted in key areas of energy, auto trade, financial services and whereas thousands of jobs are threatened, the undersigned petitioners humbly pray and call upon Parliament to denounce the Government for signing the Canada-U.S. free trade agreement.

The petition is signed by a number of people in the Province of Alberta and the constituency of the Deputy Prime Minister.

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, it is my duty and distinct honour to present a petition on behalf of residents of Nipigon, Red Rock, Armstrong and the City of Thunder Bay, all in my constituency of Thunder Bay—Nipigon.

The petitioners point out that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States, that the Prime Minister (Mr. Mulroney) promised during the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, but the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunities between the regions.

Since the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, like my colleagues, I have a petition to present. It is signed by residents of Ontario and is with respect to the trade agreement with the United States.

The petitioners say that whereas the Conservative Government did not have a mandate to conclude such an agreement, whereas the agreement would deny Canada policy freedom in the future to shape its own economic course and whereas the agreement did not succeed in achieving the secure access to the U.S. market that was the key objective, and instead threatens the loss of hundreds of thousands of Canadian jobs, the petitioners call upon Parliament to give the people of Canada a chance to accept or reject this agreement in a national general election.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, the following questions will be answered today: Nos. 157 and 223.

[*Text*]

EXPENSES OF NATIVE ECONOMIC DEVELOPMENT PROGRAM

Question No. 157—**Mr. Parry:**

1. Since the initiation of the Native Economic Development Program to March 31, 1987, were any funds from its annual budgets expended as administration and/or "overhead" expenses and, if so, what was the (*a*) total amount (*b*) percentage of total disbursements under the program this represented?

2. As of June 5, 1987, for the fiscal year 1987-88, what were the (*a*) budgeted (*b*) allocated figures for administration and/or "overhead" expenses (*c*) program disbursements?



3. Will (*a*) budget (*b*) allocation reductions be made to the program in 1987-88 and, if so, when will the government confirm this to the board of directors?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism and Minister of State (Indian Affairs and Northern Development)):** 1. For the Native Economic Development Program, all operating costs such as administration and/or "overhead" expenses are a charge to the original $345 million allocation for the program.

(a) The total amount of Native Economic Development Program funds expended from its annual budgets as administration and/or "overhead" expenses was $17.1 million from the initiation of the program to March 31, 1987.

(b) This figure (17.1 million) represents 21.7 per cent of the total program disbursements to March 31, 1987.

2. (a) Part III of the 1987-88 Estimates for the Department of Regional Industrial Expansion provide projected requirements approved by Parliament of $1 million for grants and $75,224,000 for contributions to be made under the Native Economic Development Program. Funds required in 1987-88 for administration and/or "overhead" expenses have been determined at an additional $5.5 million. This figure represents the over-all requirement for non-salary operating costs and was reported to and approved by the Native Economic Development Board at its meeting on June 10-11, 1987.

(b) Ordinarily, allocations relating to the management of personnel or the administration of government programs which have not been expended are not disclosed to the public. A full and public accounting is made at the end of each fiscal year.

(c) As of June 5, 1987, for the fiscal year 1987-88, disbursements for operating expenditures were $264,000 and $556,000 for grants and contributions.

3. (a) A Budget reductions are not planned for the Native Economic Development Program in 1987-88.

(b) A financial report indicating any budgetary adjustments that might occur is tabled at every Native Economic Development Board meeting.

PERCENTAGE OF WOMEN EMPLOYED BY DEPARTMENT OF AGRICULTURE

Question No. 223—**Mr. Howie:**

As of the last date for which information is available, what proportion of the employees of the Department of Agriculture were women?

**Hon. John Wise (Minister of Agriculture):** As of November 7, 1987, 28 per cent of the employees of the Department of Agriculture were women.

[*English*]

**Mr. Hawkes:** I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

* * *

## PRIVILEGE

ALLEGED DENIAL OF INFORMATION TO MEMBERS OF PARLIAMENT

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I rise on a question of privilege because I have just learned within the last hour that the Prime Minister (Mr. Mulroney) plans to make a speech this afternoon before the Canadian Agricultural Outlook Conference and doubtless will be doing a major publicity activity there. That is part of the territory. It could be argued in this House that such information should be made available to this House of Commons.

However, my question of privilege relates to the fact that the Government has established a lock-up and briefing for the press starting at about 40 minutes from now, which apparently will carry through until 1.45 p.m. when the Prime Minister speaks at the Outlook Conference.

This information and briefing is being provided to the press gallery. Notices and invitations have been posted in the Press Gallery and in the press briefing room at the conference centre. However, repeated calls to the Minister of Agriculture (Mr. Wise) and the Minister responsible for Grains and Oilseeds (Mr. Mayer) to make arrangements for Members of Parliament, especially Members of the Opposition, to attend that press lock-up and briefing have drawn no response or actions from the Ministers.

• (1120)

This is clearly a violation of the privileges of Members of the House. They are being denied access to government information while the press is being provided with the information. There are all kinds of precedents. The information provided at the lock-up last Friday morning for the media on the Canada-U.S. trade agreement was also provided to Members of Parliament. The lock-up and briefing on the Auditor General's report includes Members of Parliament.

We know that Canadian agriculture is in crisis. Members of the Opposition should have the same access to information as have members of the press gallery. I call on the Government to take action immediately. If it does not and you, Mr. Speaker, find that I have established a prima facie case to show that the privileges of Members are being trampled on, I would be prepared to move the appropriate motion.

**Mr. Speaker:** This may be a point of order but it is clearly not a question of privilege. It may well be a complaint. However, as I said yesterday and have been saying repeatedly, especially in the interests of Canadians who are watching this, a question of privilege relates to something which has happened, something which was done, something which was said, or something which has not taken place, which impinges on the ability of a private Member to carry on his or her duties as a Member of Parliament in the interests of the people of Canada.

While the Hon. Member for Algoma (Mr. Foster) may very well raise a matter of complaint, it does not extend to privilege. However, I will take it as a point of order and it may be that the Government would wish to respond. However, that is completely up to the Government.

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, whether it is a question of privilege or a point of order, it is clearly an alleged anticipatory breach, in my opinion. I heard what my hon. colleague said. We will look into the matter and try to ensure that all Members of the House get the same information at the same time. I have no knowledge that they will not.

I am pleased that my hon. friend drew to the attention of the House, through *Hansard*, the efforts that the Prime Minister (Mr. Mulroney) is making on behalf of Canadian farmers. I believe this is the first time he has ever attended this type of conference. We appreciate all the support we can get in getting the word out. I would like to thank my hon. friend.

* * *

## POINT OF ORDER

ALLEGED MISSTATEMENT OF NUMBER OF SIGNATURES

**Hon. Allan B. McKinnon (Victoria):** Mr. Speaker, I had occasion this morning to see one of the petitions that was tabled by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) after his protestation that it had several hundred signatures on it. There are 84 signatures on it. I also notice that it has never been certified by the Clerk of Petitions which is a requirement under our Standing Orders.

**Mr. Axworthy:** I am sorry, it was.

**Mr. McKinnon:** I would like to ensure that petitions tabled in this House are referred to more accurately as to numbers and, in all cases, certified by the Clerk of Petitions in accordance with our standards.

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I rise on the same point of order. The certificate signed by Clairette Bourque, the Clerk of Petitions, duly certified this petition. Unfortunately, the staple came off and the sheet in question was not included with the petition. I would be happy to table that with the petition in the name of my hon. friend.

**Mr. Speaker:** The Hon. Member for Victoria (Mr. McKinnon) may be wondering whether, when the staple came off, some of the signatures came off as well.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I will not speak to that point, but I am glad that the Member for Victoria (Mr. McKinnon) found nothing wrong with any of the petitions presented by the New Democratic Party caucus.

**Mr. Speaker:** The Chair appreciates interventions by all Hon. Members on this matter. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) and all Hon. Members will be properly aided in their presentation of petitions by the knowledge that occasionally other Hon. Members do count the number of signatures on a petition. It is probably appropriate now to call for Orders of the Day.

## GOVERNMENT ORDERS

[*English*]

### TRADE

CANADA—U.S. FREE TRADE AGREEMENT

**Hon. Pat Carney (Minister for International Trade)** moved:

That this House endorse, as being in the national interest, the Canada-United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987.

**Mr. Riis:** Mr. Speaker, I rise on a point of order. Before we begin this important debate, I wonder whether you would consider seeking the unanimous consent of the House to allow the spokesperson for the New Democratic Party to have ample time to speak as will the speakers for the Government and the Official Opposition.

**Mr. Lewis:** Agreed.

**Mr. Speaker:** I want to thank the Hon. Minister of State for immediately indicating agreement. I am looking to the Official Opposition; there is agreement there in accordance with the usual courtesies in this place. I thank the Hon. Member for raising the matter. The Hon. Minister has the floor.

**Miss Carney:** Mr. Speaker, I am very pleased today to be able to rise and speak to the motion:

That this House endorse, as being in the national interest, the Canada-United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987.

I am sure all Members of the House will agree that it was a truly historic moment when the Prime Minister (Mr. Mulroney) tabled, after two years of effort, the free trade agreement with the U.S.

The Opposition is spending a great deal of time outlining what the free trade agreement is not. That is seen in the petitions which were tabled today by Members of the Opposition. As an example, the petition tabled by the Member for



Vancouver East (Ms. Mitchell) said that the free trade agreement struck at the very fabric of Canadian society.

This is a trade agreement, Mr. Speaker. It is a big trade agreement between two countries. It does not strike at the very fabric of our society. Our country was built on trade from the earliest days of settlement. We are among the world's top traders. The jobs of three million Canadians depend on trade. It is clear that the free trade agreement, which is aimed at liberalizing and increasing trade, is very much in the national interest.

The Member for Vancouver East also said erroneously that the free trade agreement will increase foreign ownership in energy. That is simply not true. The provisions with regard to energy in the agreement very clearly protect Canadian ownership. There is nothing in the free trade agreement that would in any way increase foreign ownership in energy.

• (1130)

Then we have the Hon. Member for Regina West (Mr. Benjamin) in his petition talking again about what the free trade agreement is not. The Hon. Member in his petition talks about the loss of hundreds of thousands of jobs. Let me remind the Hon. Member how wrong they have been in the past. Only one year ago we were in the House discussing the subject of softwood lumber. At that time we were negotiating a tax with the U.S. which we would impose in lieu of a countervail in order that we could collect the funds required here in Canada and leave the provinces free to manage their resources on their own timetable. This is something that we have accomplished and will be announcing shortly as B.C. moves to deal with the softwood lumber issue.

It is worth noting that at that time the provincial NDP and the IWA, the forestry union, supported us on softwood lumber. The Opposition stated that there would be hundreds of thousands of jobs lost. I wish to point out the news contained in the softwood lumber industry study prepared by the IWA, the very union that supported us, the very union that the workers, which states, "The massive job losses which many Canadian observers believed would surely result from the imposition of the 15 per cent export tax on softwood lumber . . . simply have not occurred". The report goes on to state, "Altogether 600 sawmill jobs were added in British Columbia during that period", because, of course, Canadian production during the first eight months of 1987 exceeded records, according to this report.

**Some Hon. Members:** Hear, hear!

**Miss Carney:** The IWA union report further states, "A check on the few mill closures that have been announced throughout Canada during 1987 reveals that they were caused by a number of factors, including severe shortages of economically priced timber and outdated, inefficient sawmill facilities. In no instance that we know of can the export tax be directly blamed as the sole cause of closure. And in one or two cases closed mills have been slated for reopening with new options

for timber supplies". That is how accurate they are when they state that hundreds of thousands of jobs will be lost with the free trade agreement. That is wrong.

Then the Hon. Member for Essex—Windsor (Mr. Langdon), like other NDP Members, states that the free trade agreement will somehow stop or limit our policy to set our own economic path in the future. Many of the NDP Members maintain that this will affect our sovereignty. I want to point out that this is wrong. I think that it is worth quoting Keith Spicer, a *Citizen* editor, who today came out in favor of this agreement. *The Ottawa Citizen* has been very cautious, waiting until the final text came out. Its editors actually read the agreement which is more than perhaps many of the opposition Members have done. *The Ottawa Citizen* points out that the people who talk about sovereignty probably have not read the deal and most never will. In the article Mr. Spicer states:

> There lurks in the minds of many of these professional patriots (apart from some specific partisan biases) a veritable Disneyland of neuroses about Canada: fear over hope; protectionism over risk-taking; a preference for the small, safe homeland over the scary grand stage of North America; pessimism over optimism; a love of hiding over seeking; a taste for tribe over individual.

*The Ottawa Citizen* editor concludes by stating:

> Isn't it time to stop being afraid? Isn't it time to grow up?

I think that puts it very clearly with respect to the sovereignty issue.

**Some Hon. Members:** Hear, hear!

**Miss Carney:** It is time for Canada to grow up and join in a free trade agreement which will help to secure the future for ourselves and for our children.

Having spent some time talking about what the free trade agreement is not, which I will return to in the future, I would now like to talk about what it is.

It is a trade agreement in the language of trade agreements. It is actually the largest trade agreement ever negotiated between two countries. We have the largest bilateral trading relationship in the world, something in the order of $200 billion a year.

Second, it is a trade agreement negotiated under the GATT, the General Agreement on Tariffs and Trade. The Opposition is often in favour of the GATT, speaks highly of it, and wants us to continue our multilateral negotiations in the GATT. May I point out what I have stated earlier, that in the very beginning of the free trade agreement, Part One, Chapter One, Article 101: Establishment of the Free Trade Area, it states:

> The Government of Canada and the Government of the United States of America, consistent with Article XXIV of the *General Agreement on Tariffs and Trade*, hereby establish a free trade area.

Therefore, it is consistent with the international global system. I can certainly tell the House that once it is signed, it will be studied by the GATT to ensure that it is consistent with GATT rules. It is a trade agreement that we are talking about.

What does this trade agreement state? Again, it is dealing with tariffs. We are dealing with the complete elimination in 10 years of all tariffs between the two countries.

For the record, we should note our gratitude and our thanks to all the members of our SAGITs, our advisory groups, the 300 people who helped us over the two year period to define what tariffs should be lowered in what time period. All the industries involved are very much a part of the evolving of the free trade agreement. They helped us decide which tariffs go in year one, which tariffs go in year five, and which tariffs go in year 10. It is a balanced arrangement.

It means that on January 1, 1999 the remaining tariff barriers on trade between the two countries will be phased out. Some tariffs will go in stages of one-tenth, others will go in stages of 20 per cent a year, but at the end of the period there will be no tariffs between the two countries. Some people say that if we already have no tariffs on approximately 75 per cent of our trade, why is it so important to remove the remaining ones? It is those remaining tariffs that keep us in the category of drawers of water and hewers of wood which the Opposition likes to paint as an alternative to free trade. It is those tariffs which keep us out of some of the most lucrative markets in North America.

For example, the one that is very close to home for western Canadians is the tariff on petrochemicals. The tariff on feedstock is only approximately 1.5 per cent to 2 per cent going to the United States, but the tariff on petrochemicals going to the United States is approximately 15 to 18 per cent. When that tariff is lowered—and if my memory serves me correctly I believe those tariffs go in five years, 20 per cent, 20 per cent, and out—that whole industry will have access to the richest market in the world. That will be very good news for Sarnia, it will be very good news for Alberta and other producers. The elimination of those last tariff barriers open up lucrative markets and good opportunities for Canadians. It gives us better terms than those available to our major competitors in the United States. Of course, the manner in which we have phased tariffs out helps to give maximum protection to our most sensitive industries.

I also wish to point out what the free trade agreement is. It confirms and will carry out the concept of national treatment. National treatment is at the heart and soul of trade negotiations around the world. National treatment simply means that you do not discriminate against other people's goods.

In looking at the free trade agreement, this chapter incorporates the fundamental national treatment obligation of the GATT into the free trade agreement. It means that once goods have been imported into either country they will not be the object of discrimination. We find that every time we go shopping. When a Canadian goes shopping there is not a different set of rules for a Volvo and a car made in the riding of the Hon. Member for Brampton—Georgetown (Mr. McDermid). If a Canadian buys a camera, there is no different treatment in the store between one made in Canada

and one made by our trading partner in Japan. We all take national treatment for granted. We have it every day in our lives. National treatment for American goods and Canadian goods in each other's market is confirmed under this free trade agreement.

Another subject covered by the free trade agreement is agriculture. This is very important to Canadians and it is worth noting again that this is the first time that agriculture has been included in a free trade agreement in a major way. I am told by our negotiators that it has eluded us in the GATT for 40 years. For 40 years we have been trying to get agriculture addressed in the international trading system. We are working very hard in the international trading system to do that. In the meantime we have in the free trade agreement more secure access to the U.S. for agriculture and food products. Some examples are meat and livestock, grains and oilseeds, and potatoes.

• (1140)

One thing which is important in this area is that each country agrees to stop putting up barriers to red meat imports. That is a major strength of the free trade agreement for the agricultural community, not only for red meat producers but also for grain producers. They tell us that the beef industry is a big market for grain, so the elimination of the barriers to meat imports will be a major benefit to Canadians in the agricultural sector.

Another area covered in the free trade agreement is services, trade in services. I think it is worth noting that when the GATT was designed 40 years ago, people thought only in terms of trade in goods. That is why it is called the General Agreement on Tariffs and Trade. It speaks only of goods, but now the fastest growing component of trade in the world is services and we are attempting to deal with it in the multilateral round in the GATT.

In the meantime we have made very solid gains in our free trade agreement by coming to agreement on a code for services. It provides that in the future, and for a variety of service sectors, Canadian service companies operating in the U.S. will get the same treatment from the U.S. Government as U.S. firms get and, of course, vice versa. This will be important to Canadians in the future. It is backed up by temporary business permits which will allow Canadians and Americans to move freely across the border in order to ensure that they can service each other's markets. It is very important for Canadians.

Another subject covered by the free trade agreement is automobiles. Here there are no major changes from the October text. We have always said that the agreement is good for Canada and good for Ontario. We call it the Auto Pact plus, because we have kept in place the fundamental elements of the Auto Pact and we have added provisions which will create new opportunities for production, employment, and other opportunities. For example, one of them is the very high standard of North American content which is being provided for.

I would like to add here something which people may forget, that the provisions in the agreement were negotiated by Simon Reisman who, of course, was the person who negotiated the main Auto Pact. No one is in a better position to strengthen the Auto Pact than Mr. Reisman. I am reminded of a comment made by a young man in Windsor when I went down to speak there. I was talking with him about the provisions in the free trade agreement for automobiles and finally I asked, "What do you think about it?" He said, "Well, I have never been worried about this, Minister, because as soon as I heard that Simon Reisman was for it I thought it was fine with me because he did a good job the first time around and I can trust him to do a good job the second time around".

**Mr. Murphy:** Is that the highlight of your speech, Pat?

**Miss Carney:** The Hon. Member asks if that is the highlight of my speech. Clearly he has not been listening. The highlight of my speech is to say what is in the free trade agreement, not, as the Opposition concentrates on, what is not in the free trade agreement. If the Hon. Member directs his mind to what I am talking about, it may be possible for him in future to talk about what is in the free trade agreement.

Another provision in the free trade agreement is procurement. We have broadened the provision of the GATT governing the procurement code by lowering the threshold level at which Canadian companies can bid for U.S. Government contracts. This means an additional $4 billion market in the U.S. for government contracts which is now open to Canadians. That is what we call a tiny perfect package. It is a good start in the procurement area. Canada wanted more, as I have said in the House, but the U.S. was being cautious in this area. We still maintain our defence sharing procurement, but the $4 billion is a good start for a lot of small businesses in Canada.

In energy we have negotiated the freest possible bilateral trade giving us secure tariff-free access to the U.S. market. We have a commitment to consultation on energy regulatory changes if these are inconsistent with the principles of the agreement. It provides for energy security on both sides of the border and, most important, it represents great opportunities for Canadian exports of oil, natural gas, electricity, and uranium which in the past have been harassed and threatened with the loss of market.

By securing the market for energy resources we have created the condition where we can attract the new investment required to develop our energy resources for Canadians in the future. I think that our energy package is one of the highlights of this agreement. It is not a continental energy policy as the Opposition says. We maintain our ownership of the resource. We maintain our right to manage it, to conserve it, and to regulate it. We maintain all the powers that the provinces had before in this agreement. We maintain, as I said earlier, the

foreign ownership restrictions, but we have secured the market. I think that is a big plus in the over-all agreement.

Getting down to some of the other issues in the free trade agreement, of course we have the method of settling disputes. We have a method of which the world is extremely envious. We have an agreement to get a binational system for resolving trade disputes in a way which binds both parties. That is a major breakthrough. When the opposition Parties talk about the loss of sovereignty, it is odd that they never comment on the fact that by agreeing to a binational binding dispute settlement mechanism which replaces their own appeal process in the U.S. it is a tacit agreement by the U.S. to take a binational system in lieu of its own area of sovereignty. I believe that if we had this apparatus in place two years ago the softwood lumber case and some of the other cases, such as the potash one we currently have, would have been stopped in their tracks.

In future, when the law in either country has run its course, it will be Canadians as well as Americans who will decide on the final outcome of the case. Of course the key part of this dispute settlement element is that we will be creating in the interim a new body of law that will be binding on both parties. When people say to me "what is so important about that", I point out that if we have a market which is one large market and it replaces two markets, we need new laws. Let us think of it in terms of anti-dumping. The whole concept of anti-dumping is a concept of dumping into somebody else's market. If we have under free trade one market we need new laws, and both countries will be working to develop that in the future.

**Mr. Cassidy:** You said that we would have the new laws by now.

**Miss Carney:** The Opposition says that we were to have the new laws by now. We tried to do that, we tried to do that.

**Mr. Cassidy:** You failed and you still bought the deal.

**Miss Carney:** We tried very hard to do that, and we could not agree on a way of doing that in a way which met our objectives, so we—

**Mr. Cassidy:** So you threw away our bargaining power.

**Miss Carney:** —set ourselves the objective of giving us time to develop those new laws. In the meantime we have a way of settling disputes which is binding on both countries. It is an improvement over the situation we have now.

Turning again to what the free trade agreement is not, again it is not eroding our cultural sovereignty. I ask Hon. Members to examine the text of the free trade agreement and they will find an annex which says that cultural industries are particularly exempted from the agreement, from all provisions of the agreement. They are exempted from dispute settlement. The temporary business permit for immigration purposes will not apply to that industry. They will lose many of the benefits of this agreement, but that is what the Prime Minister promised and that is what they asked for.

Social programs are not affected, nor is our capacity to put in place new ones such as child care. I think Hon. Members can see that in the child care program we have developed.

**Mr. Cassidy:** Tell us about regional development.

**Miss Carney:** The Hon. Member asks us to tell him about regional development. I would love to tell him about regional development.

**Mr. Cassidy:** Tell us about countervail against regional development.

**Miss Carney:** Nothing in the free trade agreement affects our ability now or in the future to achieve our regional development goals.

**Some Hon. Members:** Hear, hear!

**Miss Carney:** We can do today and tomorrow the same things we did yesterday. The difference in the future—

**Mr. Cassidy:** The Americans can do the same things to us as they did yesterday.

**Miss Carney:** —will be that the final resolution of such disputes will be by a—

• (1150)

**Mr. Speaker:** Naturally there is a temptation to intervene occasionally but this House has seen that before. I would point out to the Hon. Member that only a few moments ago the House very graciously granted to the spokesperson for the New Democratic Party a full 40 minute reply. In view of that courtesy, I hope Hon. Members will give the appropriate courtesy to the Minister by letting her continue her speech without interruption.

**Miss Carney:** Thank you, Mr. Speaker. I can accommodate the Hon. Member's impatience by telling him—

**Mr. Axworthy:** I rise on a point of order, Mr. Speaker.

**Mr. Speaker:** If I could interrupt the Hon. Minister for just a moment. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is rising on a point of order.

**Mr. Axworthy:** Mr. Speaker, I rise on a point of order just to clarify your remarks. It is our understanding that in the opening round of debates there would be unlimited time. You have now restricted that time to 40 minutes. Could you clarify that, please?

**Mr. Speaker:** I apologize to the Hon. Member for Winnipeg—Fort Garry. He is absolutely right. It is unlimited time.

**Miss Carney:** Mr. Speaker, I do not intend to take unlimited time, I just intend to deal with a few more things and then we can listen to the remarks of the Opposition.

We were talking about regional development and the Hon. Member yelled, "What about countervail?" May I remind him that our laws and the American laws in this area are entirely consistent with the GATT. This free trade agreement is negotiated within the provisions of the GATT. Our complaint with the Americans in the past in the case of potash, softwood and other issues was what we viewed as an unfair process in the application of these laws. That provision has been met with this binational dispute settlement mechanism. There will be an element of fairness involved when people know that trade remedy cases will be going before an impartial board of Canadians and Americans. Further we have made an improvement in this area. There is an appeal process on very narrow grounds if there is any suspicion of fraud or conflict of interest in these areas, and we have strengthened the dispute settlement mechanism in the final agreement.

I want to point out that for 10 years we have been net exporters of direct investment. Most of that has gone to the United States. This agreement now provides more secure access for investors in the U.S. and assurances of non-discriminatory treatment. That is very important for us because it gives us security of our investment in the U.S.

Since it is a balanced agreement, it gives security in Canada to American investment. If you ask why that is so important, Mr. Speaker, it is because the previous Liberal administration under the National Energy Program expropriated other people's property and the Americans want to ensure that no future Government can adopt those Liberal policies again.

In terms of adjustment, the agreement does not limit us in any way from helping people to adjust to the new trading regime. On the contrary, it provides for a generous phasing-in period over 10 years. Our Government, as the Prime Minister says, is ready to assist Canadian workers who need retraining and ready to assist companies wanting to take greater advantage of the new market opportunities.

If you look at the free trade agreement and see the lower prices to consumers which will flow from the elimination of tariffs, something very important to seniors and to all Canadians; if you look at the new markets that will be created and the new jobs that will be created, you will see why this agreement is very much in the national interest.

I have tried to limit my remarks to what is in the free trade agreement to educate and enlighten members of the Opposition because many of them clearly have not read it. I would like the opposition Parties, because this is a historic debate, to tell the House what alternatives they propose.

**Mr. Riis:** Right on.

**Mr. Axworthy:** We will.

**Miss Carney:** We know what the NDP proposes. The New Democrats are entirely against this agreement. They want to stop it and stay in the narrow little world of protectionism.

**Mr. Riis:** Absolutely false.

**Miss Carney:** They want to stay in the Dark Ages. They want to retreat into the 19th century.

**Mr. Riis:** Untruth.

**Miss Carney:** They refuse to grow up and realize that in the world we have today we have been liberalizing and freeing trade and reducing barriers, but that is not the kind of world the New Democrats want.

**Mr. Riis:** You are incorrect, Pat.

**Miss Carney:** In the case of the Liberals we are rather confused about what they propose. First their leader has proposed walking away from the agreement. Then he proposed tearing up the agreement, all 2,000 pages of it. Lately he has been talking about how it is better for some regions than others. He has indicated that he may want to have a second look at the agreement. I think it is time the Liberals told us where they stand on the free trade agreement. Do they totally oppose it? What will they put in its place?

**Mr. Frith:** We have it right here, in colour.

**Miss Carney:** I can hardly wait, Mr. Speaker.

This agreement will go into force January 1, 1989.

**Mr. Axworthy:** There will be an election first. You will be defeated and it will be all over.

**Miss Carney:** What are they going to do on January 1, 1989 or, say, February 1, 1989? Will they put the tariffs back on all those items in 1989? Will they dismantle the dispute settlement mechanism? Will they dismantle the panels of experts and dismantle the whole appeal process?

**Mr. Axworthy:** It doesn't matter anyway.

**Miss Carney:** Will they put the red meat barriers back, on all the other agricultural goods which will be so damaging to the agricultural community? Will they put up the barriers to energy which we have just negotiated away in our own energy policy and enshrined in the free trade agreement?

**Mr. Gauthier:** That is nonsense, and you know it.

**Miss Carney:** In 1989 what do they propose to do? Do they propose to put back all the barriers that we so carefully have negotiated away? That is what Canadians want to know.

**Some Hon. Members:** Hear, hear!

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, the Minister for International Trade (Miss Carney) opened her remarks by saying that this was a historic moment

and a matter of undying concern for all Canadians. She then proceeded to give a speech that would be more reminiscent of a late night barroom brawl than the kind of elocution that might try to give Canadians a sense of purpose, direction and vision of where we are going. That is not surprising because I think the entire treatment of this matter from the time it was announced has been shrouded in secrecy, has been riddled with contradiction and has been tainted with this kind of low-life attitude that we are all right and we do not care what anybody else thinks.

If we describe the process that we have been through, it is more like a shotgun wedding. Consummation before you get to the altar, a hurry-up, gun-at-your-head-signing kind of arrangement and no willingness to deal with the consequences of your act.

**Mr. McDermid:** That is nonsense.

**Mr. Axworthy:** We talk about the national interest. I believe that one of the primary issues of the national interest is to ensure that we retain a respect for the democratic institutions of this country, that we retain a respect for the rights of Canadians to participate, to be informed, to have information and, particularly, to be heard.

There has been nothing since this initiative was launched to serve the national interest in strengthening peoples belief or credit in the parliamentary institutions. This institution has been treated with contempt and disdain. It has been ignored, short-circuited simply for the reasons of reaching a political public relations timetable. When the Minister says it is historic, it is historic in the way in which this Government has deliberately gone out of its way to bypass the fundamental institutions of Canada ensuring people have a right to participate.

• (1200)

Just take this morning as an example. Today a Commons committee was to table a report outlining its findings on what Canadians thought about the original document, but the Government has already decided on a final document so all those representations will have absolutely no relevance or impact whatsoever on what the Government will do. Is that not an attitude of cynicism about the way this institution works?

Let us take into account that, contrary to all promises and assurances, the final document contains within it major substantial changes to the agreement, changes affecting the rights of provinces, the right to establish Crown corporations, the control of the entire resource industry of Canada, transportation and agriculture. In other words, it is "Document II", it is not simply a legal redefinition. It was a fundamental alteration. Yet we are now entering into a debate of some few days' length in which the Conservatives will use their overwhelming majority to ram the agreement through so that the Prime Minister (Mr. Mulroney) will have a so-called mandate to sign the agreement on January 2 without allowing Canadians the opportunity to have had the final document put before a parliamentary forum in which examination, review and debate could take place.

Is that in the national interest? Is it in the national interest for the Government to treat Parliament so blindly that it will create nothing but disrespect for how this institution works or how it should work? Of course, the Minister is so deeply interested in this historic debate she has not managed to stay for two seconds after her own presentation.

**The Acting Speaker (Mr. Paproski):** The Hon. Member who has been here for many years knows that he should not reflect on the attendance of Hon. Members. There are television cameras in the lobbies for Members to watch. I believe the Hon. Minister will probably be back in the Chamber, but I do not think that that type of debate is necessary.

**Mr. Axworthy:** Mr. Speaker, I thought it might be nice if any Minister at all were in the House. I apologize if I trespassed, against the House's rules. I only made that remark to illustrate just how important it really is when we are not even able to have a presence on the front-bench. I withdraw that remark also, but I think it is important to recognize just how this matter is being treated by Members on the government side.

The process was begun in an atmosphere of distrust. A candidate for the role of leader of his Party said with no equivocation that he would never sign a free trade deal because it would destroy Canadian sovereignty. That was a statement made by Mr. Brian Mulroney, private citizen, before he became Leader of the Conservative Party. In that same leadership campaign I recall hearing the words of the now Minister of Finance (Mr. Wilson), the now Secretary of State (Mr. Crombie) and the now Secretary of State for External Affairs (Mr. Clark), all of whom declared without any qualification that they would never initiate a free trade deal with the United States. Why? Because it would destroy our sovereignty.

How times have changed. There they sit now, ball on nose, clapping their flippers wildly for the concept that free trade is the biggest bonanza to hit Canada and will not affect sovereignty at all. That is not honest. It is not honest for the Prime Minister to have said he was absolutely sure he would never sign such an agreement and now say that he thinks it is the greatest thing without giving us any reason whatsoever for changing his mind.

What happened? That is an interesting question. What happened on the road to Damascus that caused Saul to change to Paul so suddenly? Once we saw the Prime Minister in action in the beginning of 1984 we realized that he changed his mind on everything. Unfortunately, this issue has an awful lot more impact on Canadians than most of his other gymnastic flip-flops have had.

I am not here to describe the mental acrobatics of the Prime Minister. God knows we have seen enough of that. I am

saying, however, that on a matter as crucial as this, surely there was a responsibility and an obligation to explain.

I call to the attention of the House that at the beginning of this debate a cabinet document found its way into opposition hands. This document outlined the communications strategy for the launching of the trade debate. What was that communications strategy? It was basically to keep Canadians in the dark because it said that if Canadians find out what it is really all about, they will oppose it. That is what the document said. It is not something that was conjured up by—

**Mr. McDermid:** Produce it.

**Mr. Axworthy:** We will. I will be glad to table the report. I would be glad to have it on the public record.

The fact of the matter is that the debate has been that way right from the start. Has the Government ever given Parliament any clear demonstration of evidence to support its claims? No. Before a Commons committee, the deputy negotiator, Mr. Ritchie, when asked where the studies are to justify his claims for jobs, said that he did not have them.

**Mr. Horner:** Economic Council of Canada has them.

**Mr. Axworthy:** Oh, let us stop here. I heard echoing from a mental chamber on the other side that the Economic Council report is their justification. If that is the justification being used by Hon. Members opposite, may I ask why it is that the Economic Council report did not include as a basic premise the service industries to justify its job claims? The service sector only accounts for 60 per cent or 70 per cent of all jobs, but it was not included in the council's report. Furthermore, the Economic Council report said that its assumptions are based upon the fact that Canada will have an exemption from U.S. trade law. Do we have an exemption from U.S. trade law? Of course we do not. So much for the Economic Council report.

If that is the slender reed upon which the Government is basing its case, then God help this country. In fact, the Director of the Economic Council of Canada himself said that they could not give a forecast based upon the present agreement. He said that it would take until at least February to get the numbers. Of course, in the meantime the Prime Minister will already have signed the deal. So much for the evidence of the Government.

Let us continue to discuss another part of the process. The Government brought in its October 4 document and said that it needed a couple of days to brush it up and put the lawyers to work and then we would have a couple of months to debate it. A committee was formed before there was a final document. The committee was instructed to hear from Canadians and, of course, the majority of the members of the committee were so democratically minded that they defeated proposals that invitations be issued to the public at large. They said no, they did not want the public at large corrupting their committee process.

We asked for additional hours of hearings when we were in each city. Of course we were not allowed that. We were allowed a one-night stand in each provincial capital in order to hear presentations. In the Province of Quebec, in which there are six million people, six briefs were heard. That is a grand cross-section of Quebec society, to say nothing of all the other provinces.

That may be the Tory Star Chamber interpretation of democracy; that may be the kind of inquisitorial interpretation that Tories apply to it which means not giving people a chance to participate, but it surely is not a proper examination or opportunity for Canadians to be heard.

Then we got to the point we are now at. We were to have the committee report, but the deal has already been signed, sealed, locked up and delivered with a statement that we cannot change anything in it. It is a shotgun wedding. That is the only way to describe it. It is a gun to the head of the Canadian public. The deal was already forged before it was even made public.

We know what the consequences will be. A very important statement was made by the Anglican Archbishop, the Primate of Canada, before the committee. He said that the Government has a moral obligation to explain the consequences of its acts. He said that the Government has not done that. We are still waiting for that moral obligation to be fulfilled.

• (1210)

The process speaks for itself. I contend that it is not in the national interest to totally ignore democratic rights in this country, especially because the Government is committing what one can only call the big lie of propaganda. The Minister repeated it this morning when she said that this is only a trade deal.

The agreement we are debating goes far beyond the conventional process of bringing down some tariff barriers or dealing with non-tariff barriers. How can a Minister of the Crown say that it is simply a trade deal when there are clear limitations on the rights of this Parliament to deal with questions of foreign investment in the future? How can the Government say that it is only a trade deal when there is a direct limitation on the right of federal and provincial Governments in the future to establish Crown corporations the way they see fit? How can it say it is only a trade deal when the way in which we manage our resources and set prices for energy and other resources is clearly prescribed, limited and handicapped by this deal?

Section 409 states that all goods can no longer have discriminatory pricing set on them. It is hardly just a trade deal when every jurisdiction in this country that wishes to trade a good or service with the United States will no longer be able to set different prices to Government action. That is not trade, it is a direct limitation on the sovereignty of every Parliament and assembly in this country.

How can it only be a trade deal when it extends its reach into every jurisdiction in this country, including energy, agriculture, services and banking?

We are being told that as legislators we can no longer make decisions in these areas. We can no longer have the right as a sovereign Parliament to make laws and rules according to our best judgment, after debating them with other Canadians and other provinces and coming to grips with the issues in the fine old Canadian tradition. No longer do we have rights in these areas.

Vast areas within public jurisdiction in Canada have disappeared and future generations of Canadians will never have the rights in these areas that were enjoyed by previous generations. That is not a trade agreement. It is a form of sovereignty association, economic union, economic integration. Whatever one wishes to call it, it goes far beyond the boundaries of trade.

If we were simply negotiating a reduction of tariffs, there might be less worry because we could debate that in terms of its direct impact on industries. This far-reaching agreement extends into unchartered waters for which Canadians have no map to understand it. How can the Minister say with any credibility that it is simply a little trade matter about which Canadians should not worry.

One must ask if the Minister ever wonders why Canadians from coast to coast, in every region, are exercised and anguished about this deal? That would not be the case if this was simply a matter of reducing some tariffs on vegetables or other items. We are seeing incredible division, anxiety and controversy in Canada because Canadians see their fundamental right to choose what kind of country they want in the area of public policy disappear in front of them.

It is fascinating that a Prime Minister who said he would seek election on a platform of national reconciliation is offering what will undoubtedly be the most disputatious and divisive initiative in the history of this country. It is dividing people all across Canada, and not only on regional grounds, because we discovered in committee that people in Alberta are as deeply divided on this issue as people in Ontario, Quebec or the Atlantic Provinces. Yet we heard those scurrilous attempts by the Prime Minister and the Premier of Saskatchewan to suggest this is just a matter of the West versus Ontario. What a low-life approach.

**Mr. McDermid:** He never said that.

**Mr. Axworthy:** The Prime Minister, who was going to be the author of national reconciliation, is in fact trying to set region against region in a way that is simply designed to sell his arrangement with Mr. Reagan. That is hardly in the national interest when one sees how deeply this proposal cuts into the very soul of this country.

Let us consider the arguments being advanced by the Government. It was fascinating to hear the somewhat qualified remarks of the Minister for International Trade today. Unlike the bombast of the past, today we did not hear those kinds of grand, eloquent promises. When the Prime Minister announced this agreement, he said that it would be the solution for all that ails Canada.

**Mr. McDermid:** He never said that.

**Mr. Axworthy:** He said that if there were problems with regional development, free trade with the U.S. will help that.

**Mr. McDermid:** He never said that.

**Mr. Axworthy:** Yes, he did.

**Mr. McDermid:** No, he did not.

**Mr. Axworthy:** Yes, he did. He said if there are problems with productivity, free trade will help it. If there are problems with growth, free trade will help it. It will also help grow hair and eliminate warts at the same time. That is all it will do, eliminate warts.

**Mr. Marchi:** The Parliamentary Secretary is interested.

**Mr. Axworthy:** Perhaps the Parliamentary Secretary is interested in it because he thinks it will grow hair.

The Government, its business allies and other advocates of this deal have presented no hard, clear evidence to demonstrate to Canadians exactly what economic benefits there will be. During our committee hearings throughout the country, we heard from various economists, chambers of commerce spokesmen and BCNI officials. Not once were they able to provide us with what one would call substantial evidence that there will be jobs. They hoped there would be jobs, they believed there would be jobs, and felt that there would be jobs, but not once were they able to provide the evidence that there will be jobs. There is no evidence.

If one considers the historical facts, there is no guarantee that a free trade region will automatically bring about all the promised benefits. I suggest that Members ask people in northern England, Scotland or Wales how Great Britain joining the Common Market has helped the regional divisions in Great Britain. The fact is that it has exacerbated them. How has it helped the unemployment rate? The unemployment rate in Britain was 5 per cent before it joined the Common Market. It went up to 15 per cent after it joined.

The Government talks about productivity. It is interesting to note that in the last 10 years we have had a higher productivity rate than the United States, even with its access to that market of 250 million people. We hear the argument that access to that market will make us more productive. Why are we more productive now than the Americans? We are not only being asked to accept a leap in faith, we are being asked to accept a leap in logic.

If the Common Market is so great, why have we had a higher rate of job creation in the last 10 years than any

European country? The Common Market is supposed to be the magic answer for us, yet we were able to outperform it.

We are told about the great benefits of economic union with the United States. We have a $20 billion surplus in trade with the Americans while they have a $180 billion deficit. The economic facts simply do not exist.

However, we did learned in our committee hearings where there will be job losses. Witnesses appearing on behalf of data processing organizations, representing small high tech firms in Canada, said that we have already lost 100,000 jobs and will lose some 200,000 more because the present rules requiring data processing to be done in Canada will be wiped out. As one individual said, "It will not hurt me as a businessman. I will just go to St. Louis or Minneapolis". But the workers will be left behind unemployed.

• (1220)

What about the food processors? I was surprised that the Minister for International Trade ignored the largest industry in Canada. It employs more people than any other industry, close to 300,000. That industry appeared before the committee and said that the Government had a problem with the agreement. If it takes the tariffs down to zero on packaged processed frozen products, the Americans will have somewhat lower input goods because they can get their chickens out of Georgia and their vegetables out of California and they will undercut us totally, which will mean we will have to shut down, close up, go out of business, unless we get rid of supply management. Government was told it had a choice, either to get rid of supply management or destroy that industry.

It would seem to me that that is a fundamental dilemma a Government might want to face considering that the whole food industry is the largest employer in Canada. But has the Government faced it? No. Was there anything in the final text of the agreement to resolve that problem? No, because we cannot resolve it. What the Government has refused to recognize is that in order to maintain a stable, self-sufficient food industry, we must maintain certain rules. We must retain certain tariffs at times. We must retain a certain way of ensuring that the products of our farmers will be bought and their prices will be stable and the manufacturing processing plants will be doing the work for us.

We have now opened that up to double jeopardy. Here we have in a final agreement about to be signed on January 2 a great gaping hole, an unanswered question, with no answers being provided by the Government, and this will affect a fundamental industry of this country, the food industry. One would expect the Government to at least make some gesture to respond, but it has totally ignored that problem. It will not even talk about the problem. It says it does not exist. The Government is in that kind of fantasyland that if one does not think about something, it will not be there. The Government thinks it can wish it all away. It takes its political lessons from the fantasyland Premier of British Columbia. It is a catching disease.

The fact is that the economic benefits the Government promised simply and completely cannot be demonstrated. What can be shown is that there will be severe and substantial disruption to many vital industries in this country. All the members of the committee said that at least the Government should talk about a massive adjustment program. That was a recommendation of the Macdonald Commission. Its report is the Bible the Government keeps pulling out as the instrument and basis for the free trade agreement. Yet the Macdonald Commission clearly said there would have to be a massive multibillion dollar expenditure on adjustment to make it work. The Macdonald Commission said it should be written into the agreement. Is it in the agreement? I did not see a word about it because the Government has no intention of doing it.

I do not know who to believe, the Minister of Finance, the Minister of Employment and Immigration (Mr. Bouchard) or the Prime Minister. They all say different things. The Minister of Finance controls the purse and he says, no, we will take care of it under our existing programs. That is fine except that the existing programs are being cut back. The Department of Employment and Immigration cut back several hundred million dollars over the last two or three years. There is not even enough money to take care of the present issues but the Government will solve all the new problems with a receding Budget. That is again an example of Tory arithmetic.

Let us go to the other huge benefit the Government talked about. What was it that the Prime Minister said in that speech in New York, the get tough speech to the American business community? He said that the whole reason for negotiating this agreement is to get an exemption from U.S. trade law, to stop the harassment, to ensure that Canadians will have a special elimination of those problems. The Macdonald Commission, the Bible, said the same thing, that the fundamental issue is that U.S. trade law is unfair and we have to do something about it.

So now we come to the centre point of the agreement, the binding binational dispute settlement mechanism that—and, of course, the Prime Minister did not say this in his remarks—is simply an appeal procedure. The entire continuation of U.S. trade law is in force and U.S. industry will still have the right to initiate actions, to go to the trade commission, to go to the Department of Commerce, to get the rulings. Canadian industry will still be forced to hire expensive Washington lawyers. They will still have to go through the process of fighting those claims. There will still be all the harassment that was there before. The only thing that was changed in the initial agreement is that we were told the International Court of Trade in New York would be replaced with a binational panel. In other words, we would be able to appeal based upon that law.

When I asked the deputy negotiator, Mr. Ritchie, why was it changed; was the International Court of Trade biased, was it

unfair? He said, no, that was the one thing about which we had no complaint. It was totally impartial. So that was the genius of that great negotiating team which should be heralded as the biggest bag of wind in the history of Canada. The chief negotiator has more gas exploding from him than the Hindenburg dirigible, and is about as reliable. The fact is that what was negotiated was an appeal procedure, not an exemption from the law, and in doing so, they have closed off other avenues that the Canadian industry could use.

Clearly, if the binational panel is chosen we cannot go to GATT. At least in the GATT we could challenge the law, we could challenge the premise of the law, but these geniuses have now closed that option. Furthermore, they have substantially altered the process of judicial review and the rights of using courts. To add insult to injury, to take that Mickey Mouse mechanism and put a Donald Duck character to it, after we got the final agreement, what did they do to the appeal procedure? They put another appeal procedure on top of it. We now have an appeal procedure to the appeal procedure.

If one looks at the criteria set out in this final agreement, one can see that any smart Washington lawyer worth his thousand dollar a day fee is going to find enough room to run a truck through. So we will end up with a process that takes longer than the one we have now. It will be more expensive and more time consuming, and that is the so-called benefit of the deal. The great accomplishment of this Government is to end up with an appeal procedure to an appeal procedure, lengthier time, costing more money to Canadian industry and no protection, no security of access. That is the bottom line of this agreement. So much for the benefits of this deal that the Minister promised.

Before I forget, let us talk about the so-called consumer benefits. The Minister of Consumer and Corporate Affairs (Mr. Andre), a few days after, rushed out to the TV cameras with press releases saying that consumers will benefit extraordinarily. There was the Minister for International Trade promising people that they could run down to Fargo, North Dakota, or Spokane, Washington, and come back with their arms full of VCRs, cameras and television sets. There was this image in the minds of people of this long train of people in front of a cornucopia of goods being hauled out of various K-Marts on the border stations across Canada.

But the Consumers' Association says it is not such a hot deal. If we really look at the 10-year phase-in, it may mean we get a $50 or $60 saving a year, if we are lucky. Furthermore, most of the goods people are being promised are excluded because they have foreign components and under the rules of origin, if the VCR is made in Japan, Taiwan or Korea it is going to have the same tariff applied to it. We now have the Minister of National Revenue (Mr. MacKay) saying that, of course, we are going to keep our currency control, so the rule that says we can only bring in $50 worth of goods in the first 24 hours and $100 worth after will still be there. So much for the cornucopia.

Once again, we have this bloated, blown-up, bombastic propaganda being put forward by the Government, but when we look at the reality, what do we see? The problem is that the Government's propaganda machine has been characterized in the image of the Government itself. We have already had the shotgun wedding. That is what happens when you have a shotgun wedding, you get a false pregnancy. There are too many deals in which promises were made which never materialized. All of the so-called benefits have serious doubts cast upon them.

• (1230)

It is also interesting that the benefits which do result, such as the lowering of tariffs in some areas, could have been achieved as they have been in the past through negotiations internationally or under the U.S. trade law in accordance with which they are prepared to negotiate tariffs alone. We could have negotiated some tariff reduction. It would cause no dramatic upheaval for Canadians to do that. Previous Liberal Governments have negotiated far more tariff reductions than are contained in this agreement, which demonstrates that we are not against that. However, we never did that at the price of surrendering the control and management of our own economy as does this deal.

That brings us to the question of the costs. The Minister for International Trade went out of her way to suggest that this was a cost-free agreement. She suggested that this would be a simple matter of easy, open, peaceful transition. In fact, things are quite different. It is impossible for any government to claim that things will remain the same in the energy sector. When you lose the right to set price and supply you have lost control of the resource. That is what is in this agreement.

Even more damning, the so-called guaranteed access for Canadian energy to the United States market is not in the agreement. I read the agreement very carefully and do not see the words "guaranteed access" anywhere in the text. What does remain, however, is the right of the U.S. regulatory agency in Washington to set all the rules.

I want to remind Members of the House of the statement made by the Small Explorers and Producers Association of Canada, one of the three major oil and gas associations in Canada. It said that it is against this deal because it is not reciprocal, it does not give equal treatment. It says that we have given up our controls through the National Energy Board but the Americans have retained theirs. Prices in energy will be set in Washington or by cartels of OPEC or multinationals. The Government has lost its right to provide any leverage against such a cartel. This is the Government that says there is no limitation on sovereignty.

I have talked to a number of lawyers to get an explanation of this agreement. Sections 408 and 409 were not in the original agreement. The agreement disallows anyone from setting an export tax, not only on energy, but on any good exported to the United States. Section 408 goes on to say that

you can no longer set prices through government action on any good or deal with supply matters. That clause gives the potential for the United States to insist upon rights of control management over every resource that we have in Canada.

**Mr. McDermid:** What a crock.

**Mr. Axworthy:** I ask the Member to read sections 408 and 409.

**Mr. McDermid:** Get serious. You are living in Disneyland.

**Mr. Axworthy:** Unfortunately Tory Members cannot read. After watching the Prime Minister in Question Period yesterday, I suggest that he might be well advised to read the agreement. He clearly has not. It might be helpful to read those clauses before he signs the agreement so that he will realize what he is doing to this country.

We are also told that there will be no limitation on the sovereignty of our provinces, that they will not be affected in any way. On page 300 of this final agreement it talks about establishment of monopolies, including Crown corporations at any level. It says that we can set up Crown corporations but must first consult with the United States and then comply with a whole series of conditions as to what they cannot do. They cannot cross-subsidize and cannot have discriminatory provisions on monopoly goods or services.

If this clause had existed in 1867 we would not have Air Canada, the CNR, the CBC, or provincial telephone corporations. We would not have the very institutions and instruments which helped to build this country. We would not have the Canadian Wheat Board. We would not have the institutions which various generations of Canadians have creatively forged to shape and define this country. Under this clause we will no longer have the power to use public instruments and public agencies to serve Canadian interests.

With regard to sovereignty, surely it is a primary right of any Parliament or provincial assembly to say what kind of Crown corporation it is going to establish and what the corporation will do without having to consult with the Americans or meeting a set of conditions.

The Minister said that cultural programs are being supported. Clearly she has not looked at the evidence which was brought forward by groups like ACTRA and various other cultural organizations and artists which say that the agreement retains a pregnant clause called a "notwithstanding" clause which gives the United States the right to retaliate on any future cultural initiative if they think it is not in their cultural interest. How can they say that culture will not be affected? We may have grandfathered what we did in the past, but we have mortgaged what we can do in the future. That is another limitation on sovereignty.

Let us deal with social programs. We have heard denial after denial. The Minister responsible for the Status of Women (Mrs. McDougall) has given several speeches saying that social programs will not be touched in the agreement. That is not the way it works. The Government should listen to the anti-poverty organizations, the women's associations, and others who say that they will clearly be touched. If the Government is not prepared to listen to that constituency, it may listen to the business community. The Business Council of British Columbia says that of course they will be affected because it is clear that the pressure for harmonization will begin to apply. The pressure which will affect them will not come from the Americans but from our own community.

Our businesses are now faced with so-called competition by a southern state which has no minimum wage, is a right-to-work state, has no health care program, and has no environmental standards. It therefore has much lower input costs. We are trying to compete with them in the making of blue jeans, furniture, or high tech goods. As a result, the first demands will be for lower taxes and to get rid of rules and regulations. In that way we will substantially affect the social and environmental fabric of Canada.

That is to say nothing of the still unanswered problem which was brought to the attention of the committee of the Maquiladora corridor. The Americans now send components into Mexico where they are assembled by cheap Mexican labour then brought back into the United States as made-in-America goods. The Government says that we should not worry about that, that we will have customs inspectors roaming through American factories testing these things.

Does the Government believe that a motor which could go into a 100 different varieties of refrigerators can be tagged and observed if it comes into the Canadian market a year later? If the Government tries to do that it will create a bureaucratic nightmare. However, that will not happen. That is a placebo, an attempt to deal with the problem without any intention of implementation. We will be faced, as American industries are now being faced, with this undercutting of the basic wage standards and social standards of their country.

• (1240)

This week there was a major article in the *New York Sunday Times* in the business page. It was a debate about the impact of the Maquiladora process. The basic outcome was that hundreds of thousands of American jobs are being lost as a result, because quite frankly the large corporations could not give a damn whether they have a factory in Michigan, Ontario, or British Columbia; if they think that they can make a higher profit by having it on the Mexican border, they will do that.

When we talk about the immunization of our social programs, we are living in a fool's paradise. The Government is not telling it straight, it is not being honest or giving Canadians the full and honest set of consequences that they will have to face.

We also have this incredible limitation on areas of investment. We have heard from Conservative spokespersons on the

great advantages of foreign investment. Let me advise the House of what those advantages were in the last three years. Of the $22 billion that have come into this country, 95 per cent has been in takeovers and acquisitions. It has not been in new enterprises, but in takeovers and acquisitions. The documents based on Statistics Canada figures that were presented to the committee demonstrate that those do not create jobs. In fact, in looking at the performance of the multinationals in Canada, it has been job loss and not job gain. A billion dollars of profit creates something like an average of 4,000 jobs when in fact a Canadian company would create something like 800,000 jobs in the same period of time.

Yet what we have here is an open door system in which the threshold is now $150 million and where there will be absolutely no possibility of Canadians setting any performance requirements for those takeovers and acquisitions. We will not have the right either now or in the future to say to anyone who wants to take over a Canadian company that they have to keep the research facilities here, keep the jobs here, keep the enterprise going here. If they want, they will simply have the right to strip it totally, move the science and technology to some other place, do the real work at head office, and turn it into an assembly plant or a warehouse.

Once again we are relocating the economic decision-making of Canada outside of our own borders. Once again we are taking any ability to manage an economic process beyond the authority and scope of Canadian Governments. The investment itself will not result in a great bonanza. What it could result in is a very different nature for the Canadian economy, a substantially different way of doing business in this country which is primarily geared to a north-south access not east-west.

The historic continuity of Canada, as difficult as it has been over the past 130, 140, or 150 years, or even going back 300 years when the French first arrived on our borders and tried to deal with the aboriginal peoples, has been to try to take this northern part of North America and forge a series of linkages east and west. It has been done in the private market and in the public market, and it has not been easy, but it has been done. As a result, we have been able to create our distinctive way of doing things; the St. Lawrence Seaway, the transportation system, the co-op movements, and our development programs. It has not been easy, but it has been important to Canada.

Now the Government is going to break that historical continuity. It is going to shift the access north and south. It is going to say that it much prefers a company selling into the California market than into the B.C. market, or into the Ontario market, or into the Atlantic market. We are going to switch horizons. That carries with it a psychology and a set of attitudes and an outlook that cannot be quantified or have numbers put on it. But it will surely and fundamentally alter this country beyond recognition, and break faith with past generations. As surely as I stand here, it will alter the way in which Canadians think about themselves, if they think about themselves any more, because no longer will those linkages that we have so carefully forged and nurtured be around to continue. They will be altered, mangled, and reoriented.

When we talk about sovereignty, God knows it is not only sovereignty in the strict legal and political sense, it is also talking about it in the cultural, political, social, and psychological sense of how we begin to think about ourselves.

That is the reason why we oppose this agreement. That is the reason why we feel that the costs far outweigh any benefits, that the agreement goes far beyond simple prescriptions of trade and reaches into the very inner soul and continuity of this country. But we reproach it for something even more than that because it forfeits our future. I suppose most of us in the House, being mostly middle-aged or older, will survive the trade deal. We will not see the real impact in our generation or lifetime. But future generations will slowly see the erosion of what has happened in this country, and have their rights and their capacity to make decisions taken away from them. That is the saddest most tragic part of this agreement.

That is why it is important for Canadians to understand that there is an alternative. There is another way of doing it. In all our statements we have been very careful to ensure that it is simply not a matter of saying that this is a bad, rotten deal. We have also said that we believe there is another way, a better way of achieving some of the same goals of liberalizing trade, but not with the damage and destruction of this country.

Quite clearly, we have stated that we can reduce tariff barriers and non-tariff barriers more effectively, at less cost to international negotiation than we can through bilateral negotiation of a comprehensive deal. History proves us correct. We are not talking about theory and speculation, as the Government does, we are talking based upon historical fact.

Through international negotiation the tariffs which averaged approximately 40 or 50 per cent in 1948 have been brought down by successive Liberal Governments to an average of the 5 per cent that stands today. Through international negotiation we have reduced the trade barriers with the United States to the point where 80 per cent of the goods now travel tariff free. It has been successful because we have been able to use the bargaining power and leverage of other countries to help pay the cost of trade-offs, and to help put the type of pressure on the United States and the other big trading partners in order that they will also make concessions. We have been able to piggy back on many of those concessions and utilize them. But most important, because we established clearly our defence and support for a form of international economic rule of law, to say that big, medium, and small all get treated in the same way in a non-discriminatory fashion.

When the Minister for International Trade rises today and states that this is simply a way of improving upon the international system and GATT, I challenge her and defy her because she is wrong. She is running against the historical fact of this country and of the international system.

Paul Volcker said it best when he stated that the greatest threat to the international trade system today is the emergence of regional trading blocks. Why? Because they will set walls around regions not only countries; in North America, in the Pacific Rim, in Europe, in Latin America, and there will be a reproduction of the type of trade wars between countries that we saw in the 1930s now happening between regions. They will be hammering one another.

This trade deal starts that right now because we have set up discriminatory trade rules. In the Auto Pact system we say that there is one rule for North American automobiles and another rule for offshore. In the areas of manufactured goods we say that there is one rule for Canada-U.S., and another rule for those offshore. Therefore, by saying that there are different rules we have already substantially contributed to the emergence of a discriminatory trade wall around North America.

How can anyone in their right mind argue that that is helping the international system? How can anyone suggest that by establishing a discriminatory trade block in North America we are somehow providing sweetness and light in the international system? That works against our own interests, because a large part of our commodities are not traded with the Americans. They are traded in the Pacific Rim, in Europe, in the Middle East, and in Latin America. Can you tell me, Mr. Speaker, why a customer who is going to buy our wheat or barley offshore will not suddenly ask why he should buy Canadian wheat when there is lots of surplus in Argentinian, Australian, and other wheat, and when we have just signed a deal which says that he cannot get the same treatment as people in Buffalo? In other words, they are setting in motion a diversion of our trade patterns which will have an enormous impact upon our trading partners down the road.

• (1250)

In the field of agriculture and commodities they are also doing something very dangerous. They are beginning to play with the fundamental infrastructure of our commodity system. They have admitted in two places in the agreement that the transportation system or the freight rate system that we use to move our commodities from Atlantic Canada and our grain from western Canada is a subsidy which is objectionable under trade rules. It is the first time any Government of Canada has ever admitted that. It is the first time a precedent has been established that the western grain freight system is an unfair trade practice. Similarly the same thing would be true in the Atlantic system.

They are doing some very funny things with international trade rules otherwise. Let us talk about fish processing for a moment before my time comes to an end. We are told in the agreement that the eastern fish processing industry is protected but that the western B.C. one is not. However, when we go to the agreement we find that the eastern processes will still be vulnerable to the GATT rules which were applied to West Coast fishermen and processors. They have also eliminated the remedy which Canada allows, that is, the use of an export tax remedy. They have put in double jeopardy our fish processing and have taken away remedies normally available to us under the GATT to deal with those problems in both the East and West.

When we talk about using the international system, the Government is abusing the system. For a country which once took leadership in helping to formulate an international commercial economic system, we are now pulling away or retreating. All other countries are getting the signal that Canadians are in full retreat from the international system and they are asking, "why shouldn't we be too?" The end result will be a regional trade war around the world.

I would suggest that what we should have done, and what we have recommended, is tried to achieve a better trade deal for Canadians. We had the opportunity at the Uruguay Round to begin dealing with dispute settlement mechanisms at that level and to start dealing with the question of how we would deal with tariff reductions and non-tariff reductions in the next round.

However, we would do it in company with other countries with similar interests to our own. In the vast and important area of services, countries like Brazil, India, Third World countries, and European countries with which I met in Punta del Este over a year ago indicated that the reason they were nervous was that they knew that service industries were essential to the maintenance of the integrity of their countries. For example, if we give up control of our banking system, our data processing system, and our information system, we would not have a country left. Therefore, when we have rules applying to trade in services we must also have rules applying to the investment in those services and rules applying to the right of establishment in those services to ensure that when multinational companies like IBM or American Express come tromping into the country and say that they will take over our system we have rules which say how they must behave when they are in our country.

What has the Government done in this agreement? It has gone the opposite way. Wrong way Carney has once again scored a touchdown in her own end zone.

**Mr. Tobin:** For the other team.

**Mr. Axworthy:** Yes, the other team will get the points. They have opened up trade in services but at the same time they have taken off all controls on investment and all controls on right of establishment. They have said that they can come in and do what they want in our country and we will not say boo.

When they ask why the Liberals want an alternative, that is why we want an alternative. It is to ensure that rules apply to the big economic giants of the country. We recognize that they do not recognize national interest or Canadian interest. They recognize one interest only and that is the interest of their stockholders, if that at all. They are a private government unto themselves. The history of the country has been to try to find rules to apply to them. Surely, after the example of the oil

crisis and the behaviour of the Seven Sisters, we should know just how demonic and destructive economic and multinational giants can be.

That is the basic start of the Liberal alternative. We think we can go much further. Why is it that in the three years since the Tories have been in government trade with the rest of the world has declined? There has been a 30 per cent drop in trade with the Pacific Rim. There has been a drop in trade with Europe, the Middle East, and Latin America. The Government is not interested in becoming a world trader or in opening up new markets. It has cut back on embassies, trade offices, international development programs, and trade assistance for small business. Is it any wonder our trade has dropped by 30 per cent with the Pacific Rim? It is because the Government has a mad obsession with the North American market and is taking the easy way out.

As Liberals we say that we have an alternative. We are the Party which speaks for Canadians. We have real confidence in Canadians becoming world traders and international salesmen of our goods and products around the world. It is the Tories who are afraid and are retreating into a North American hiding place. They are trying to find some protection in that shadow. They are the ones who do not have the guts and courage to say that we must define and develop a trading relationship on a world-wide basis. They have shown in the last three years what a bunch of 'fraidy cats they are. With this agreement there will be no hope for the establishment of ourselves as effective international traders.

**Mr. Wilson (Swift Current—Maple Creek):** What nonsense.

**Mr. Axworthy:** We will see what kind of nonsense it is when we come to the next election.

**Some Hon. Members:** Hear, hear!

**Mr. Axworthy:** We also say as part of our alternative that any Government really interested in forging an effective international competitive position must be prepared to invest in this country—in the brains of the country, in research and development, and in the infrastructure—so that we in Canada have a capacity to do it.

What has the Government done? It has cut back on universities and training schools. It has cut back on infrastructure. It has cut back on research and development. In other words, the very sinews by which a country is able to develop and enhance its international competitiveness are being reduced. The Government is pulling back and withdrawing.

How can we believe that they want us to be great world traders? Of course they do not. They want to be basket cases. They want to find that big, warm bathtub south of us in which they can wallow because they are not prepared to take on the kinds of initiatives required to ensure that the country is competitive. That has been their history in the last three years.

In combination with forging a new kind of international outlook, we must have a new domestic outlook geared to refining our industry and investing in infrastructure and research in our universities. Let us invest in the people of this country so they will go out and take on a leading trade role for Canada around the world, rather than cut back, reduce, and subtract. That is the Liberal alternative for which we will fight in the next election. That is the alternative we will put forward for the consideration of Canadians.

We believe without question that there is a very clear requirement for this decision to be decided by Canadians. Let Canadians decide what is in the national interest. The Tories have a vision of a North American continental fortress and hiding in the shadows of their big brother. We require an international world trading opportunity which will serve the national interest without surrendering our fundamental institutions and without surrendering our right to make public decisions in the interest of Canadians. Canadians will decide what is in the national interest.

In keeping to that, I would like to move, seconded by the Hon. Member for Davenport (Mr. Caccia):

> That the motion be amended by inserting immediately after the comma following the word "interest" the following:
>
> "as determined by the people of Canada in a general election"

That is where the national interest will be determined.

**Some Hon. Members:** Hear, hear!

**The Acting Speaker (Mr. Paproski):** Naturally I will look at the motion and reserve my decision.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*English*]

## TRADE

### CANADA-U.S. FREE TRADE AGREEMENT—POSITION OF ANGLICAN CHURCH OF CANADA

**Mr. Roland de Corneille (Eglinton—Lawrence):** Mr. Speaker, the Anglican Church of Canada says that a free trade agreement "must provide demonstrable benefits for the people of all regions and at all economic levels."

The Church is very concerned that certain principles will be violated by a free trade agreement with the United States. In particular, the possibility exists that the most vulnerable

members in Canadian society will be harmed by the agreement. The agreement should not be undertaken if it limits society's members from making future decisions for the common good. As well, this agreement must not be undertaken if it reduces our ability as a society to protect the environment and our heritage in the natural resource sector. Finally, ordinary citizens should be allowed "to understand what is at stake in the free trade deal" and participate effectively in the decisions of major importance.

Every Canadian must enjoy a quality of life that is personally fulfilling. The free market does not look after the disadvantaged in Canada. We must address the widening gap between the rich and the poor in this country, a gap which is being worsened by the misguided and unfair tax policies of the Mulroney Government and its embracing of free trade. You do not build a strong country by abandoning the poor, the unemployed, the elderly, and the disadvantaged.

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## THE JUDICIARY

### CREATION OF CENTRE FOR JUDICIAL EDUCATION

**Mr. Alan Redway (York East):** Mr. Speaker, how would you feel if you went to the hospital for an operation only to discover that, although your doctor has been to medical school, he or she has never been given any courses in surgery, just some on-the-job training? The same way, no doubt, that Canadians feel when they go to court only to discover that, although the judge has been to law school, he or she has not been given any form of judicial education, just on-the-job training.

You know that your surgeon will have received a formal education in his or her profession, Mr. Speaker. Our judges have not. Perhaps that is one reason why, according to public opinion polls, Canadians have lost confidence in our criminal justice system. That is why the announcement by the Minister of Justice (Mr. Hnatyshyn) of the creation of a Canadian Judicial Centre for judicial education is so important. Hopefully the Centre will soon provide courses on the principles of uniform criminal sentencing. That would go a long way to restoring public confidence in the system.

* * *

## TRADE

### CANADA-UNITED STATES FREE TRADE AGREEMENT—VISIBLE MINORITIES

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, the Mulroney—Reagan trade deal we began debating today represents a terrible threat to thousands of visible minority Canadians.

It is clear that the deal will lead to the loss of jobs in the clothing industries of Canada. The Government has recognized that adjustment programs will be required for employees in these and other industries to assist them in finding new work. Unfortunately, however, the visible minority women working in these industries have had little preparation for better jobs. The Government has done nothing to prepare them for a meaningful role in the high-tech future they dream of for Canada.

This trade agreement with the U.S. will force thousands of visible minority Canadians on to unemployment insurance and social assistance rolls. The people at the bottom of Canada's vertical mosaic will end up ground into the dirt by the free trade ambitions of the Conservative Government.

It is cruel to speak of seeking strength for Canada when the weakest in our society will end up on the refuse heap of Canadian industries.

* * *

## TRADE

### CANADA-U.S. FREE TRADE AGREEMENT—POSITION OF NEW DEMOCRATIC PARTY LEADER

**Mr. Rob Nicholson (Niagara Falls):** Mr. Speaker, I would like to thank the Hon. Member for Oshawa (Mr. Broadbent) for forwarding to the constituents in my riding material which will increase interest in the trade agreement in the Niagara Falls riding. As a result, I have had a number of calls from people who want to obtain the truth on this important matter in an area that exports 30 per cent of everything it makes to the United States. But the Member for Oshawa has his facts wrong. The Auto Pact safeguards and the Canadian value added commitment remain in place. As well, the Free Trade Agreement encourages newcomers to the North American industry to use more Canadian or American parts and labour. Canadian workers and companies have shown that they can compete for this business. Canadians can be confident that auto and parts manufacturing are here to stay.

The Member for Oshawa would not understand this point, but that is why, in my riding of Niagara Falls, the auto parts industry is so supportive. B. F. Goodrich, Brunner Manufacturing, Hayes Dana, Thompson Products and Ford Motor Corporation are all in favour of this agreement. They know what the people of Oshawa know, that this agreement is good for the auto industry. It is good for Ontario, it is good for Canada because it is good for the Niagara Peninsula.

*S. O. 21*

[*Translation*]

## TAX REFORM

CHANGES EFFECTED DUE TO PRESSURES FROM LIBERALS AND GENERAL PUBLIC

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, tomorrow the Minister of Finance (Mr. Wilson) will announce changes in the White Paper on Tax Reform. Tomorrow we will know whether the Government intends to remedy the injustice done to Canadian families as a result of the deindexation of family allowance and lowering the eligibility ceiling for child tax credit. Tomorrow, we will find out whether senior citizens have been heard and a tax credit has been reinstated. Mr. Speaker, there is one reason to rejoice, although that reason has hardly been mentioned recently because of various Government scandals. I am referring to the fact that the Government, as a result of pressure from the Liberals and Canadians in general, has decided to backtrack on its option to tax food.

Mr. Speaker, I think we should thank Canadians for the work they have done in this respect. It is the fourth time the Official Opposition, the Liberal Party, has made the Conservative Government change its mind. First it was on the deindexation of old age security pensions, then the cuts in unemployment insurance benefits, the 10 per cent tax on drugs for cardio-vascular diseases and now the tax on food.

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## REGIONAL ECONOMIC DEVELOPMENT

PARTICULAR REQUIREMENTS IN ABITIBI

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, since 1984, the people of Abitibi have been aware of some very specific problems in connection with the economic development of their vast territory. The Government of Canada has taken the lead in working together with municipalities and private enterprise to rejuvenate the Abitibi economy.

With the advent of tax reform, we will have to further stimulate our economic growth by creating a fund for the economic diversification of Northern Quebec, which will reflect the importance of giving young people the option of staying in Abitibi, and by establishing a program that will stimulate the development and use of new technology in a region that is still too dependent on its resource industries.

Mr. Speaker, I am aware of the particular needs of the Abitibi area, and we will need a support fund of $100 million to achieve the objectives I just mentioned.

[*English*]

## RAILWAYS

REQUIEM FOR PASSING OF CABOOSE

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, this week will be a week to remember as one of the saddest weeks in Canadian history. The railways have been given permission to get rid of the caboose, against the claims of public safety and the well-being of railroaders.

As we contemplate waving goodbye to the caboose, it is important to remember that this week we could also be waving goodbye, as a result of the Mulroney—Reagan trade agreement, to a great many other things that Canadians value but which their Government is determined to take away from them in the name of being more competitive with the United States, which is the main argument the railways used for cabooseless trains.

The departure of the caboose is all about what is called harmonization through deregulation and free trade, the handmaidens of a new era in the exploitation of working people.

Perhaps if the Government is not prepared to respect the wishes of railroaders with respect to the caboose, or anything else for that matter, it will at least show some respect for retired railroaders and finally say what it intends to do about the CN pension plan and the demands that CN pensioners have been making for years.

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## FISHERIES

GULF OF ST. LAWRENCE SHELLFISH INDUSTRY—STATEMENTS MADE BY OPPOSITION MEMBERS

**Mr. Gerald Comeau (South West Nova):** Mr. Speaker, all Canadians realize that the public must be alerted and kept informed of the problems found in certain shellfish products in the Gulf of St. Lawrence.

Yesterday opposition Members were naming other shellfish products not part of the general alert. By association these Members were suggesting that other shellfish may also have similar problems. These kinds of comments are not at all helpful. Members of the Opposition should know better and, if they do not, it is up to the Atlantic Coast opposition Members to explain to their colleagues the harm that is being done.

On behalf of Atlantic Canadians I am calling on these politicians to forget partisan politics. You have made your points. Don't kill the industry.

## CANADA LANDS COMPANY

REVIEW REPORT'S FINDINGS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Today, Mr. Speaker, I would like to bring to the attention of the House the Public Works Canada document entitled *Report on the Special Review of the Canada Lands Company at Mirabel.* I would like to read page 4 of the report which is entitled Over-all Assessment. I invite the Tories to pay attention because we will be asking questions later. It says:

> More precisely, our review of selected documentation supplied to us by the Corporation, and transactions indicated deficiencies in the following areas:
>
> -Contract administration.
>
> -Poor documentation supporting the existence, purpose and validity of some expenses.
>
> -Production of information required by Central Agencies.
>
> -Composition of the Board of Directors.

• (1410)

It goes on to say:

> We also recommend that the Director, Finance and Administration review the observations concerning administrative matters and ensure that acceptable documented controls are in place until the closing of the activities of the Corporation.

One of the highlights of the report was its mention of the fact that the local bar was hired to be in charge of the security of vacant lots at Mirabel. Yes, that is a sobering thought for the Government to contemplate.

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## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—NORTHERN ONTARIO—POSITION OF PREMIER

**Mr. John A. MacDougall (Timiskaming):** Mr. Speaker, in northern Ontario with its great resource based mining and forestry sectors and its attractive tourism industry, trade with the U.S. is extremely important. Seven out of 10 jobs depend directly on trade. It is for this significant reason that I am so frustrated with the Premier of Ontario's stand on our Government's trade pact with the U.S.

When he speaks, the Premier is not considering the needs of our region. He is not listening to what is being said by northern Ontarians and by Canadians. He is too busy with his red-tie rhetoric.

The trade agreement holds out great hope for the development of the northern Ontario region. Through securing access to the U.S. market, the Government in the trade pact ensures future growth, opportunities, and prosperity throughout the country.

A recent poll of businesses done by the Canadian Federation of Independent Business shows that 16 per cent in Ontario, and only 13 per cent across the country, oppose this trade deal. In fact, in Ontario, over two-thirds of small businessmen feel that this pact will be positive or will have no impact on Canadian business. In northern Ontario only 13 per cent are against the deal while 67 per cent see it as being the vehicle into the future.

The Canadian Chamber of Commerce is for this deal. So is the Canadian Mining Association, the Ontario Mining Association, Noranda Mines, the Canadian Export Association, and the Northern Ontario Tourist Outfitters' Association. I say to the Premier, wake up, start listening to Canadians and stop playing your red-tie brand of politics.

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## AGRICULTURE

SPECIAL GRAINS PROGRAM—AMOUNT OF GOVERNMENT FUNDING

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, a few minutes ago the Prime Minister (Mr. Mulroney) and the Minister of Agriculture (Mr. Wise), in announcing the Special Grains Program, documented the real disaster that is developing in agriculture in Canada. The Special Grains Program got $1 billion last year as an absolute minimum to cover the losses of grain producers. This was after an 18 per cent decrease in grain prices.

This year, after a further 20 per cent drop in grain prices and after farm organizations have asked for $2.6 billion, the Prime Minister and his Government are offering an increase of only $100 million. This is a great disappointment to the grain producers who had hoped to stay even with the cost of production this year. Instead, the steady stream of farmers off the farm is likely to grow. The disaster that is documented shows that the Government knows what is happening but chooses not to act.

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[*Translation*]

## FREE TRADE

ADVANTAGES FOR CANADIANS

**Mr. Gilles Bernier (Beauce):** Mr. Speaker, I should like to read a letter I got yesterday from a Beauce agricultural producer who belongs to the Union des producteurs agricoles. Here it is:

> It is difficult today to predict with any accuracy the impact of the free trade agreement on our operations. Common sense indicates that the agreement would widen our horizons and act as an incentive to improve ourselves and lower our production costs by using the latest technological facilities without always falling back upon such social services as grants and stabilization insurance coverage. And yet, so many people have been telling me that we cannot tackle a giant! My response to that is that it is not the Americans who

are strong and powerful, it is just we who think we are weak and unable to face a stronger opponent. Remember the story of giant Goliath and small David. The smaller came out the winner. I have been a pork producer for fifteen years and I look forward to facing that challenge with the tools I have been using all along. I would urge you to conctinue to enlighten people about this very topical issue.

It is signed by Lance et Compte, Gervais Vachon Farm, Saint-Séverin, Beauce. That, Mr. Speaker is the kind of spirit which prevails among Beauce residents. They go for calculated risks, they have an acute sense of entrepreneurship, and they have confidence in the future of this country. Mr. Speaker, I could go on quoting from a great many such letters.

* * *

[*English*]

## AGRICULTURE

ANNOUNCEMENT OF ADDITIONAL FEDERAL FUNDING

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, for months and months we have heard gloom and doom from opposition Parties which have thought that this Party does not look after farmers. Today the Government announced hundreds of millions of additional dollars to help farmers in western Canada and clear across Canada.

There will be another $1.1 billion for the Canada Grains Program. That money was never there before.

There will be an additional $400 million in fuel tax rebates for farmers, the farmers the Government will continue to defend. There has been an additional $40 million to help the Farm Debt Review Board, an area in which we know there is concern.

There is an additional $100 million for the Farm Credit Corporation.

Canada's rural transition program is there for those who need it and will provide hundreds of millions of dollars.

Do not listen to the Opposition. We have hundreds of millions of dollars for the farmers under Western Grain Stabilization. For the first time there will be a potato stabilization payment. I point out to my friends from northern Saskatchewan and northern Alberta that even honey producers will be helped.

I do not have time to read it all. It is amazing. Never listen to the Opposition any longer. There are funds for farm management—

**Mr. Speaker:** The Hon. Member's time has expired.

# ORAL QUESTION PERIOD

[*English*]

## ROYAL CANADIAN MOUNTED POLICE

AIR-INDIA 1985 DISASTER—REQUEST FOR APPOINTMENT OF ROYAL COMMISSION OF INQUIRY

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the most brutal mass murder ever in Canadian history, the Air-India disaster of June, 1985. The Deputy Prime Minister knows that the Government received advance warnings of a potential threat to Air-India. He knows that the criminal investigation was bungled from the start. He knows that his Government did not provide the necessary security in order to ensure the safety of the passengers on board Air-India Flight 182. He knows that a false affidavit was sworn by the Security Intelligence Service. He knows that there was a deliberate attempt to mislead the Federal Court.

We now know that important wiretap tapes have been erased, either by gross and inexcusable negligence or as part of an illegal, deliberate attempt to cover up evidence.

The Leader of the Official Opposition has called on at least 10 separate occasions for a Royal Commission Inquiry into all the facts surrounding the Air-India disaster, including the conduct of the Government of Canada. Could the Deputy Prime Minister explain why the Government has consistently refused a complete investigation? Can he explain to the people of Canada what the Government is trying to cover up?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, let me make it very, very clear and very, very plain that there is no coverup and that the Government has nothing to cover up. I have explained to the House on many, many occasions, and the Hon. Member well knows, that there is an ongoing, extremely active criminal investigation. I will not say anything that would jeopardize the successful outcome of that investigation. I know that the Hon. Member, being a lawyer himself, would not want me to say anything that might jeopardize the success of this investigation.

ERASING OF WIRETAP TAPES

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, the Solicitor General, the Prime Minister and the Government know that that is complete and utter nonsense. We are talking about the murder of 329 people, most of whom were Canadians, two and a half years ago. The Minister knows that that investigation has been bungled. He knows that the Government must assume some responsibility for what happened on June 23, 1985.

I would like to ask the Solicitor General specifically about these tapes that were erased. When did the Solicitor General first become aware that these tapes had been erased? Who ordered the destruction of these tapes? Can he explain when they were erased and why they were erased?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, in no way has the investigation been bungled. I want to make that extremely clear. I suggest that perhaps the Hon. Member is being somewhat irresponsible by trying to get me to say something that might jeopardize the successful investigation and conclusion to this most heinous crime in Canadian history.

I can tell the Hon. Member and the House that this is the most extensive investigation the Royal Canadian Mounted Police have undertaken. Shortly after the incident, there were more than 200 officers working full-time on the case. At all times since then there have never been less than 50 officers working on the case. That is the situation today.

• (1420)

**Mr. Nunziata:** I suggest to the Solicitor General of Canada that if it was a British Airways flight or an American airlines flight, the Government would be a little more sensitive to what happened.

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** Order.

**Some Hon. Members:** Shame.

**Mr. Hnatyshyn:** What a racist.

**Some Hon. Members:** Racist.

**Mr. Speaker:** First, let me advise Hon. Members who may be reacting to what was said that their comments are no better than what they complain about.

I would ask that the Hon. Member be very careful not to imply, even by innuendo, or leave open the interpretation that there is some sort of racist connotation in the entire issue. I ask the Hon. Member to put his question.

ALLEGED DESTRUCTION OF TAPES

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my final supplementary question is directed to the Deputy Prime Minister. Will he explain whether a criminal investigation has been launched into the destruction of those tapes?

Will he also explain to the people of Canada why the Government has not offered a reward for anyone to provide evidence leading to the arrest and conviction of those responsible for the Air-India disaster? Will his Government consider offering a substantial reward for that type of evidence in order to bring to justice those responsible, in view of the fact that the criminal investigation has been bungled?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I again deny that the investigation has been bungled. There is an intensive, ongoing investigation at this time.

I would also like the Hon. Member to be aware that we have looked into the matter of posting rewards. We have discussed this with other countries. It has been found not to be productive.

If the Hon. Member has some suggestions and new proposals for me in that regard, I would be more than prepared to listen.

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## CANADA LANDS COMPANY

REPORTED DEFICIENCIES IN ADMINISTRATION—REQUEST THAT ROYAL COMMISSION OF INQUIRY BE APPOINTED

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, in the absence of the Prime Minister my question is for the Deputy Prime Minister, with whom lies the ultimate responsibility for the wrongdoings of the Tory Government.

Every day new elements are added to the already scandalous situation which exists with the Canada Lands Company at Mirabel.

In a report prepared by Louise St-Laurent, Director General, Audit and Evaluation Branch, on the Mirabel situation, she talks about deficiencies in contract administration, poor documentation, lack of information required by central agencies, composition of the Board of Directors, and need I mention two RCMP investigations going on right now.

Will the Deputy Prime Minister give the Canadian people one good reason why he keeps refusing Canadians a Royal Commission of Inquiry into the disposition, management, and the over-all operations of the Canada Lands Company at Mirabel? Why does he refuse?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I would be pleased to offer a reason. The special audit of the audit division, which I have given to my learned friend, indicates that there has been no misappropriation of funds or wrongdoing.

Let me put this whole operation into particular perspective and quote from the report.

> Within about three years from the political commitment the new administration has nearly accomplished its mandate, i.e. social peace and respect of the federal government has returned to the region of Mirabel, a great majority of the claims against the federal government (estimated at $100 million—

—and 95 per cent of these have now been settled—

> —have been dropped, the lands declared as surplus to needs for the airport have been sold, the social agricultural environment in the region have been preserved and/or improved and the Corporation is expected to terminate operations related to its present mandate and need for funding by September 1988 at the latest.

[*Translation*]

QUERY WHY GOVERNMENT REFUSES TO ESTABLISH PUBLIC INQUIRY

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my supplementary is directed to the Minister of

Public Works. The report signed by Louise Saint-Laurent, Director of Audit and Evaluation, mentions a number of items. The Minister maintains everything is perfectly normal, but is it normal for a friend of a former Minister to do a feasibility study and then get the contract? Is it normal to divide contracts three ways to get around Treasury Board regulations? Is it normal to hire a brewery at a cost of $42,000 to guard vacant lots? Is that what a consultant was hired to do? Take care of security? If that isn't normal, and I don't see how it could be, I would ask the Minister of Public Works why the Government is still refusing to order a public inquiry into a scandal that is probably the worst the Government has faced so far.

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, perhaps I may quote another comment published saturday in *La Presse*; under the heading: "A Public Works report says the Canada Lands Corporation (Mirabel) is clean".

[*English*]

That indeed is a correct reflection of the findings of the special audit team, commissioned by myself to investigate. Their report is that this Government and that corporation got value for money.

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## CANADIAN SECURITY INTELLIGENCE SERVICE

AIR-INDIA CRASH INVESTIGATION—REPORTED COMMITMENT NOT TO DESTROY EVIDENCE

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, my question is directed to the Solicitor General. It also concerns the ongoing history of incompetence and negligence by CSIS in the Air-India investigation.

Will the Minister confirm that within days after the bombing of the Air-India flight, at a meeting between senior officials of the RCMP and CSIS, CSIS made a commitment that absolutely no evidence whatsoever would be destroyed during this investigation into the murder of 329 people?

Why was this commitment that was made by CSIS broken, and why was there absolutely no consultation with either the prosecutor in this case or the RCMP before these tapes that were so incredibly important were destroyed by CSIS?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I have already addressed that particular question from another Hon. Member. However, I will again address it and give the same answer. As the Hon. Member well knows—I said this to the Hon. Member on a number of occasions—there is a very active, ongoing criminal investigation. I am not in a position to say anything for fear of jeopardizing the successful outcome of the investigation.

This was a truly tragic accident. We are trying to do everything we can to catch those responsible. I know that the Hon. Member shares that concern with me.

**Mr. Robinson:** The Minister talks about jeopardizing the successful investigation. The biggest jeopardy to the successful investigation of this murder is the incompetence of CSIS itself.

REPORTED INVESTIGATION BY RCMP INTO DESTRUCTION OF WIRETAP TAPES

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, will the Minister confirm that at this point the RCMP have launched a police investigation into the destruction of these tapes? Will he indicate what is exactly the scope of that investigation and when we can expect to receive a report on the outcome of that investigation? The families of 329 victims of murder are waiting for the Government finally to take its responsibility seriously.

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I want to assure the Hon. Member, and, indeed, every Member of the House, that the Government is taking its responsibilities very seriously. We have an active, ongoing criminal investigation. I have told the Hon. Member that it is the most extensive investigation in the history of the Royal Canadian Mounted Police. It involved up to and more than 200 officers at one time, and on a continuing daily basis not less than 50.

* * *

• (1430)

## FISHERIES

TOXIC MUSSELS—STATEMENT ATTRIBUTED TO MINISTER'S ASSISTANT

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Throughout the toxic mussels affair, the Minister of National Health and Welfare has stated he did not learn of toxic mussels until Monday, November 30. In a radio interview on December 7 the Minister of Fisheries and Oceans said he was informed at the same time as the Minister of National Health and Welfare. However, today in a television interview, an assistant to the Minister, a Mr. David Janes, said he learned of the toxic mussels while at the First Ministers' Conference in Toronto on Friday, November 27, a conference he attended with his Minister, with the Minister of National Health and Welfare, and also with the Prime Minister. Who is telling the truth about when the Government first learned of this affair, the Minister or his assistant?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I can tell the Hon. Member and Members of this House that I first learned of the serious toxic mussels situation on the afternoon of December 1 at the hour of 1.30 p.m.

ASSISTANT'S REPORTED KNOWLEDGE OF ISSUE

**Ms. Sheila Copps (Hamilton East):** Well, Mr. Speaker, I guess what the Minister is saying then is that he did not tell the truth when he gave an interview—

**Some Hon. Members:** Order!

**Some Hon. Members:** Sit down!

**Mr. Speaker:** I am sure the Hon. Member for Hamilton East means that perhaps the Minister was mixed up.

**An Hon. Member:** No, she doesn't.

**Mr. Speaker:** The Hon. Member will put her question.

**Ms. Copps:** Mr. Speaker, the Minister must be confused because on December 7 he said in a radio interview: "I and the Minister of Health were made aware of the symptoms when some people became ill about a week ago". The Minister of National Health and Welfare has already told this House that he personally became aware when he was briefed at eleven o'clock on November 30.

I would like to ask the Minister of Fisheries and Oceans again whether he is denouncing the statement made by his own assistant that he first learned of the case of the toxic mussels on November 27 when he was in Toronto attending the First Ministers' meeting with the Minister, where he was in full consultation with the Minister? And does he really expect the public to believe that he only learned of it on the afternoon of December 1?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I cannot comment on a particular interview which I think the Hon. Member has taken out of context, but I certainly know something about the truth. I said this afternoon in this House that I first learned and was advised of the serious shellfish, mussel toxin problem at 1.30 p.m. on the afternoon of December 1. Whatever a member of my staff or officials of the Department might have known at a prior time is completely appropriate in accordance with standard procedures. I learned of this issue at 1.30 in the afternoon on December 1.

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## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—DEADLINE FOR SIGNATURE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Minister for International Trade. The Minister will know that the Prime Minister has said that there is nothing special about the January 2 date for submitting the trade proposals for agreement between Canada and the United States. I assume the Minister also knows that there are literally thousands of Canadians who want an adequate opportunity to study the implications of this deal.

Is the Minister aware that there is precedent in the United States for extending the date in the fast-track process? In conjunction with that, is she aware of, and could she confirm to the House of Commons, that the Canadian Government made no request to extend the January 2 deadline?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, these dates were explored by our officials on both sides of the border. I have been advised by my officials that the January 2 date at midnight is the operative date for the operation of the fast track. I have no information to the contrary.

GOVERNMENT'S POSITION ON DATE FOR SIGNATURE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, that was not the question. We all know that January 2 is the date. The Canadian Government has tried to leave the impression with the people of Canada that this was an American imposed date. The reality is that it is this Government which is fast tracking this project because it does not want the Canadian people to have time to understand all the details.

Will the Minister now deal with the question? Considering there is precedent in U.S. experience for extending the deadline, considering that the Prime Minister himself said there is nothing special about it, and that thousands of Canadians would like to have time to understand it, why in Heaven's name has the Government of Canada not requested the U.S. Congress to extend that deadline?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, the suggestion by the Hon. Member that the January 2 date is a Canadian imposed date, designed to withhold information from the Canadian people, is just the kind of misinformation that that Party is spreading to obscure the very real benefits to the country of the free trade agreement.

Again I am telling the House that my advisers, and our negotiators, including our embassy, tell us that under the 1974 trade legislation in the United States, and other relative legislative bodies, the U.S. fast track authority, under the U.S. trade legislation, runs out at midnight on January 2.

**Mr. Riis:** Unless you ask for an extension.

**Miss Carney:** If the Hon. Member has other pertinent information, I will be glad to receive it from him.

**Mr. Broadbent:** Mr. Speaker, I naively assumed that the Minister herself knew the responsibilities she was given to act upon in the interests of the people of Canada. The reality is that we could have requested an extension of the deadline but this Government was not interested in extending the deadline and it is trying to blame the Americans for it. That is the reality and the people of Canada will understand that.

PARLIAMENTARY COMMITTEE'S REPORT—UNITED STATES OMNIBUS TRADE LEGISLATION

**Hon. Edward Broadbent (Oshawa):** My final supplementary question is in reference to the committee's report that came out today. The committee in its report expresses its concern that the U.S. omnibus trade legislation will be passed and will be applicable to Canada. It suggests that, unless this legislation does not apply to Canada, we should not agree to the trade agreement. Does the Minister agree with that recommendation coming from the committee? If she agrees with it, why was it not written into the proposal in the first place?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I think the House should congratulate the Winegard committee and all Members for the work they have done.

**Some Hon. Members:** Hear, hear!

**Miss Carney:** I have just received the report. I look forward to reading both the majority report and the minority reports submitted by members of the opposition Parties.

To answer the Hon. Member's question, the U.S. Trade Bill is still being formalized. We do not yet know what is in it. The administration has pointed out to us—

**Some Hon. Members:** Oh, oh!

**Miss Carney:** They laugh.

**Mr. Broadbent:** Yes, we laugh. You are laughable.

**Miss Carney:** That shows how little they know.

**Mr. Broadbent:** We are laughing at you.

**Miss Carney:** The fact is that we do not know what will be in the U.S. Trade Bill. It is in the process of going through the U.S. system. Those Members know nothing about the process. They know nothing about the process and they do not want to hear any answers.

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## HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF TRANSPORTATION AND HIGHWAYS

**Mr. Speaker:** I wish to draw to the attention of Hon. Members the presence in the gallery of the Hon. Stephen Rogers, Minister of Transportation and Highways, of the Province of British Columbia.

**Some Hon. Members:** Hear, hear!

## EXTERNAL AFFAIRS

MIDDLE EAST—GAZA STRIP—VIOLATIONS OF HUMAN RIGHTS OF PALESTINIANS

**Mr. Bob Corbett (Fundy—Royal):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. A large number of Canadians are concerned about the continuing violence which has engulfed the occupied territories of the Gaza Strip. The indiscriminate use of live ammunition by Israeli military authorities to quell civilian demonstrations has resulted in numerous deaths and left countless wounded. The deaths of children as young as 11 and 14 years leave one perplexed about the intensity of repression.

In view of the fact that Canada has played an admirable peace-keeping role in the Middle East, and in view of our continued interest in bringing lasting peace to the region, what measures is the Government contemplating taking? And are we going to protest these latest and most grave and serious violations of human rights of Palestinians in the occupied territories?

• (1440)

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I thank the Hon. Member for his question which expresses a concern shared by many Members of the House about developments in the West Bank.

**Mr. Prud'homme:** Unacceptable.

**Mr. Clark (Yellowhead):** We have expressed our concern to the Government of Israel and will continue to do that. These events, as all events in that region, are of course complex.

**Mr. Prud'homme:** They are not complex.

**Mr. Clark (Yellowhead):** They point to the urgent need for progress to be made.

I hear interventions being made on behalf of the Liberal Party. I am not sure whether they represent the policy of that Party or not.

**Mr. Prud'homme:** Don't be cheap on this question.

**Mr. Clark (Yellowhead):** I am trying to indicate the position which the Government of Canada is taking—

**Mr. Prud'homme:** Don't mix the Liberal Party with my view, will you? Don't play politics with this?

**Mr. Clark (Yellowhead):** —with regard to a very serious situation in the Middle East which points to the urgency of both sides coming to some understanding on the possibility of a resolution by way of a peace conference which would allow direct negotiations.

**Mr. Prud'homme:** Cheap, cheap.

[*Translation*]

## ADMINISTRATION OF JUSTICE

AIR-INDIA AFFAIR—ALLEGED DESTRUCTION OF EVIDENCE

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I would like to get back to the case of the Air India disaster, where an explosion on board claimed 329 victims.

The Minister keeps repeating the same answer over and over again, like a broken record: The RCMP is investigating. We know the RCMP is investigating. The investigation has been going on for two and a half years now, and there have been some very strange developments during that time.

First of all, information available prior to the disaster was ignored instead of being used to prevent what happened. Today, tapes containing information that might have helped the RCMP in its investigation have been erased.

I would ask the Minister to be more specific, and instead of repeating that an investigation is going on, could he inform the House how many tapes were erased in this way? Could he tell us when the data were erased from these audio tapes? And could the Minister, and this is particular important, inform the House why a Government agency decided to erase information that might have been useful to the RCMP in its investigation? That is what Canadians want to know. Put your cards on the table!

[*English*]

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I have already answered that question several times today. For the benefit of the Hon. Member I will answer it again and I will give the same answer.

As the Hon. Member and all other Members of this House well know, there is an active criminal investigation ongoing, the greatest in the history of the Royal Canadian Mounted Police. The hon. gentleman would be the first to criticize the Government and the Solicitor General if I said something which would jeopardize the successful completion of that investigation.

[*Translation*]

REQUEST FOR ESTABLISHMENT OF ROYAL COMMISSION OF INQUIRY

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, by remaining silent, the Minister is making it very difficult for Canadians to understand why the RCMP has been hindered in its investigation since the very beginning.

It is unlikely that taped information that was important to the investigation could have been erased.

Since the RCMP's investigation has produced no results after two and a half years, why is the Government refusing to take the obvious next step and appoint a royal commission of inquiry to clear up this case so that we will finally know the role the Government played, either in trying to prevent the explosion or in solving this crime?

[*English*]

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, with the greatest respect, I suggest that the Hon. Member is being irresponsible in suggesting that the Government is doing nothing and that the investigation is going nowhere. That is not correct. If that were the case we would have terminated the investigation.

I have advised the Hon. Member that that is not so. The investigation is very active. It is ongoing. It is the most extensive in the history of the force. I hope that we will be able to announce some results in the very near future.

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## GENERAL AGREEMENT ON TARIFFS AND TRADE

PANEL RULING AFFECTING WEST COAST FISH EXPORTS

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Representatives of the B.C. fishing industry from UFAWU, PRASCU, the Fisheries Council, and the PTA, appeared before the Standing Committee on Fisheries and Oceans for four hours this morning. The Government failed to produce even two members to allow the committee to conduct its business in relation to this $750 million industry.

My question flows from the Minister's statement as reported at page 10922 of *Hansard* of November 18 of this year when he said:

> —we will be opposing that recommendation when it reaches the GATT council.

Is that the position of the Government of Canada? When the Minister of Fisheries and Oceans said "we" did he mean the Government of Canada?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I do not recall the context in which that statement was made but I do clearly recall stating that the Government of Canada will meet its obligations to fishermen in this matter and its obligations under the GATT.

GOVERNMENT POSITION

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my supplementary question is directed to the Minister for International Trade. According to evidence given today to the Committee on Fisheries and Oceans, if the panel ruling is not opposed by the Government of Canada one-half of the B.C. fishing industry will be wiped out. I now have the confidential panel ruling from Geneva and have some understanding of why the Government did not want it released to the fishing industry or to the public.

When the Minister of Fisheries and Oceans said "we will be opposing that recommendation when it reaches the GATT council", was he speaking for the Government of Canada?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I think I should correct the Hon. Member. The reason we did not want it released to the public was to enable us, in the normal course of our work before GATT rulings, to work out a situation which would protect the rights of all in the fishing industry. That is why we did not want it public. If the Hon. Member wants to wave it around in public and jeopardize the fishing industry, that is his concern, not ours.

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## HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRINCE EDWARD ISLAND MINISTER OF REGIONAL DEVELOPMENT

**Mr. Speaker:** I want to bring to the attention of Hon. Members, and I apologize for not knowing of this sooner, the presence in the gallery of the Hon. Leonce Bernard, Minister of Regional Development for the Province of Prince Edward Island.

**Some Hon. Members:** Hear, hear!

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## CANADA LANDS COMPANY

CONDUCT OF OPERATIONS

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is for the Deputy Prime Minister and relates to the Prime Minister's over-all responsibility for the conduct of Ministers. We have been raising questions relating to the scandalous events involving the Canada Lands Company at Mirabel and they are not contradicted.

Earlier in Question Period my colleague, the Member for Glengarry—Prescott—Russell, raised a list of concerns. The Minister for Public Works indicated that he had a report of the Auditor General which, in his opinion, indicated approval of the way in which that corporation has been operating.

The Deputy Prime Minister heard all that. Does he approve of the way in which the Canada Lands Company at Mirabel has been operated as revealed in recent stories and by the audit of the Auditor General?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, the report of the Auditor General makes only one adverse comment about the operation of the corporation, that is concerning the composition of the board of directors. We have taken steps to fix that.

Indeed, I thought that management practices were inadequate and that appropriate controls were not in place. For that reason we commissioned an audit by the audit team of Public Works. The response has been that there is indeed a need to tighten up management practices. However, with regard to wrongdoing, the audit division found that there was absolutely none.

GOVERNMENT POSITION

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. We know that the Minister of Public Works is defending and approving in general the way in which this corporation is operated. However, does the Deputy Prime Minister approve of this method of doing business?

• (1450)

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, the Auditor General, who has had the opportunity to review the books, makes no adverse comment except with respect to the composition of the board of directors, and surely that gives us an insight as to whether or not the practices are appropriate.

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## TAX REFORM

PROPOSED BUSINESS TRANSFER TAX—EFFECT ON MUNICIPALITIES AND SCHOOL BOARDS

**Mr. John A. MacDougall (Timiskaming):** Mr. Speaker, my question is directed to the Minister of State for Finance.

In the discussion paper on tax reform brought in by the Minister of Finance earlier this year, municipalities and school boards had a great deal of concern about the business transfer tax that could increase their costs up to 10 per cent.

Will the Minister tell the House and the municipalities and school boards across the country whether or not this tax is going forward?

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, we know that considerable progress is being made to bring about a national federal-provincial sales tax. Good progress is being accomplished.

I am very pleased to tell the Hon. Member that last week the Minister of Finance made it very clear that municipalities, universities, school boards, and hospitals will pay no more federal sales tax after the reform than they do now.

[*Translation*]

## PUBLIC WORKS

QUERY WHY GOVERNMENT REFUSED TO ESTABLISH PUBLIC INQUIRY INTO ACTIVITIES OF CANADA LANDS CORPORATION

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is also directed to the Minister of Public Works. Considering there are indications of patronage and questionable practices involving the Canada Lands Corporation at Mirabel, why is the Minister refusing to order a public inquiry into the Corporation's dealings? Does the Minister really believe there is no reason to order such an inquiry or have the Goverment's influential friends persuaded him not to order a public inquiry?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, after reviewing the reports of the Auditor General, and the special audit of our own Department, they indicate that there has been no misappropriation of funds, and that there has been nothing done that is untoward or impeaches the integrity of any of the officials. I think that we have responded well in ensuring that, from now on, new management practices will be imposed and accepted, and that indeed is the case. That is an appropriate discipline to follow in these circumstances.

[*Translation*]

REASON FOR MINISTER'S REFUSAL

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, the answer does not reflect favourably on the Minister of Public Works. Contracts were awarded without tender. There was a management committee that acted unlawfully. They made all kinds of expenditures without having the authority to do so. Why is the Minister refusing to conduct a public inquiry into the affairs of the Canada Lands Corporation?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I categorically reject the suggestion that things have been done without approval. It is true that because of a misunderstanding of the authority of the corporation they did let contracts. But subsequently they applied to Treasury Board and did receive approval. That is why I am suggesting that nothing has been done wrong.

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## EXTERNAL AFFAIRS

INDIA—PROTECTION OF CANADIAN CITIZENS

**Mr. Benno Friesen (Surrey—White Rock—North Delta):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it has to do with human rights concerns in India.

In Canada there is continuing concern that the Government of India tends to be quite cavalier with respect to human rights violations and civil rights violations.

Can the Secretary of State for External Affairs assure this House that Canadians who are travelling in the Punjab will have the full protection of our High Commission in New Delhi, and that officers from New Delhi will be visiting the Punjab to ensure that Canadians there are being afforded full protection under the law?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, certainly I can offer the House and Canadians who might be travelling to India the assurance that the consular and other facilities of our High Commission in Delhi will be available to them in the Punjab and elsewhere.

There have been particular cases that have been previously discussed in the House, which I have also discussed or had discussed with the Indian High Commissioner to Canada. There are areas of continuing concern, and we intend to continue to follow them vigilantly.

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## FISHERIES

TOXIC MUSSELS—MINISTER'S KNOWLEDGE OF ISSUE

**Mr. George Henderson (Egmont):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans and it concerns the broadcast on CBC *Radio Noon* of an interview given on December 7.

The Minister is reported to have stated, "I and the Minister of Health, Mr. Epp, were made aware of the symptoms where some people became ill about a week ago and we took immediate action to send a notice to the producers of Prince Edward Island—"

We know that "immediate action" that the Minister is talking about, Mr. Speaker, is a "stop order" that was issued on November 29 to the shippers in Prince Edward Island.

That is backed up by the Minister of Health and Welfare's own chronology for November 29 when he stated that, as a routine precautionary measure the shippers of mussels from P.E.I. were requested to hold further shipments pending further investigation.

That is clearly on November 29, Mr. Speaker, and this statement clearly refers to November 29. Will the Minister come clean and tell us exactly the date that he knew when the mussels were toxic?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, first the reference to "about a week ago" is not very precise.

**Mr. Guilbault (Saint-Jacques):** That's the reason for the question.

**Mr. Siddon:** The facts on this issue as have been stated here, that I learned on the afternoon of Tuesday, December 1, are indeed the facts as stated.

The reference to "immediate action" refers to the Departments of Fisheries and Health in initiating certain actions on the Sunday which had not been brought to my attention, nor which were proved.

In fact, established procedures were followed at all times, as has been carefully underlined in the House by the Hon. Minister of National Health and Welfare. Those procedures have been outlined in a chronology that was released last Thursday, and those are the facts. Standard procedures were followed.

STOP SHIPMENT ORDER—TIME MINISTER WAS INFORMED

**Mr. George Henderson (Egmont):** There is something wrong with this story, Mr. Speaker, because the Minister is clearly saying, "I and the Minister of Health, Mr. Epp", not his officials—put the stop order on the shipment of mussels on Sunday.

**An Hon. Member:** No, he did not say that.

**Ms. Copps:** Yes, he did. Read the interview.

**Mr. Henderson:** He sent a notice to the producers of Prince Edward Island that all shipments should stop of mussels produced in Prince Edward Island. That is a "stop shipment".

I ask the Minister once again not to blame it on the officials. If he is going to make statements about himself and the Minister of Health, then he must accept the responsibility for making those statements, and he must accept that he is the one who is in charge. If he didn't know with all this evidence, I can tell you one thing, Mr. Speaker, he should have known.

**Some Hon. Members:** Hear, hear!

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the Hon. Member is dwelling on an unfortunate confluence of two thoughts expressed in two sentences, and confusing them.

At lunch-time on Tuesday, December 1, scientific information had been analysed by officials in the Departments of Fisheries and Oceans and Health and Welfare.

**Ms. Copps:** Your assistant knew on the November 27.

**Mr. Siddon:** That led to information being conveyed by my Deputy Minister to my Chief of Staff, as a result of which I was informed of this situation on the afternoon of December 1. As a result, an alert was issued later that day. That indeed summarizes the facts of the situation.

REQUEST FOR PROGRAM TO COMPENSATE PRODUCERS FOR LOSSES

**Mr. Jack Harris (St. John's East):** Mr. Speaker, my question is also directed to the Minister of Fisheries and Oceans.

The Minister of National Health and Welfare has taken action for health reasons against the consumption and distribution of mussels, oysters, clams, and Gulf of St. Lawrence scallops.

All producers, even those whose product has not been shown to be affected by toxins, are suffering severe economic hardship, and some are facing financial ruin because of this situation.

Will the Minister assure those producers in Newfoundland, Prince Edward Island, Nova Scotia, Quebec, and New Brunswick that he will act quickly to put a compensation program in place to prevent the disastrous financial consequence to these producers?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, in answer to the Hon. Member I just want to make sure the record is very clear. Did the Hon. Member mention scallops? They are not included.

**Mr. Harris:** Gulf of St. Lawrence scallops.

**Mr. Epp (Provencher):** They are not included, Mr. Speaker I want to make sure the record is very clear on that.

I wish to say to all Members that advertisements have been placed in major newspapers today, French and English, regarding the plan of action, the manner in which Atlantic clams, mussels, oysters, and quahogs have been removed from the Canadian regional market. A new supply of products will re-enter the marketplace as inspection services are able to ensure that they fully meet health and safety requirements.

I want to say to the Hon. Member, as I said to the House yesterday, it is the health considerations that are of primary concern, and we will handle those first and look at other details later.

• (1500)

EFFECT ON SHELLFISH INDUSTRY

**Mr. Jack Harris (St. John's East):** Mr. Speaker, the story in *The Globe and Mail* quotes the Minister and indicates that Gulf scallops do not include shrimp, crab, or Atlantic scallops. If he is correcting that, I thank him for it.

However, my question was for the Minister of Fisheries and Oceans. I am referring to comments made by officials in Nova Scotia, the Deputy Minister of Fisheries in Nova Scotia, regarding a very serious financial problem in Nova Scotia. The provincial director of aquaculture in Nova Scotia talked about a major impact and there are the financial effects on the shellfish industry in Prince Edward Island where producers are about to go bankrupt. These are very serious considerations

aside from the health considerations that the Minister's Department of Health is responsible for looking after.

Will the Minister of Fisheries and Oceans tell the House that he will look after the people in the industry who are affected by this?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, when the Hon. Member says that it is a serious issue he is right, and I have accepted that. I think it is important to restore the confidence of Canadians in health issues, consumer issues, and the industry. I think in all three areas the consideration is the same, that is, to assure that health considerations are absolutely of primary concern. The restoration of the industry and sales for the industry can best be reassured by taking the plan of action just as I have described it. We intend to continue just that way.

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[*Translation*]

## EXTERNAL AFFAIRS

AID TO HAITI—GOVERNMENT POSITION

**Mr. Roland de Corneille (Eglinton—Lawrence):** Mr. Speaker, my question is directed to the Deputy Prime Minister. The Haitian military regime has been guilty of flagrant human rights violations. Not long ago, dozens of citizens who were quietly waiting their turn to vote were savagely beaten. The government cancelled this democratic election and is now planning to hold an illegal election on January 17.

In view of these events, what concrete action does her Government intend to take to support the Haitian people's quest for justice and democracy?

**Hon. Monique Landry (Minister for External Relations):** Mr. Speaker, I want to thank the Hon. Member for his question which comes at a very appropriate time. Since the tragic events on November 29, our Government has reacted in no incertain terms to the acts of violence that ended in the election being cancelled. Since that time, we have also taken some concrete measures. We recalled our ambassador, and last week after meeting with the Prime Minister and Cabinet, our ambassador returned to Haiti with a special message which, and I cannot of course reveal the exact contents of the letter, reflects our indignation in very clear terms.

Mr. Speaker, like all Canadians our Government was appalled at what happened, and we hope the Haitian people will be able to achieve democracy safely and without constraints?

**Mr. de Corneille:** The Canadian Government has hesitated too long.

[*English*]

REQUEST THAT CANADA OFFER PROTECTION TO OPPOSITION LEADERS

**Mr. Roland de Corneille (Eglinton—Lawrence):** Mr. Speaker, in view of the horrors which transpired during the attempted elections in Haiti, will the Government at least offer some form of Canadian protection to opposition leaders and to officials of the election committee? These individuals are in grave danger, as Hon. Members of Parliament know, and their lives are at stake.

Perhaps the Minister would be willing to have our Embassy in Haiti register these individuals and let it be known to Colonel Namphy's Government, so that it understands Canada's strict concern about the survival and well-being of those opposition leaders and those members of the election committee.

[*Translation*]

**Hon. Monique Landry (Minister for External Relations):** Mr. Speaker, we have expressed our concern to the authorities that an election should be held in a climate of democracy and freedom, and we will continue to do so between now and the next election. The Haitian people must be allowed to achieve democracy, and the responsibility is theirs and theirs alone.

[*English*]

**Mr. Speaker:** There will be two more questions. The Hon. Member for Willowdale, followed by the Hon. Member for Thunder Bay—Atikokan.

* * *

## ABORTION

STATISTICS CANADA—DISTINCTION BETWEEN ABORTION PERFORMED IN HOSPITALS AND CLINICS

**Mr. John Oostrom (Willowdale):** Mr. Speaker, my question is for the Minister of Supply and Services. Earlier this year Statistics Canada decided once again to publish abortion statistics. The figures will include abortions performed outside Canadian hospitals, as well as those performed in the clinics of Ontario and Quebec which operate in contravention of Canadian law.

Can the Minister tell the House if the published abortion statistics will contain a clear distinction between illegal abortions and legal abortions under Section 251 of the Criminal Code?

**Hon. Michel Côté (Minister of Supply and Services):** Yes, Mr. Speaker, I can assure the Hon. Member that Statistics Canada will indeed publish separate data pertaining to abortions performed in hospitals and in clinics as they will be recorded by the provinces.

*Points of Order*

## ROYAL CANADIAN MOUNTED POLICE

AIR-INDIA CRASH INVESTIGATION—ALLEGED PRIOR BOMB THREAT

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, my question is for the Solicitor General. Will he confirm *The Journal* report last night which indicated that one of the tapes that was erased contained wiretap evidence indicating that there was in fact a threat against Air-India made a number of weeks, if not months, prior to the actual bombing? Will he confirm that that was on one of the tapes which was erased?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, as I stated on a number of occasions today in the House, there is an active, ongoing criminal investigation and I am not going to say anything that would jeopardize the successful completion of that investigation.

**Mr. Speaker:** On one question, the Hon. Member for Montreal—Sainte-Marie.

* * *

[*Translation*]

## SHIPBUILDING

AWARDING OF CONTRACTS TO QUEBEC SHIPYARDS—GOVERNMENT POSITION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, my question will be very short. In today's *Le Devoir* one can read: "In a letter from Michel Côté to Daniel Johnson, Ottawa had promised huge contracts for Quebec shipyards". My question is very simple: The three Quebec shipyards are now facing bankruptcy. Is the Minister of Supply and Services prepared to honour his commitment to award huge contracts to Quebec shipyards? If so, what contracts will Quebec be awarded?

**Hon. Michel Côté (Minister of Supply and Services):** Strangely enough, Mr. Speaker, this question originates from a Party which was in office when three Quebec refineries shut down, which never did support the petrochemical industry, which took its own sweet time to endorse the drugs bill, but which today seeks to tell us that we ought to defend the interests of Quebecers. Mr. Speaker, the shipyards issue was one of our first priorities in 1984. We awarded contracts, we made sure the shipyardss would survive, and we will continue to look after the interests of Quebecers. We will award contracts and make sure that due consideration has been given to fair competition, quality, and regional disparities.

[*English*]

**Mr. Prud'homme:** Mr. Speaker, earlier the Right Hon. Secretary of State for External Affairs made some comments which were certainly directed to me. However, in all fairness to him and to you, Sir, I should like to reserve my right to raise a question of privilege at the first opportunity after I have read the exact text of what he meant when he tried to imply something. That really should not have been done in the House, especially coming from an ex-Prime Minister of Canada who is now the Minister responsible for foreign affairs.

I should like to reserve my right to do that tomorrow after I have seen the exact text in *Hansard*.

[*Translation*]

**Mr. Speaker:** I thank the Hon. Member for Saint-Denis (Mr. Prud'homme). I took notice of his question of privilege.

* * *

[*English*]

## POINTS OF ORDER

ATTENDANCE AT COMMITTEE MEETINGS

**Mr. Jim Fulton (Skeena):** Mr. Speaker, this morning the Standing Committee on Fisheries and Oceans sat from nine o'clock until one o'clock and heard four sets of witnesses from British Columbia.

I would like some direction from you, Mr. Speaker, on the point of order I would like to raise. The Government side never turned up enough Members at any time for the committee to conduct its business or to order an extended run of the minutes because of the importance of the issue to British Columbia, Quebec, Newfoundland, Prince Edward Island, New Brunswick, and Nova Scotia.

My second point is that we were not able to move or pass any motions in relation to the tabling of documents or evidence. I am just wondering, under a point of order, whether or not Your Honour could advise Members of the House how it is possible to conduct business when the Government will not turn out its own Members.

• (1510)

**Mr. Speaker:** the Hon. Member for Skeena has raised on a point of order certain concerns that he has relating to activities in a committee this morning. First, I should commend the Hon. Member for Skeena (Mr. Fulton) for not having raised it under a question of privilege.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** However, I think the point has been made. It is not a matter with which the Chair can interfere and I suggest that now that the point is within the knowledge of both

the Government and the Opposition perhaps some discussions might correct the matter.

INTERJECTION BY MEMBER

**Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, yesterday's *Hansard* at page 11760 contains factual errors on the part of the Hon. Member for York South—Weston (Mr. Nunziata) and the Hon. Member for Hamilton East (Ms. Copps) as to my interjection. The statement by the Hon. Member for Athabasca (Mr. Shields) on that same page sets out exactly what I said, and I stand behind that comment.

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## GOVERNMENT ORDERS

[*English*]

### WAYS AND MEANS

EXCISE TAX ACT

**Hon. Harvie Andre** (for Minister of State for Finance) moved that a Ways and Means Motion to amend the Excise Tax Act, laid upon the Table on Monday, December 14, be concurred in.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** On division.

Motion agreed to.

* * *

### TRADE

CANADA—U.S. FREE TRADE AGREEMENT

The House resumed consideration of the motion of Miss Carney that this House endorse, as being in the national interest, the Canada—United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987.

**Mr. Speaker:** I wish to draw to the attention of the House that I have received an amendment to the main motion on the free trade motion moved by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) seconded by the Hon. Member for Davenport (Mr. Caccia).

I think it has been indicated to the appropriate Members in the New Democratic Party and in the Official Opposition that I have some difficulty procedurally with the proposed amendment. I will read it to the House:

> That the motion be amended by inserting immediately after the comma following the word "interest" the following:
>
> "as determined by the people of Canada in a general election".



I think it has also been indicated that I would want to hear some argument on this matter before making my decision. I recognize the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

**Mr. Lloyd Axworthy:** Mr. Speaker, I appreciate your bringing this matter to our attention and asking for guidance.

I think the amendment was drafted certainly in recognition of the various precedents that have been established in the House in which we are not to set out any conditions of approval for the endorsation called for in the amendment but rather to clearly define the concept of "national interest". I think Your Honour would recognize that that is a definition that probably has as many interpretations as there are citizens in the country. The Government used the phrase, not us. The Government said, "in the national interest".

Over the years we have defined that there is only one way of ultimately deciding the national interest and that is through the democratic process, by way of an election. Other than that it becomes an academic debate, a matter of bias or interpretation as to what is in the national interest.

As you will read the Government's motion, it says endorsing the trade agreement because it is in Canada's national interest. We are saying by way of our amendment that the most appropriate way of defining that is through an election itself. It is not a matter of the condition of endorsement, it is a way of demonstrating how this House would have to provide a further clarification or interpretation of the words "national interest" and we would not presume that the Liberal Party's interpretation would necessarily be omniscient or all prevailing. We would want to have recourse to the election to decide that.

You will find during the course of the debate on this motion various interpretations of the national interest being put forward. Even in the sovereign rights of this Parliament to decide that, the Government does not make any effort to decide it, so we are simply saying that the amendment is a way of taking the Government's prescription, namely, that the trade agreement must be in the national interest, and providing a way in which that interest in honourable traditions of the parliamentary system can most effectively and adequately be described and defined.

**Mr. Speaker:** I thank the Hon. Member. The Hon. Member for Kamloops—Shuswap (Mr. Riis).

**Mr. Riis:** Mr. Speaker, having studied the amendment put forward by the Official Opposition to the motion before us, it seems to me that upon examination of the general conditions which apply to amendments to make them admissible, three different criteria are involved. First, obviously an amendment must be relevant to the question in the motion. In this case that certainly is the case, particularly recognizing the words of my hon. friend from Winnipeg—Fort Garry (Mr. Axworthy). Second, that if not proposing an alternative, an amendment must modify a question in order to increase its acceptability. I

refer here to Citation 425 of *Beauchesne's Fifth Edition* which reads:

> The object of an amendment may be either to modify a question in such a way as to increase its acceptability or to present to the House a different proposition as an alternative to the original which must, however, be relevant to the subject of the questions.

Third, the amendment must stay within the scope of the motion and not raise a matter which is foreign to the proposition raised in the main motion. I refer here to Citation 437 in *Beauchesne's Fifth Edition* which reads:

> An amendment setting forth a proposition dealing with a matter which is far unto the proposition involved in the main motion is not relevant and cannot be moved.

In my judgment, the amendment proposed by the Hon. Member for Winnipeg—Fort Garry meets all of these requirements for the following reasons. The motion specifically states that the House "endorse, as being in the national interest". The amendment does not seek to introduce a new concept, Mr. Speaker, but simply seeks to define the term. Seeking greater definition and clarity is an acceptable objective of any amendment and the motion makes no reference about how the national interest is defined. The amendment clarifies this question by stating that the people of Canada will define whether or not the trade agreement is in the national interest. That seems to me to be perfectly in line with the traditions of Parliament in terms of the amendment and the practices of a democratic society. Furthermore, the amendment does not impose in a strict sense a condition to be met before the motion can be accepted but rather simply offers a means of defining national interest.

Who determines what is in the national interest, Mr. Speaker? Surely the people of Canada are the ultimate arbitrators when it comes to this critical question. How can they express their decision on this question? A general election is the normal way of meeting this objective. There are others, I suppose; the theory of a national referendum et cetera, but we reject those and recognize that a general election is the normal way.

The amendment simply states the obvious. It was the Government which introduced the concept of national interest into this motion in the first place and the amendment simply seeks a definition of how to determine what is in the national interest.

I want to add as a general suggestion for you to consider, namely, that on this very critical matter, you be generous in your interpretation. I ask you to be generous because I note in previous comments you have indicated a concern when a similar motion keeps reappearing in this House.

• (1520)

Regarding the whole matter of motions, Erskine May says that a motion or an amendment which is the same in substance as a question which has been decided in the affirmative or negative during the current Session may not be brought forward again during that Session.

We all recognize that we in this House have actually discussed, debated and voted on issues very similar to the one before us today which has been introduced by the Government. If we were to follow the letter of the law according to Erskine May, we might suggest that the motion itself is not in order. However, I do not want to argue that because I think we all agree that this is an important issue. I think all Canadians recognize that it is an important issue and I believe we want to be generous in our interpretation of the motion under past practices of the House, recognizing the importance of it and, equally so, recognizing the importance of the amendment put forward by my friend from Winnipeg—Fort Garry.

[*Translation*]

**Mr. Gauthier:** Mr. Speaker, I have a few comments to make in support of the motion of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). The intent of the amendment which I have here before me is to qualify the word "interest" as being determined by the exercise of our democratic rights, and to amend the motion after the word "interest" to read as follows: "That this House endorse, as being in the national interest, as determined by the people of Canada in a general election, the Canada-United States Free Trade Agreement". Mr. Speaker, what we are trying to do with this motion is to ensure that the words "national interest" are clearly understood as being an expression of the democratic will of the Canadian people, as expressed in a general election. To say that the amendment imposes a condition on the main motion is nonsense. We say it does not impose a condition, it clarifies, and I think the motion meets the requirements of the Standing Orders, or at least of Beauchesne's Fourth Edition, Citation 203, which says, in referring to amendments, and I quote:

> (1) It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

The term "national interest" is the subject of an amendment, and to continue Citation 203;

> Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the House the question or amendment as amended would be intelligible and consistent with itself.

I think it is "intelligible and consistent" to say that the Canadian people must decide whether the national interest is at stake. According to the Government's proposal—the motion before the House today—it is in the national interest to agree to endorse this Canada-United States Free Trade Agreement.

What we are doing, Mr. Speaker, is to specify clearly and intelligibly that the national interest must be determined in a general election, which will deal with this question in a democratic manner.

Mr. Speaker, I will not lay claim much longer to the time of the House, because I realize other Members want to speak as well, but I would ask the Chair to consider only that we are trying to clarify, to provide the House with a clear and specific proposal to amend the main motion, an amendment I know Canadians will see as a *conditio sine qua non* for determining the "national interest". Mr. Speaker, only the Canadian

people, exercising their democratic rights, can determine what the national interest is. We have had some long debates in this House, and I remember the debate we had on the National Capital. I remember this one particularly because an important point was made there. At the time it was said that the National Capital should be developed, in the national interest, by a commission appointed to that end. I spoke at some length about the definition of the words "national interest", and *Hansard* is there to prove it, Mr. Speaker. What exactly do those words mean? Well, we finally consulted the provincial Premiers, and who, when they met here in Ottawa for a federal-provincial conference, decided that the national interest should be clear and precise and that it had to be determined, and they did so. They also decided that the National Capital went beyond the City of Ottawa to encompass the entire National Capital Region. That is the location of the seat of government, and it is that experience I draw on to define the term "national interest".

Mr. Speaker, I suggest that you refer to the proceedings in *Hansard* and read the important debate that took place on the definition of the term "national interest", and I submit, with respect, that today, all the Official Opposition is trying to do is to clarify intelligibly the terms "national interest", in a way that I believe is to the advantage of Canadians and of our democratic process.

[*English*]

**Mr. Lewis:** Mr. Speaker, I would like to add a few words to this debate. Unfortunately, I will not be on the same side of the question as my colleagues who just spoke.

I think it is very important that the House understand very clearly the question which is before it so that when the House decides on it everyone will know exactly what the House has decided. I suggest that the words that are used and the placement of the words in the amendment make it vague as to its intent.

If members of the Opposition wanted to put an election reference in the resolution it would be possible to do so, but I would have worded it differently and I would have inserted it in a different position. Unfortunately, I am not in a position to help my colleague. That he will have to do for himself.

The amendment as worded could seem to suggest that the election of September 4, 1984 was in the national interest. We happen to think so, so that if that was the intent we might agree with the amendment since that election definitely was in the national interest. The amendment could also mean, and I think this is what my friend is driving at, that this should only happen after a general election which would be in the national interest.

I submit that the problem with the amendment is that it is vague. Beauchesne says that vagueness alone cannot rule out an amendment, but I think we could also look at the lack of specificity in the proposed amendment.

The amendment also violates the principles of relevance and scope. For example, the amendment adds new material and/or a new question to the question that is before the House, and that is the question of determination by the people of Canada. The words do not make it clear to the reader whether, if the entire motion as amended were to pass, the referendum would have happened, may have happened or would happen in the future. I suppose I am saying that it is vague in its placement and it is vague in its wording. I suggest it could be worded more precisely.

The Hon. Member could have taken some direction from Beauchesne's Citation 426 which states that an amendment must make the whole main question intelligible. I suggest that as worded, and as placed, the amendment is vague as to what election the Hon. Member means, the election just passed or an election the Hon. Member looks forward to in the future.

As well, the amendment presses a little too hard against the limits of relevance and scope, and of course that is for the Chair to decide. Based on that, I submit that the amendment should be ruled out of order because it is vague as to which general election it refers to and I think it is improperly placed in the question which is before the House.

**Mr. Gray (Windsor West):** Mr. Speaker, it is interesting that the Minister of State (Mr. Lewis), having available to him all the precedents set forth in Beauchesne's and other precedents that have not been set forth, can only come up with the criticism that the amendment is vague.

• (1530)

I think it is a matter for argument or debate once the amendment is accepted as to the value of its content. However, I respectfully submit that there is nothing in the amendment, taken by itself or reading it in connection with the resolution, that would support the argument that the amendment is so vague as to contravene Citation 426, which is based on Erskine May. It states:

> It is an imperative rule that every amendment must be relevant to the question on which the amendment is proposed.

My hon. friend, the Deputy Government House Leader has not attacked the amendment on the grounds of relevance. He concedes that it is relevant. The citation goes on to say:

> Every amendment proposed to be made, either to a question or to a proposed amendment, should be so framed that, if agreed to by the House, the question or amendment as amended would be intelligible and consistent with itself.

The Deputy Government House Leader has not argued that the motion as amended, if the amendment were to be accepted, would be inconsistent or unintelligible. Instead, he relies on the argument that there is something vague about the amendment. He argues that it is not clear to which general election the amendment refers.

With regard to that argument, let me say first that this should be more a matter of debate than anything else, but even if one tries to meet his argument head on, I submit that my

hon. friend is wrong. If he is attempting to say that maybe this amendment refers to the general election which has already taken place, surely then we would have offered an amendment which would have read: "As having been determined by the people of Canada in a general election". We have not used the past tense, so it is obvious that the Government could not argue that this amendment refers to the general election of 1984.

Surely the amendment is sufficiently precise, if precision is needed, to rule out that possibility on the basis of which the Deputy Government House Leader argues that the amendment is vague.

The precedent in Beauchesne, based on Erskine May, nowhere uses the word vague or vagueness. It only speaks of whether or not the amendment or the question as amended would be intelligible and consistent with itself. The use of the word vagueness is not found anywhere there.

I repeat that my hon. friend has not argued that there is anything unintelligible or inconsistent in the motion offered by the Government, if the amendment offered by the Member for Winnipeg—Fort Garry (Mr. Axworthy) were to be deemed acceptable.

The Hon. Member for Winnipeg—Fort Garry, in the amendment on behalf of the Official Opposition, was simply trying to assist the House with respect to a means of defining national interest. Rather than creating vagueness, the purpose of the amendment is to eliminate the possibility of vagueness and to meet head-on the requirement of the citation in Beauchesne based on Erskine May that the amendment would make the question or amendment intelligible and consistent with itself. I submit that we have met this requirement in our amendment.

With respect, I remind you that of all the possible citations in Beauchesne that he could have used, and other citations that he did not mention, the Deputy Government House Leader relies simply on the general criticism on the grounds of vagueness, which, I submit, is not supported either by the precedent, the question itself, by a plain and simple reading of either the motion or the amendment, or the motion and the amendment taken together. Therefore, I respectfully submit that you should receive the amendment as being in order.

**Mr. Riis:** Mr. Speaker, I want to come to the defence of the Deputy Government House Leader. I think his comments were not particularly well founded, but he had a certain point in terms of his arguments regarding vagueness. I do not think he is arguing at all about relevancy and has made it quite clear, but he went on at some length about vagueness and attempted to make a case for vagueness. I think he may have been poking fun at us because he knows that in Beauchesne's' Fifth Edition Citation 429 states:

> An amendment cannot be ruled out because of its vagueness.

In spite of the Deputy Government House Leader's arguments, he will understand as well that vagueness is not a criterion for ruling an amendment in or out of order.

**Mr. Nowlan:** Mr. Speaker, I want to contribute briefly to this point of order on this ingenuous attempt being made by the Opposition. I tend to agree with some of the remarks of the Opposition in terms of their reasons why the argument of vagueness should be ruled out. Quite frankly, I think that question is almost irrelevant compared to what is being done in a most ingenuous way by the Opposition.

I refer to the third point raised by the Hon. Member for Kamloops—Shuswap (Mr. Riis). This amendment introduces a brand new element to the resolution, namely, an election. It should be ruled out of order on that ground alone.

The resolution simply states that the House endorse the Canada-U.S. trade agreement, and adds the qualifier: "As being in the national interest". The substance of the resolution is that the House endorse the Canada-U.S. trade agreement. The motion includes the qualifier that this is in the national interest.

If the argument of the Opposition is correct, then one must infer that the House is going to work against the national interest. One can go on to debate the classic definition of the national interest in the classrooms and forums of the nation, but surely we in this Chamber practice the national interest every day in this Chamber.

Beauchesne states that an amendment cannot introduce an entirely new concept. The Opposition is ingenuously attempting to introduce the concept of an election, which is entirely different from the House working in the national interest to endorse the Canada-U.S. trade agreement. If the Opposition's amendment is valid, I suppose it is suggesting that this House works against the national interest.

The substance of the resolution is to endorse the Canada-U.S. free trade agreement. While there may be some amendments to that resolution, attempting to change the substance of the resolution by adding the concept of elections means that we might as well close down forever and a day. If this amendment were allowed so that the work of Parliament could always be defined by an election, I suggest most humbly that we could always have amendments from the floor saying in effect: "The House, pursuant to an election" or, "The House, after an election" take certain action.

With respect, I do not think you need to listen to too many submissions because while the amendment is most ingenuous and interesting, it does not concern the issue. The issue is procedure, and that is why Beauchesne and others made sure that one cannot introduce a new fundamental concept that thwarts the resolution.

The resolution is for this House, working in the national interest, to endorse the free trade agreement.

**Mr. Speaker:** Before I hear the Hon. Parliamentary Secretary, perhaps I could ask a question which the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), the Hon. Member for Windsor West (Mr. Gray) or others might want to answer briefly. As I understand it, the argument is that, in the interests of clarity, this amendment would be appropriate because after the next election—and I think it is clear that is what it is referring to—we will have an expression by the Canadian people of what is in the public interest.

• (1540)

What about a minority Government? Can someone address that matter?

**Mr. Axworthy:** Mr. Speaker, if I may say, before the Hon. Member for Calgary West (Mr. Hawkes) responds, no one can predict the outcome of an election. As Your Honour suggests, one of the possible outcomes could be a minority Government. However, as we have seen in the past, that coalition of forces elected to the House will be based upon the very clear lines that have been taken thus far in the election process. There are three Parties. They are offering themselves for election. Two of them are opposed and one is for the agreement. Out of those three Parties—and let me just speculate for a moment—let us say that the Liberal Party receives the largest number of seats but without a clear majority, the Conservatives may receive the second largest number of seats, but the third Party, known for its judgment and goodwill at times, will be in a position to support a new Government. Therefore, we could have, as we now have in public opinion polls, close to 60 per cent or 70 per cent of the Canadian people being represented against a national interest as defined as being for or in favour of the free trade agreement.

So I would think that a minority Parliament, while it may be more complicating in the life of the Speaker, would also be able to speak with the same clarity on the national interest as one with an elected majority Government.

**Mr. Hawkes:** Mr. Speaker, I would like to make a small contribution to this debate. There has been some conversation about intelligibility. It is an interesting word. It is there and it is in our precedents to help us all remain aware of the reality that when we take an action as a House in relationship to a motion, the action we decide to take should be clear to the Canadian people. Ultimately, we are accountable to them for the actions we take.

There has been some discussion about whether or not the amendment as proposed refers to a previous election, any general election in our history, provincial or federal, I would assume, or whether it refers to an election in the future. I think there is a tendency in the discussions to this point to say that it probably refers to an election in the future. That makes a great deal of sense but it is not clear in the wording. But that comes to mind because it is an action the Government has taken on December 11, and we are probably referring to an election in the future without specifying. If that is true, I think we would end up with a logically inconsistent motion, even if reworded, because the main motion calls for this House—this House, not a future House, and we must all remember that this House disappears on election day—to endorse, and so on. If they wanted to move an amendment that added a new concept, they could have added a concept that there be a referendum, and then we could argue about whether or not it was acceptable. But the suggested amendment provides no mechanism for the resolution of an issue.

We do not have proportional representation in this country where we could run one Party against another on the basis of a public policy. We have an electoral system with 282 ridings, and perhaps after redistribution a few more, where people select the best representative for their community to come to this House. It is not a referendum on a single policy issue. It never has been. I suggest it is unlikely it ever will be in the future.

Therefore, there would be no resolution unless there had been an added kind of concept like a referendum being held, or something of that sort. If we accept the motion, we have, first, the lack of intelligibility about which election is meant, historical or future, and we are left without a mechanism to resolve the issue of whether this initiative itself, as a discreet and distinct piece of public policy, is or is not in the public interest. If Members opposite wanted to move, as determined by the people of Canada, in the 1984 general election, then this House, which was elected in 1984, would be expressing an opinion on whether this is in the national interest. But we leave it vague and unintelligible. We are not making a statement to the Canadian people about the will of the House.

I think that on that basis it should be ruled out of order, and they can come back with some other wording that might indeed be intelligible.

**Mr. Speaker:** I do not want to prolong this because I am going to give it very careful thought. I think I can indicate to all Hon. Members who have intervened, and it has been helpful to me, that certainly the Chair takes it that this is a reference to the next general election. I do not think anyone need to argue that point.

**Mr. Gray (Windsor West):** Mr. Speaker, the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan), who spoke a few moments ago, said, as I understood him, that the motion before the House is simply that this House endorse the Canada-U.S. free trade agreement. But I want to bring to your attention, Mr. Speaker, the point that this motion is not so narrowly worded or limited as the Hon. Member for Annapolis Valley—Hants suggests. Instead, the motion itself brings in the concept of the national interest. It brings it in as an additional concept or factor with respect to approving the agreement.

The Government itself, having inserted in the motion a phrase "the national interest", I submit, cannot argue to you, Mr. Speaker, that an amendment intended to give meaning to

the phrase "the national interest" or to clarify its meaning, is somehow out of order. We are offering an amendment to define the national interest, or to suggest a way of defining the national interest. If the Government had wanted to avoid an amendment in the terms offered by the Official Opposition, then the Government should not have presented a motion with the phrase "the national interest" in it.

Having presented a motion containing the words "the national interest" as an additional concept to approving the agreement, then I respectfully submit that the Government itself has opened the door to the acceptability of amendments which might not otherwise have been acceptable in so far as they refer to the phrase or concept "the national interest".

I respectfully submit that the situation may well have been different if the phrase "the national interest" had not been placed in the motion by the Government. Having done so, it cannot now argue that the amendment, intended to define or clarify the concept of "the national interest", is somehow inadmissible. Again, I respectfully urge you, Mr. Speaker, to accept the amendment as being admissible, related as it is to the phrase "the national interest" which the Government itself has placed in the motion which, therefore, makes it not simply a motion to approve the free trade agreement but makes it something more and, therefore, more subject to amendment than would otherwise be the case.

**Mr. Riis:** Mr. Speaker, I want to add some points of view to the points raised by the House Leader for the Official Opposition. The Government, of course, we all recognize, did not have to put the term "national interest" into the text of the motion. The Government choosing to do that simply raises the question, what is the national interest? The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) in his amendment has attempted to define one way of determining that.

The reason this becomes a rather critical issue is the assumption in the motion that the agreement reached by the Canadian-United States negotiators is in fact an agreement that is in the national interest. I want to remind you, Mr. Speaker, in our deliberations on this, that the present Secretary of State for External Affairs (Mr. Clark), in the leadership race running up to the last federal election, opposed on the record the notion of a free trade deal with the United States.

**Mr. Andre:** What does that have to do with this point of order?

• (1550)

**Mr. Riis:** The relationship to the point of order is that the Prime Minister of Canada (Mr. Mulroney) is on record as opposing the idea and concept of a free trade deal with the United States. The issue before us was never even debated in the last federal election campaign. No Canadian who cast his or her ballot for the Conservative Party of Canada did so with the notion that the Government may enter into a free trade deal with the United States.

The question is on what basis the Government makes the assumption that this is in the national interest. The Hon. Member for Winnipeg—Fort Garry is attempting to indicate that the way we determine national interest in a democratic parliamentary society is through a national election.

This is very critical. If we assume that this trade deal is automatically in the national interest when there has been no election on free trade, one could make the case to the contrary that the assumption of the electorate of Canada was that the Prime Minister and his senior cabinet Ministers were opposed to the notion because that point was made on the public record.

I submit that this amendment is not only in order but is moved in the spirit of attempting to clarify an issue which, we would all agree, is very important. I ask you, Mr. Speaker, to be flexible in your ruling, particularly when you consider that we could offer points of view on the admissibility of the motion which is before us. However, I will put that aside with the assumption that it is not needed. We all recognize how important this issue is and that we need a full and complete debate on it. We certainly need to know precisely what we are debating. This amendment is at least a step toward clarifying the whole issue.

**Mr. McKenzie:** Mr. Speaker, it has been indicated in this debate that the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) said in 1983 that they were opposed to free trade. The whole situation has changed since 1983. In 1982 the Liberal Government appointed a royal commission to examine the economy and make recommendations. This study, cost Canadian taxpayers $24 million. The report tabled in 1985 recommended that Canada enter into negotiations for free trade with the United States. After reading a $24 million study the Prime Minister and the Finance Minister started thinking again. Many people were opposed to free trade and many people did not have a position on it because they knew nothing about it. However, if you reads the Macdonald report you will support free trade.

The Prime Minister commissioned the Flynn-Hockin committee to hold committee meetings across the country. In 1986 it recommended that Canada can only lose by introducing retaliatory protectionist measures but cannot stand by and do nothing with a modest and dispersed population. It said that Canada must have access to the markets of the world and be able to sell in these markets if it is to prosper. For this reason the committee recommended that we get into free trade discussions. That is why everyone changed their minds.

**Mr. Speaker:** The Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) has given some views as to why the motion ought to be supported. However, that is getting us a little bit away from the procedural point.

**Mr. Boudria:** You're being kind.

**Mr. Speaker:** The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) says that I am being kind. He has been the beneficiary of much kindness and will be again, provided that he sums up in a succinct manner, as I know he can.

**Mr. Boudria:** Mr. Speaker, I do not want to get into a debate on whether it is a good idea or a bad idea to have the agreement. I intend to address that later in debate rather than on this point of order.

With regard to the admissibility of the amendment as proposed by my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), it is clear that my colleague has offered an amendment to the motion that is very much in keeping with the spirit of the main motion. In other words, my colleague has not offered an amendment that is contrary to the views expressed in the main motion, notwithstanding the fact that we will address that issue in debate later.

We have moved an amendment to add words after "the national interest". We know that Governments have signed such agreements in the past without qualifying them as being in the national interest in a motion in this House.

The amendment offered by my colleague is not to disagree that it is in the national interest; it is merely to define something which the Government has injected into the debate. We could make an argument right now as to whether the words "national interest" should be in the motion. If one were to listen attentively to what our colleagues on the government side have said, one could conclude that they have actually argued that the words "national interest" should not even appear in the Government's motion.

However, we are not debating whether that should be the case. We are debating whether, having recognized that the words "national interest" can be in the main motion, an amendment offered to further define what that national interest is is indeed in order. The Government could argue that it disagrees on whether or not this would further the national interest. That is a point of debate, not necessarily a point of order.

On page 397 of Erskine May, Twentieth Edition, it reads:

> The Speaker has ruled that an amendment to add another subject for inquiry to a question declaring the expediency of establishing a tribunal for the purpose of inquiring into a definite matter of urgent public importance, under the Tribunals of Inquiry (Evidence) Act, 1921, would not be relevant—

I agree that if that were the case today, it should be judged in a similar manner. However, today we have not asked for an amendment to add another subject for inquiry. We are not moving that the motion should read that, as opposed to having free trade, we should have multilateral trade, or something which would add another level of debate. We are keeping it at the same level. We are merely offering a motion which would further define the Government's motion.

As I have said, if one were to read the representations made by the Deputy Government House Leader, and, in particular, the Member for Annapolis Valley—Hants (Mr. Nowlan), one would likely conclude that they were speaking against having the words "national interest" in the main motion.

That is a debate which we could perhaps have had but have not chosen to address at this time. Because we are not now disagreeing with that being part of the motion—we will disagree with that in debate—I do not believe that the Government is justified in using that as a reason to disqualify the amendment which we have moved to the main motion.

**Mr. Speaker:** I will recognize the Hon. Member for York South—Weston for (Nunziata) for a very brief remark.

**Mr. Nunziata:** Mr. Speaker, I am so persuaded by the submissions made by my colleague and friend, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), that I wish to add a few remarks to the point which is being argued.

I look at the motion before us today and ask for the reason which the Government is presenting the motion. The motion reads:

> That this House endorse, as being in the national interest, the Canada-United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987.

• (1600)

Canadians are asking why it is necessary to present this motion and to have this motion voted upon in the House of Commons. I have consulted with some resident experts and they advise me that there is no legal or constitutional requirement to have this motion carried. It seems to me that, if there is no legal requirement to have this motion presented and voted upon in the House, why is the Government presenting this motion?

I would suggest to you, Mr. Speaker, that it is mere puffery. The Prime Minister (Mr. Mulroney) would like to visit President Ronald Reagan on January 2, 1988, and say to him, "Here we have the endorsation of the Parliament of Canada".

I notice you are on the edge of your seat, Mr. Speaker, which might suggest to me that you are about to cut short my submission.

I would like to conclude my submission by pointing out that because this motion is not in any legal form, by accepting the amendment in no way are you, Mr. Speaker, affecting any legal requirement. I should also point out that the Government has chosen to use the word "endorse" rather than "ratify". I suggest that there is some significance to the fact that the Government has chosen the word "endorse" over the word "ratify".

**Mr. Speaker:** I know that Hon. Members would not want the debate to go on beyond its very useful part. I would ask the Hon. Member for Hamilton East (Ms. Copps) to respect the wishes of the Chair to close off debate at this time.

I have heard the arguments, which have been succinctly and well put, and also made with authority. I will take them into

account and return to the Chamber at the earliest opportunity and decide on the matter.

I have listened carefully for nearly an hour, because it is an important matter. It is an important motion in front of the Chamber and the amendment is important to both the opposition Parties and has been strongly argued for. I will take all of that into account.

Resuming debate with the Hon. Member for Essex—Windsor (Mr. Langdon).

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, as each of the speakers for the three Parties has suggested, this is certainly an historic debate. Therefore, we have to put it very much in a broad perspective. It is important to forget some of the name calling that has taken place and the short-term bickering that has occurred and to think about the future of our country in a world where a period of post-war prosperity is no longer assured to us. That is the fact that dominates this debate. The prosperity which we were used to as a country in the period since 1945 has ceased to become something upon which we can count.

In that sense, it is a period much like the 1840s when prosperity in Canada was hit by changing trade relations as the United Kingdom itself moved to free trade, and in turn the business elite of that time in panic issued the Annexation Manifesto of 1849. The manifesto is described by the pre-eminent historian of that period, J.M.S. Careless, as being signed by "a list which read chiefly like a roster of Montreal's business elite". Of course, that Annexation Manifesto, which I have here, called for Canada to join the United States.

It is fascinating to look through the arguments put forward in that Annexation Manifesto. For example, it states "—the Canadian market is too limited to tempt the foreign capitalist". Where, Mr. Speaker, have we heard that argument in the debate in front of us in 1987? Another quote is, "The proposed union would render Canada a field for American capital into which it would enter as freely for the prosecution of public works and private enterprise as into any of the present States". Where have we heard that argument, if not from the government benches? This annexation "—would increase our commerce, both with the United States and foreign countries, and would not necessarily diminish to any great extent our intercourse with Great Britain, into which our products would, for the most part, enter on the same times as at the present".

The Annexation Manifesto further states, "At the same time there is every reason to believe that our shipbuilders, as well at Quebec as on the Great Lakes, would find an unlimited market in all the ports of the American continent".

One could continue, Mr. Speaker, but I think perhaps the point is made that the Annexation Manifesto of 1849 made similar arguments for continental union, for joining the United States, as have been made by this Government in trying to support what in effect is the annexation manifesto of 1987: this free trade agreement which is in front of us.

Perhaps this deal has only one difference, and that difference is a history which perhaps finds itself in a comment which is often made of history, "History repeats itself the second time as farce". It seems to me that the Government, and the way that it has gone forth in trying to seek this trade agreement with the United States, has given us the greatest long-running farce which this country has ever seen, a farce which has included hearings across the country at which the public could not even testify. Those hearings were not even advertised in the city in which they were held. Those hearings across the country, believe it or not, Mr. Speaker, took place even before a final text of the free trade agreement had been prepared.

If that was not farce enough, we had to add to the craziness and the bizarre quality of this whole mad escapade the fact that the studies which exist with reference to this deal's impact on our economy are still kept secret. We still cannot have access under the Access to Information Act. For instance, we cannot have access to studies on auto parts and how they will be hit by this deal. That is of extreme importance to my constituency and to many constituencies across the country.

• (1610)

**Mr. Clark (Yellowhead):** Tell us about IODE.

**Mr. Langdon:** I suspect that it may even be of extreme importance to the Secretary of State for External Affairs (Mr. Clark) if he sat and thought about it.

Also it is important to see, for the farce that it is, the timing which has been established to look at the agreement. Absolutely no time has been given to Members of Parliament, to interest groups throughout the country, to corporations, to trade unions, to churches, or to farm groups, all of whom expressed strong views when they talked with us as we went across the country as part of the Standing Committee on External Affairs and International Trade. Absolutely no time has been given to these groups to look at this incredibly complex deal. It is possible that Ministers receive précis of these deals which are not given to opposition critics. We spend our weekends trying to pore through every word. Let me tell the House that it is a complex, complicated, difficult deal, and we are leaving ourselves one week for possible debate on a deal which can fundamentally change the country in virtually all its aspects. That is farce, that is farce.

Just to add to the farce, we have as well a tremendous, in fact stupendous, amount of money being spent by the Government. Over $12 million will be spent, not to circulate neutral information around the country so that people can analyse the deal and come to conclusions, but to produce pamphlets, videos, hand-outs, and synopses which do not represent faithfully in any sense what is actually within the deal. To me that seems to be history as farce.

Frankly, I say to the Conservative Government that if it wants to sell us out, it should at least do so in a straightforward, open, and honest way rather than try sneakily to hide and cover up what is taking place. However, perhaps that is too much to ask from the Government.

How should we start to analyse a deal which bears such close resemblance in its rationalization to the Annexation Manifesto of 1849, a deal which has been brought before Canadians with such ridiculous high-handedness and such lack of candour and straightforwardness?

First we must recognize that free trade is an ancient theory. Free trade is something that goes back to David Ricardo. Perhaps it shows us how wise John Maynard Keynes was when he said that politicians were slaves not to existing economists but slaves to now defunct economists whose perspectives do not represent current reality. Much modern thinking in respect of trade in fact starts from very different bases than those David Ricardo started from over 120 years ago.

For instance there is, if the Government had chosen to want to look at it, general equilibrium theories, which are exceedingly complex and use computers to come up with answers that say quite clearly that free trade does not make sense for a country in all circumstances. In some circumstances, yes; in other circumstances, no. it would be much more sensible for a country like Canada, which is so dominated by foreign firms and large multinational corporations, to start from analyses which recognize that fact. we should start from theories of how multinational corporations actually operate, how they put their stress on technology, and how that technology establishes the basis upon which trade is built, not through some kind of open market, but through the multinational corporation itself.

To take just one example, close to 60 per cent of the foreign trade of the united states goes through multinational corporations, not through the open market. That is the basis from which we start. That kind of modern thinking can help to explain the statistics which we see in front of us when we look at reality in 1987, reality which for instance says, as the Government likes to say, "Let's look at the common market and let's look at the European community". The European community is an example of a free trade area which has even gone beyond free trade, as indeed this deal goes beyond free trade.

Let us look at the latest available figures in the quarterly economic review of the Department of Finance. It indicates that France, which enjoys a tremendous access to other markets, has an unemployment rate of 10.5 per cent. Let us take Italy, which also enjoys great access. Its unemployment rate is 10.9 per cent. Let us take the United Kingdom, which also enjoys great access. Its unemployment rate is 11.8 per cent. Then let us compare that with Japan, which has no access. Poor, beleaguered Japan must face the world without having access to any market, and Japan has an unemployment rate for that same period of 2.8 per cent.

That suggests to me that some ridiculous myths have been perpetrated by the Government in respect of trade. It is, therefore, from a different basis that we start from the basis of looking at the realities of the Canadian economy and the fact that we are a small, open economy dominated by international firms, which themselves shape much of our trade and much of our economic development. It is from that perspective that I and our Party start. It is because of that that we think this deal, this sell-out, is such a disaster for the people of Canada, for the ordinary person across the nation, not just because it will cost us hundreds of thousands of jobs—

• (1620)

**Mr. Clark (Yellowhead):** False.

**Mr. Langdon:** —but because it slices—

**Mr. McDermid:** What study does that come from?

**Mr. Langdon:** The Minister of Employment and Immigration (Mr. Bouchard) said, and I heard it on tape, that this agreement could cost us 500,000 jobs. He said it, and he has not been prepared to back off.

**Mr. Clark (Yellowhead):** That is a false attribution.

**Mr. Langdon:** That happens to be reality. Anybody who wants to test it can simply listen to the tapes.

**Mr. McDermid:** Be honest.

**Mr. Langdon:** It is not just because of those hundreds of thousands of jobs that will be lost, but because this deal slices away our ability as a country to influence the decisions of these multinational companies. It also takes away our ability to shape technological advantages for us in the future that will give us trade, not in two years, not in five years, but trade advantages in 10 and in 15 years for our children for the future of this country.

**Mr. McDermid:** That is exactly what it is all about.

**Mr. Langdon:** We have to look very carefully at this deal because it has been built very much on the wrong basis and the wrong approach. When we look at the deal, the first thing that we see—and I say this with sadness and with a real sense of regret—is that the Government did not succeed at all in achieving its basic goal. It set out as its goal exemption from the U.S. trade laws which have hit Canada so hard. It did not succeed in achieving that. I quote, for instance, from the Secretary of State for External Affairs speaking on October 1, when he said:

> There has been agreement more or less in principle to the idea of a tribunal. But there has been no agreement on rules that would guide such a tribunal. In our judgment a tribunal without rules would not provide Canada with the kind of guarantees and security that we require.

That is what the Government brought back from Washington. It brought back a deal which does not have within it rules that protect and provide access for Canada on any sort of

guarantee basis to the U.S. market. If the Government is straightforward and open, its members will admit that in their speeches as they talk about the motion.

I can go through the details and point out two key problems concerning the deal. First, on countervail and anti-dumping issues, the so-called trade remedy laws within the United States, a panel system is established for appeals, but that panel system "wants to review what happens in order to see to it if U.S. law has been followed" in the case of our companies in the United States. In short, and I quote directly from page 273:

—to determine whether such determination—

that is by the United States:

"—was in accordance with the antidumping or countervailing duty law of the importing Party".

**Mr. McDermid:** Canadian law is still in effect too.

**Mr. Langdon:** In other words, does a company in my constituency go to United States and face the same kind of neutral assessment, some sort of just view of what is fair? No, Mr. Speaker. It faces instead the rules which are established within U.S. legislation, and it has to deal with those rules. It can only appeal on the basis of those rules. There is no kind of neutral basis, no agreed basis, of what is a subsidy for both countries.

That matters tremendously because the basic problem with the United States system is that the U.S. in its countervail system establishes a very curious way of looking at issues. It says that if Canada, for instance—and there have been 13 cases against Canada in recent years—

**Mr. McDermid:** How many have we had against the U.S.?

**Mr. Langdon:** Five. Thirteen to five.

**Mr. McDermid:** How many?

**Mr. Langdon:** Thirteen to five.

**Mr. McDermid:** How many anti-dumping?

**Mr. Langdon:** I am talking about countervail. If the Member does not want to listen, he does not have to, but he could keep his ears open and he might learn something. There have been 13 countervail actions by the United States against Canada. In each of those cases it was examined quite clearly what Canada did with respect to subsidies, not whether the United States itself provided subsidies and, therefore, Canada had some sort of valid fair right to do the same thing.

There is absolutely nothing in U.S. law which requires the United States to look at the subsidies which its firms receive which complain about subsidies that Canadian firms receive. That is just not fair to our workers or to our business people. That is what should have been changed if the Government had got the objective it said it was seeking. Instead, the Government failed to get that objective. Now it is trying to tell Canadians that somehow the Government has achieved those goals despite the fact that the record is very clear, but it has not in any sense achieved those goals whatever.

Moreover, we have to look at something that is even worse. The United States, so long as it names Canada, can change its countervail and anti-dumping laws at any point in the future if it wishes. That applies to Canada as well.

**Mr. McDermid:** No.

**Mr. Langdon:** So long as it is within the context of GATT, it applies to Canada.

**Mr. McDermid:** No.

• (1630)

**Mr. Langdon:** I am sorry, it does. Perhaps the Parliamentary Secretary has not read the agreement. Unfortunately, he is not listening. Perhaps if he did listen, he would hear what I am saying.

If these laws are changed in the United States, and if Canada is named in the change, then it applies to Canada and we have to accept that change. It is true, we can take it to a panel, but that panel cannot make any sort of decision. The panel can only say to the United States: "Tut, tut, you have not done things the way you should have and Canada therefore has the right to retaliate". Is that not wonderful? We have the right in the future to do what we now have the right to do.

**The Acting Speaker (Mr. Paproski):** If the Hon. Member is having a question and answer session, I would appreciate if he directed it through the Chair.

**Mr. Langdon:** I thank you, Mr. Speaker. I suggest that the Parliamentary Secretary might follow that instruction as well.

This Government sought certain goals and, I must say, sought them with some energy. It sought those goals actively and it talked about those goals, but it did not succeed in any way in achieving those goals. Because of that, the deal that has been brought back is fatally flawed. It is simply not acceptable in the light of what business people across Canada told the committee as it travelled the country.

The people told us that they had sought secure and guaranteed access to the U.S. market. The Government failed to achieve that. The Government should recognize that and express its shame in that failure.

**An Hon. Member:** Sheer nonsense.

**Mr. Langdon:** It is absolutely true.

That is what the Government failed to achieve. What did it give away in the process of these negotiations? It gave away a tremendous amount.

The Government gave away a tremendous number of things that were of special concern to average people. First, it gave away jobs. It is quite clear that there will be thousands of jobs

lost. Why else would the Prime Minister (Mr. Mulroney) have talked, in the very period after the trade deal was originally announced, about massive adjustment help for workers who would be hurt by this deal? Of course, it is possible that the Prime Minister was just talking through his hat, but I prefer to think that he was expressing some concern about the thousands of people whose jobs would in fact be lost because of this deal.

Why has the Minister of Employment talked of up to 500,000 jobs being lost if that is not the case?

**Mr. McDermid:** Why don't you quote him accurately?

**Mr. Langdon:** That is precisely what he said, and that is precisely what the people of Canada heard him say on television.

If these thousands of jobs are not to be lost, why is it that groups came before the committee talking about such job losses? B.C. fish processors reported to us that they expected to lose 6,000 to 8,000 jobs because of the way GATT was put into the free trade agreement. Prior to that, GATT was something with which one could negotiate and, in the end, if one actually felt that the position put forward was unreasonable, one could reject it. Under this deal, that is no longer possible.

B.C. fruit and vegetable growers told the committee that they would be wiped out. Grape growers from across the country told us that 20,000 jobs would be lost in that industry alone. The Council for Yukon Indians testified that they would lose out because they felt that the end of local hiring would follow upon the deal and they expected environmental damage. It is possible that the Minister may not be interested in what the Council for Yukon Indians said, but that is what the council said.

The Canadian Independent Computer Services Association, which is based in Winnipeg, Manitoba, testified that as a result of this deal, it is likely that 360,000 jobs would be shifted out of Canada in the next 10 years. The Government may not like these figures, but that is what the committee heard when it crossed the country.

The auto parts producers have now rejected this deal and expect that some 20,000 to 40,000 jobs will be lost. The printers' association testified before the committee in Fredericton, New Brunswick, that it expected to lose 6,000 jobs.

These are not, as the Government likes to pretend, trade unions coming to talk to the New Democratic Party. These are business and farm groups coming before a committee of the House of Commons giving very clear testimony with respect to the thousands and thousands of jobs which, from their expertise, they foresee as necessarily being lost because of this agreement.

It is not just job losses. As shifts from this country of enterprise to the anti-union southern states, the low-wage states of the South or the Maquiladora Corridor of Mexico take place, we will see that wages and working conditions for workers in Canada will be affected. The competition will be used by business people here to try to force down wages and reduce working conditions.

Beyond jobs, we also saw investment being thrown out of the window. The controls which had existed to this point over takeovers of Canadians companies of over $5 million in assets were thrown out of the window. We saw controls over indirect takeovers thrown out of the window. Again, there will be tremendous consequences as a result of that.

• (1640)

Let me refer to a United States report which attempted to outline what was happening in this deal. They said quite clearly: "The real achievement of this agreement is that henceforth the vast majority of new U.S. investments will occur with no interference from the Canadian Government."

What does it mean in practice? For instance, as happened in my constituency recently, an American company will be able to take over a Canadian-owned company and simply shut it down for competitive reasons. There will be absolutely no recourse on the part of the Canadian Government, unless that firm has over $150 million in assets, which accounts for about 300 out of the thousands of companies in this country.

We can go on to deal with energy and resources. It seems that the Government does not want to hear what we say, so let me quote people who testified to us as we went across the country. Joseph Mercier, the owner of an oil exploration company in Alberta, said: "Instead of going into battle with Ontario for Alberta's rights, are we going to try to allocate the authority to some administrator in Washington?" He went on to say: "The National Energy Board will no longer be able to say anything about our natural gas, but there will be people in the Federal Energy Resources Commission in the United States, there will be people in Washington, who will tell us what we can do with our natural gas". That is what we heard from oil people in Alberta.

We heard the same thing from the small-scale explorers' association in Alberta, who would not endorse this deal because they also saw it as a completely unbalanced, one-way exercise which gave far more to the United States than to us.

We can discuss cultural control. We heard magnificent testimony from a person in Prince Edward Island who had taken the plunge and moved from central Canada to try to establish a small scale enterprise in Prince Edward Island. He found considerable difficulty in establishing that enterprise, but nevertheless has persisted and succeeded in making it economically viable. Let me quote Jack McAndrew, from our hearings in Charlottetown. He said: "I, like every other Canadian producer, have spent most of my adult life fighting for a stall in the market of my own country".

That is what cultural industries have had to face in this country in the past. Unfortunately, that is what they will have to face in the future.

This agreement still contains the incredibly ambiguous and detrimental clause which states that the United States, notwithstanding anything that is in the agreement otherwise, will have the right to take action against us as a result of any cultural action that we take under the terms of the agreement.

There were major surrenders in the context of economic development. The Atlantic Chamber of Commerce told us quite clearly that it was very concerned about what would happen to regional development programs in this country, and therefore could not endorse the deal. It states in its brief: "The Atlantic Chamber of Commerce is concerned, therefore, that the terms of a free trade deal could preclude the federal Government from implementing policies which address this serious problem of regional underdevelopment". It went on to state that the Atlantic Provinces Chamber of Commerce believes that the Canadian Government cannot negotiate away its right to provide assistance to business and industry in economically depressed parts of the country.

As well, there are serious losses to the Auto Pact and losses which have seriously hurt agriculture. For instance, the President of the British Columbia Fruit Growers said: "Is the family farm no longer significant?" The head of the National Farmers Union said: "The bottom line for producers will be lower prices for farm products. This will come at a time when economic ills in the farm community can be linked to the destructive and predatory practices of the U.S. and the economic community countries. These practices will not end with the signing of this agreement".

All in all, it is a bad deal for ordinary people. It is an inequitable deal between our two countries, and it is an unfair deal for average families across Canada. I believe it is an unacceptable deal for the people of Canada, as the next election will prove conclusively to everyone in this Chamber.

It is perhaps most sad that there was an alternative, just as the Prime Minister told the Leader of the Official Opposition (Mr. Turner) during that memorable debate. He was absolutely right at that time when he said: "Yes, you did have an option". In this case, the Government had and still has an option that it will not follow because of its own ideological blinders.

Let me outline what I believe are some of the key elements of such an alternative. First, it is possible and necessary to deal with the U.S. protectionist pressures directly, on a case by case basis. If we had taken that action with respect to softwood lumber and concentrated our resources on that issue, we would have been much more successful than we were with the terribly unfair deal we ultimately saw.

I believe it is possible to set up sectoral arrangements between ourselves and the United States. With respect to the chemical industry, for instance, we have heard from Canadian chemical firms that they would be very interested in some kind of sectoral arrangement with the United States. That is the kind of thing we see as important to try to explore. The same is true with computer parts. There was a sectoral arrangement with respect to computer parts which the Government did away with because of its attempt to retaliate against the United States on shakes and shingles. That kind of sectoral arrangement also makes sense.

• (1650)

One can go through a whole host of different sectors of our economy within which it would be possible for us to work out arrangements like the Auto Pact, with safeguards, with protection for our people and communities, which would give us the possibility of benefiting from the U.S. market, but not at the expense of these tremendous giveaways which we have made part of this trade agreement.

I think that the GATT process, the General Agreement on Trade and Tariffs, is an important part of what this Party has always been committed to in terms of negotiation in order to reach freer trade arrangements throughout the world. It is a process which establishes equality among all the countries taking part. That equality is itself very, very important. It is also a process, I would point out, having been at the start of the last GATT round, within which we have considerable influence. It is a process within which Canada is listened to quite seriously. Within that process of negotiation it would be possible for us to work to reduce the subsidies the United States looks at through its trade legislation, to get an agreed set of rules among all countries, an agreed set of rules in which we would have partners on our side in attempting to achieve the kind of equal relationship in trade about which we are talking.

That kind of approach makes so much more sense than the direct one-on-one relationship we have tried to carry forward with a country so much bigger, so much more powerful economically than our own. That country has successfully won from us all sorts of concessions, and that I am certain would not have happened in the context of a GATT negotiation within which we had Japan, Germany, Britain and Italy on our side as part of an attempt to discipline protectionism within the United States.

Most important, however, is that we as a country develop through government leadership and technological expertise in some of our key industrial and service areas. We have to develop a set of effective and efficient sectors within our economy through training, through emphasis on science and technology, and through a great many other measures which a Government, which had not sold itself out through this trade deal, would be able to make use of. I am referring to mechanisms such as state purchasing policies, planning agreements with the various companies, which play such a key role in the trade both between ourselves and the United States and in trade internationally. We would be able to establish Canadian content rules. We would be able to set conditions on investors

that if they were going to take over Canadian plants, they would have to export certain amounts in the future. They would have to achieve certain levels of job increase in the future.

Those kinds of things could be done by a government seeking to establish technological expertise in key areas, if we had that kind of power still left to us.

We could also use tariffs. We could use tariffs selectively under GATT agreements, as we have in the past, to be able to assist certain parts of our economy to grow and to establish jobs for the people of this country. We could use other instruments such as public ownership. Public ownership is not something which, for ideological reasons, we would back away from as a Party. In addition to that thrust, we simply have to see to it that regulations are established for the multinational corporations which are so important in the international economy. That is what dominates trade, and the regulation of those multinationals is crucial in trying to shape that trade for the future.

When shut-downs take place, we must have full community review to see to it that communities and workers have a chance to see why it is that a company is being shut down and to challenge it, if it so wishes. We also have to see to it that there are no more export restrictions on the subsidiaries of multinational corporations in Canada when they are owned by other countries. That has to be part of our ruling as well.

We have to do a number of other things. I see you looking at the clock, Mr. Speaker. It is five o'clock and I would propose to continue tomorrow.

**The Acting Speaker (Mr. Paproski):** I assumed so.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Hamilton Mountain (Ms. Dewar)—Status of women—Court challenge to language training policy—Minister's position; the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart)—Shipyards—Delay in restructuring industry in Quebec—Request for explanation—Request for clarification concerning frigates; the Hon. Member for York East (Mr. Redway)—Canadian Pacific Railway—Carriage of dangerous goods—Metro Toronto speed limit.

It being five o'clock the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

*Statue of Monarch*

## PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

### PARLIAMENT HILL

PROPOSED ERECTION OF STATUE OF QUEEN ELIZABETH

The House resumed from Tuesday, November 3, consideration of the motion of Mr. Tupper:

> That, in the opinion of this House, the Government should consider the advisability of commissioning the structure of a statue of Her Majesty, Queen Elizabeth II, to be placed on Parliament Hill in commemoration of the thirty-fifth anniversary of Her ascension to the Throne.

**Mr. Stan Darling (Parry Sound—Muskoka):** Mr. Speaker, I am pleased to rise to speak in support of the resolution of my colleague, the Hon. Member for Nepean—Carleton (Mr. Tupper). I rise to speak on the resolution to erect a statue on Parliament Hill in honour of Queen Elizabeth II.

Her contribution to this country as our queen is considerable. The Queen's influence cannot be denied. She participates in all kinds of Canadian events as well as provides that level of government which no elected Member can.

• (1700)

By definition, the sovereign, the person on whom the Crown is conferred, symbolizes our country as a constitutional monarchy. The Crown, the Senate, and the House of Commons, in that order, make up our Parliament. The Governor General, appointed by the Queen in consultation with the Prime Minister, carries out the Queen's functions in this country.

Queen Elizabeth II is the head of the Canadian state, the Government, and all our judicial functions. She is the Sovereign of the Order of Canada as well as the Order of Military Merit. She is, of course, as everyone knows, the patron of numerous associations and organizations throughout the country. The Queen is honorary Commissioner of the Royal Canadian Mounted Police as well as Colonel in Chief of numerous Canadian military regiments.

I would like to point out that Canadian money pays only for the Canadian aspect of the Crown and her Majesty's expenses when she is in Canada. When members of the Crown are in Canada, the provincial and federal Governments cover the costs properly apportioned. As representatives of the Crown, the salaries of the Governor General and Lieutenant Governors are paid by the federal Government.

In June, 1973, the Queen stated that the Crown is an idea more than a person and that it should represent everything that is best and most admired in the Canadian ideal. I ask you, if there could be only one reason, would it be possible to find a better one for the erection of a statue of Her Majesty on Parliament Hill? The Queen is also our link to all the countries in the Commonwealth, which amounts to just about every ancestry and national origin.

*Statue of Monarch*

When you ask visitors to Canada about the Canadian identity the answer you get most often is related to the fact that we have a queen. The Queen symbolizes international prestige which, in turn, adds to Canada's standing in the world. One need only remember a few years ago when the Queen visited the United States. Even today her popularity with Americans is tremendous. Her presence at the 1976 Olympic Games brought enormous respect and prestige for Canada.

The role of Queen Elizabeth II in the Commonwealth is crucial. In turn, our country's external policy is influenced greatly by our union in the Commonwealth. The reception of the Queen in all Commonwealth countries is warm and respectful. Everyone in those countries knows of her relationship with this country.

In honouring Queen Elizabeth II with a statue on Parliament Hill we will be telling the world of our unique historical make-up. Canada has two founding nations, French and English. However, because of historical facts, Canada adopted British traditions. Let us honour that fact by erecting a statue in commemoration of the thirty-fifth anniversary of her ascension to the Throne. Thirty five years of devotion to our land is a very wonderful thing.

In her role as Queen of Canada one need only look at a 20-year period during her reign to realize that she has been a leading force in Canada's entry on the world stage as a leading country.

In 1959 she opened the St. Lawrence Seaway with President Eisenhower of the United States. She made a royal visit from coast to coast and back. In her July 1 speech she said: "If I have helped you to feel proud of being Canadian, if I have reminded you of the strength which comes from unity, and I have helped to draw your attention to the bright vision of the years ahead, I should feel well satisfied because I believe with all conviction that this country can look to a glorious future". She has indeed done her part to ensure that our land has become prosperous and great.

In 1962 she helped Canada mention to the world the launching of Telstar, the satellite developed in Canada in co-operation with other Commonwealth countries. In 1970 the Queen visited the North, demonstrating our sovereignty in that part of the land. The list goes on and on. During that time her duties as head of the Commonwealth also took her to many of the countries that link us to that great family of nations.

I am delighted to speak in support of this motion. I hope that the House will consider passing it. As we are all aware, Her Majesty visited Canada this year. She officiated at the opening of the Commonwealth Summit, which was an outstanding success. She also visited other parts of the country including the great Province of Quebec. I know that we will all be looking forward to hearing Her Majesty's very wonderful Christmas message on Christmas Day.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I am pleased to have the opportunity this afternoon to speak on motion M-135 proposed by the Hon. Member for Nepean—Carleton (Mr. Tupper). I want first to congratulate the Member for his initiative in bringing forward such a motion. I wish to make remarks in favour of the motion. I am of the opinion that this would be a good initiative for this Parliament to undertake.

You will probably recall, Mr. Speaker, that I brought forward a similar motion to erect a statue for a different individual, of course, a former Prime Minister of our country. I brought that motion before the House in February of 1987. Nearly a year has passed and the working group on the erection of the statue in question has not yet been completely formed. However, I understand that the Minister of Public Works (Mr. McInnes) is going to appoint such a working group very soon.

I hope that sometime in 1988 we will all be joining together on Parliament Hill to participate in the unveiling of a statue in honour of the Right Hon. Lester B. Pearson, Canada's thirteenth Prime Minister who was, in my view, one of the most distinguished citizens this country has ever had. That is to sidetrack somewhat from the topic at hand today, but I believe it bears repeating.

This Parliament, through the Standing Committee on Government Operations, has adopted a report prepared by the Minister of Public Works on erecting statues in the future. The report describes those individuals whom we have commemorated with statues on Parliament Hill. It also suggests a policy for dealing with statues in the future. In general, it suggests that we should erect statues for very prominent and outstanding people. In general, to be eligible a person should be one who is no longer living. In the case of Prime Ministers, through that report we agreed that generally we would recognize those Prime Ministers who were elected to that office rather than those who were appointed. Of course, that policy does not apply in quite the same way when we are dealing with a sovereign. There is one outstanding difference, and that is the fact that it is generally accepted that when dealing with a statue in honour of anyone, that person would be deceased. The one exception that is usually accepted everywhere, including the report that we prepared for this House, is that in the case of a sovereign that requirement would not be enforced. In other words, a statue of a sovereign can be erected even if the sovereign is still living. Generally, that is the only exception.

• (1710)

What we have to decide is not whether the individual in question qualifies because, under the criteria that we have set for ourselves, quite clearly she does. First, we have to decide whether we wish to so honour the Queen. Second, we have to decide whether the thirty-fifth anniversary of Her Majesty's reign is the proper anniversary in which to do it. It could have been done on the twenty-fifth anniversary or the thirtieth. For

that matter, it could be done at the fortieth anniversary. In my opinion, thirty-five years of reign certainly is an historic occasion and something that should be noted. To that end, this is a year in which we could very well choose to erect such a statue.

My only small concern, and I wish to raise it now, is that I hope our previous efforts toward erecting and recognizing Prime Ministers will not be cast aside while we undertake this particular task. I know that is not the intention of the Hon. Member for Nepean—Carleton and he would want this initiative to be taken in addition to those endeavours we are looking at at the present time.

Therefore, I have no hesitation in supporting this initiative of erecting a statue in honour of Her Majesty.

[*Translation*]

Mr. Speaker, today we have heard the Hon. Member for Parry Sound—Muskoka (Mr. Darling) pay tribute to Her Majesty. It is obvious that in recent weeks and months this debate on the need or even the desire to erect a statue in honour of Her Majesty has opened up discussions in this House about the whole matter of monarchy in Canada. I for one feel comfortable with the present system, but if some Canadians are not and if other Canadians advocate putting an end to the present system, that is ending monarchy , that debate ought to be held indeed but at some other time. I would suggest that as long as we want to maintain the present system, we as Canadians are duty-bound to show respect for existing institutions for as long as we have them.

In the past, for example, controversy arose in this country when a Canadian public servant refused to swear allegiance to the Queen to keep his job. I am sorry, but I did not feel much sympathy for this man, and here is why. First of all, this was one of the conditions of his being hired by the Public Service Commission, so he knew what to expect. Second, one can always say that if this public servant was not overly enthused about this condition he could have looked for a job somewhere else.

So it was a basic requirement that was there to start with, and if a person is uncomfortable with the requirements of a job, he or she should look for employment elsewhere before even considering the job.

Obviously, some day the public servant in question, in fact, any Canadian could and should take part in a debate on whether we should keep the monarchy. I have already indicated my own position, Mr. Speaker, but just the same, it won't do any harm to have a debate.

In 1982, we patriated our Canadian Constitution, and we made the collective decision at the time to keep the Queen or rather the Sovereign as the Head of State of our country. I think it was a wise decision, but some day we may decide otherwise. We should not make it an issue here and now, however, when we are discussing whether we should offer some token of recognition to the Sovereign. The decision to offer that recognition should be based first of all, as I said earlier, on whether the person "qualifies". Of course the answer is yes, because we have a report that says that in the present context, the Sovereign would "qualify" for a statue in her honour. Furthermore, as I said earlier, we must agree on which anniversary it is to be. The other issues will probably be raised in the House at some time or other, but in another context.

In concluding, Mr. Speaker, I again wish to congratulate the Hon. Member for Nepean—Carleton (Mr. Tupper) on his initiative. I hope the House will adopt the motion, if not unanimously at least with a majority, and that we will soon see the unveiling of a statue of Her Majesty. But before then, I hope we will have another unveiling to which I referred earlier, a statue in honour of the Right Hon. Lester B. Pearson, Canada's thirteenth Prime Minister.

[*English*]

**Mr. W. R. Bud Jardine (Northumberland—Miramichi):** Mr. Speaker, when the future Queen, Princess Elizabeth visited Canada in 1951 she said, "I know of Maritimers that their hearts are filled with the love of the sea, for this is their heritage—and it is in the heritage of my family". Indeed, we know it is in the heritage not only of her own family but also of that of Her consort, Prince Philip, who had a distinguished career in the Royal Navy.

As a Maritimer, I am pleased to speak in favour and in support of Motion No. M-135, a motion that in a very real, visible, valid manner would seek to remind all Canadians from coast to coast that our nation is a constitutional monarchy, and that since 1952, Elizabeth II, by the grace of God of the United Kingdom, Canada and Her other realms and territories Queen, defender of the faith, became Queen of Canada, that latter title being introduced by the then Prime Minister of Canada, Louis St. Laurent.

While I was not conscious of the Princess' remarks of Maritimers and their love of the sea, it was only some three years later in 1954 that I joined the Royal Canadian Navy and tied my career to the sea. I do not pretend to have a seafaring tradition or background. Indeed, during the war years my father and uncle served in the Canadian Army. But I did have an uncle who served in the Merchant Navy, and indeed lost his life in that service.

• (1720)

It could be said that Maritimers are traditionalists with a sense of patriotism, which perhaps goes beyond what their background and ethnic heritages may be. I think of my own area of the Maritimes and New Brunswick, an area called Miramichi, which is made up of the Irish, the Scots, the English, and the French. One has to reflect only on November 11 when the names are called at the cenotaphs in over half a dozen communities throughout the area. The names of the people who fought for freedom, for the Queen and country, in the Great War and in the Second World War depict their background.

I think as well of the Union Jacks, which tend to fly in backyards throughout the area, people paying recognition to what they knew of the past. I remember during the great flag debate hearing people refer to the new flag as Pearson's pennant. It is not that they had anything against the new flag, but they did not want to give up a link with the past which they cherished—the Union Jack which was part and parcel of the Red Ensign.

I was guilty in the sense that I was most reluctant to see the White Ensign being given up by the Royal Canadian Navy, a flag for which I had such respect. Having said that, I must say that now no one is prouder of our Canadian flag, the Maple Leaf, than myself as I see it flying on public buildings and as I see young people travelling throughout the world with the Maple Leaf patch on their knapsacks, jackets, or whatever.

Parliamentarians are very much aware of the role of the monarch in our system of Government. The Parliament of Canada consists of the House of Commons, the Senate, and the sovereign, represented in Canada of course by the Governor General. We are one of 17 countries which acknowledge the Queen as sovereign, the Crown Commonwealth, as well as Queen of the Commonwealth in general. She is head of the Canadian state. While her powers may be exercised by her representatives, the Governor General and each provincial Lieutenant-Governor, she has the right to be consulted, the right to advise, and the right to warn.

It is sometimes too difficult to think of our monarch as a public servant, given what we tend to think of certain public servants from time to time. A public servant, yes, but a bureaucrat, no. She is a servant who has earned the respect and esteem of not only the leaders and subjects of the Crown Commonwealth and the leaders and people of the Commonwealth but of other nations great and small throughout the world. Indeed that makes Her Majesty more than just a symbol, more than just a figurehead in the family of nations.

Given what constitutes the Parliament of Canada—the Senate, the House of Commons, and the sovereign—at this juncture I would like to present my views on the Upper House. In so doing I believe that I can tie in the fears of many Canadians in respect of loss of identity and loss of culture to the very motion before us respecting the commissioning of a statue of Her Majesty, Queen Elizabeth II.

I should like to say forthwith that I am in favour of an appointed Senate, recognizing all the faults inherent therein and recognizing that changes must be introduced to make this body more meaningful and perhaps more effective. The problem lies not with what the Fathers of Confederation in their thoughtful manner intended for this institution, the body of sober second thought, but with what in too many cases has been permitted to become a retirement home for too many ineffectuals, a retirement home for too many former politicians, a club where partisan politics is played, planned, and connived not for the betterment of Canada or Canadians at large but solely for party purposes.

One study which I read indicated that something close to 99 per cent of all Canadians indicated that they would not run for nor seek public office at any level of government—federal, provincial, or municipal. If that is true, surely we must ask ourselves if the country is being best served by men and women who make up that 1 per cent. I suggest not, and I would think that most Canadians would agree.

This brings me to the appointed Senate. That body would give those Canadians making up 99 per cent of the population who have great qualifications, knowledge, experience, and ability, an opportunity to be selected not for political affiliation but to serve Canada and Canadians in a thoughtful manner. Of course other changes would be absolutely necessary, but I will not go into them at this time.

I would suggest that we never have an elected Senate. To be elected is to have a constituency. To have a constituency could in great measure negate their ability to carry out their duties in a non-partisan manner, which brings me full circle to why I mentioned the Senate in the context of this motion. To my mind, to introduce two elected bodies to our system of government is to lead us down the road to becoming a republic and to being more like the American system of government, each vying for additional power, certainly one attempting to usurp the power and the authority of the other. We could very gradually slip away from our government roots—the British parliamentary system, the mother of all Parliaments.

We want to be proud of our system of government, of our historical link, and of our bond with the monarch. We do so by cherishing our traditions of 120 years as a country and by building that same sense of pride in our children. Who epitomizes in a single personage more greatness in our form of government that Her Majesty the Queen of Canada?

I endorse and support the motion of the Hon. Member for Nepean—Carleton (Mr. Tupper). I encourage Hon. Members on all sides of the House to do likewise.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I am pleased for the opportunity to speak to the motion before us today. It is a proposal to erect a statue of Queen Elizabeth II on Parliament Hill.

Probably many of us share the same kind of feelings which I recall very vividly when I first arrived on Parliament Hill in 1979. I stood at the foot of the sidewalk beside the Centennial Flame and then walked past the flame looking up at the Peace Tower and at our Parliament Buildings. I was surrounded by beauty and by many symbols of our national traditions.

I think most Canadians feel very emotional when they see pictures of the Parliament Buildings and the hill on which they stand. We fondly call it "The Hill" because the Parliament Buildings are indeed loved by Canadians. They are steeped in our history. Canadians on vacation bring their children here to celebrate being Canadians. They come from all parts of Canada—East, West, North, and along our borders. This is a place which ties us all together. Therefore, Parliament Hill

reinforces our identity. It is our showcase for the world. Many thousands of visitors flock here every summer. Although Canada is a young country, we are quite unique and our Parliament Buildings and surrounding grounds are consistent with that uniqueness.

• (1730)

I think the symbolism is an important consideration that goes into our living shrine that reflects the life of Canada every day. We should thank our forefathers and mothers for their foresight in developing such a wonderful headquarters for Canadian Government, the heart of Canada, if you like. We must take very seriously the responsibility of preserving the beauty and appropriateness of Parliament Hill and all the monuments and memorials that surround and are inside it.

Today we have a motion put forward by the Hon. Member for Nepean—Carleton (Mr. Tupper) which suggests that the Government should consider the commissioning of a statue of Her Majesty Queen Elizabeth II, to be placed on Parliament Hill in commemoration of the thirty-fifth anniversary of her ascension to the throne.

First, I would like to say unequivocally that, like the statue of Queen Victoria which graces our Hill and who was in office when Canada first gained its independence, certainly Queen Elizabeth II deserves a special place. She is indisputably a part of our Canadian heritage. As the British monarch who was reigning at the time when Canada acquired its own Constitution and severed the last remaining legal link with Great Britain, she has a particular place in our history. She is a person whom we respect and honour as a very hard working public servant who binds our Commonwealth together. She is well respected even by those who may not be traditional monarchists.

We could debate, and perhaps this is a trivial point, whether such a statue should be placed in commemoration of her thirty-fifth year inasmuch as this does not explain that we are doing it for a living monarch, which I believe would be a precedent.

While I honour Queen Elizabeth and agree to honour her with a statue on Parliament Hill, I cannot help but think of all the other many Canadians that it would be so nice to honour in some way. I am sure Canadians across the land would like to see many statues. Let me give two or three examples. The Métis perhaps would like to see a statue of Louis Riel. Many feminists perhaps would like to see one of Nellie McClung. For doctors, it could be Dr. Keon, who used the Jarvik heart and has pioneered heart transplants in Canada. There is no question that we respect and honour our monarch, but there are also many Canadian women parliamentarians whom I would like to mention and whom I would like to find a way of honouring because of the unique tradition and contribution which they have made as Members of Parliament.

I think first of Agnes McPhail, who was elected in 1921 and was the first and only woman Member of Parliament who gained her seat in the first election after women had the right to vote in Canada. In 1943 she was the first woman on the Canadian delegation to the League of Nations.

Second, we have a bust of the Hon. Ellen Fairclough. You walk by it every day, Mr. Speaker, in the Speaker's Hall. This is appropriate. She achieved distinction as the first woman Cabinet Minister in 1957. She introduced a Bill calling for equal pay for equal work, a very progressive legislator. She created a womens' bureau in the Department of Labour. Also I am sure my hon. friend on my right will agree that the Hon. Judy LaMarsh deserves special honour and recognition. She was the only woman in Lester Pearson's Liberal Cabinet. She was an innovative legislator under whose guidance we achieved the Canada Pension Plan and medicare. She established the Royal Commission on the Status of Women which the women of Canada look upon as a milestone in development.

I think those who have been Members in this House for some time will also agree that Grace McInnis from my part of Canada should be honoured. She was not a Cabinet Minister because her Party was not in Government but she was a pioneer woman Member of Parliament. I believe she was at one time the sole woman Member of this House. I can recall talking to her because she was a mentor and is today my mentor. I was amused to learn that this very dignified daughter of J. S. Woodsworth once had to remind Members of this House that perhaps their behaviour deserved the initials M.S.P., which I am sure you may recall, Mr. Speaker.

Finally, we should mention Jeanne Sauvé, the first woman Speaker of this House and now our first woman Governor General. I am sure other Members of the House can think of many others.

It is great to have symbolism and to recognize people who make a unique contribution. It is obvious this list could go on and on, but if we were to erect statues for all of them our lawns would be very crowded. We have a duty to think carefully and to protect the dignity and integrity of Parliament Hill.

I would like to mention a suggestion made by my colleague the Hon. Member for Ottawa Centre (Mr. Cassidy) when he spoke to this motion. He suggested that perhaps a good way of determining the kinds of statues that should be on Parliament would be to set up a Parliament Hill commission. He proposes that only one of two statues should be erected on Parliament Hill every decade. I feel confident that Her Majesty Queen Elizabeth would be a first choice. This does not stop us from honouring outstanding Canadians in other places within our communities, within our Parliament Buildings, in our parks, squares and other appropriate places across Canada. Statues as we see them in Europe enliven and provide valuable additions in harmony with our outdoor living space as well as bringing an historic contribution to us.

We concur with this motion, but I hope the Member might consider the suggestion that there be a special Parliament Hill commission to deal with such matters in the future.

*Statue of Monarch*

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, I take pleasure in contributing to this debate, the subject of which was put forward by the Hon. Member for Nepean—Carleton (Mr. Tupper), that a statue be erected in honour of Queen Elizabeth II.

I am glad the New Democratic Party has given its enthusiastic support. I think somewhere in that 10 minutes speech I did hear a few sentences referring to the Queen. It was nice to hear a rousing endorsement of the motion. I would agree with the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) that there ought to be a statue erected in honour of Lester Pearson, former Prime Minister of Canada. I think that is overdue and I look forward to the day when that mission is accomplished.

I am pleased the Hon. Member from Nepean—Carleton has presented this motion to the House. I think the monarchy is a very important institution for Canada. I would like to mention three reasons that I think this is a timely and important motion to bring before us. First, the monarchy is important to us because it provides continuity in a world of constant change and increasingly accelerated change. The monarchy gives continuity. If we reflect on what the Royal Family has done to provide stability through its continuity in times of flux and crisis, we have to be very grateful to this great institution and those who have been kings and queens of the United Kingdom and of Canada throughout the centuries.

• (1740)

Let us think for a moment of what King George VI experienced in his relatively short reign of about 18 years. When he came to the throne, it was partly to his surprise. Then came a time of upheaval when fascist armies were forming in Europe and there was a great deal of concern throughout the world about the future of the world. The King was faced with the coming of World War II, and those of my generation at least remember the words of comfort he spoke to the entire Commonwealth and indeed to the entire world when he gave his New Year's message, "I said to the man who stood at the gate of the year". That provided much solace to the world at the time.

There were changes in government going on in the United Kingdom at that time. The government went from the coalition Government of Winston Churchill to the Labour Government of Clement Attlee and then back to the Government of Winston Churchill. Throughout those years, even though King George VI was not in good health, he provided not only the United Kingdom but the Commonwealth and indeed the world with a sense of stability. While there was change, indeed there was the stability that the Royal Family and monarchy provided to the world.

The same thing has been true of our monarch today, Elizabeth II. When she came to the throne in 1952, the world seemed to be fairly stable, but it was not many years after that that there was the Suez crisis, the Hungarian Uprising and the Korean conflict. All of those tensions were before us, and again there were changes in government in the United Kingdom. Yet Elizabeth II provided the continuity which gave comfort to the people of the United Kingdom as well as the people of the Commonwealth.

The monarchy is important because it provides continuity in a world of change. One must reflect only on the events that overtook those colonial countries that grew out of the anti-colonial movement of the 1960s. In the freshness of their sense of democracy and in their zeal for total independence, they thought it would be fashionable to become republics. One cannot help but wonder whether they were not impoverished by their too severe ties to a monarchy and would have been enriched and had found greater stability had they not maintained closer ties with the monarchy and become parliamentary democracies rather than republican democracies.

The first reason we honour the monarchy in Canada is that it provides continuity. Second, it provides us with a sense of family. It is easy enough in our world of legislation and Constitution to think that all differences are settled by law and by litigation. We are becoming an increasingly litigious society, but the monarchy reminds us of the fact that many of our tensions are best resolved not by litigation, not by confrontation, but through relationships. The monarchy has become a unifying symbol within the Commonwealth. It brings people of different views, of different socio-economic groupings, and of different heritages together. It allows us to solve problems through relations.

Let us think of the Lancaster House agreement regarding Zimbabwe. That could have been accomplished by fiat, but it was accomplished because of a relationship that existed between the United Kingdom through the monarchy and Zimbabwe. Let us think of the latest Commonwealth Conference we hosted in Vancouver and which the Prime Minister (Mr. Mulroney) conducted so ably. Troubles were occurring in Fiji at that time, but the conference sensed the ties of its relationship.

Forty countries with different forms of government and different heritages came together. Because the monarchy was represented at the conference, a familial relationship existed there, a relationship which brought the countries together in a way that they could not have been brought together had it been simply a constitutional or legal conference.

The monarchy is important to us because it represents a sense of family, togetherness and belonging among those people who have the heritage of a relationship with the United Kingdom.

Finally, the monarchy is important to us at this time because of the contribution our present monarch, Elizabeth II, has made not only to the entire Commonwealth but particularly to Canada. She has visited our country at least 12 times and probably more. I count 12 times and I may have missed several. She has visited Canada more often than any other

monarch. She is intimately acquainted with the feelings and aspirations, not only of the Canadian people as a whole, but of groups of Canadian people. She understands the feelings of the people of the West, of the North, of Quebec and of the Maritimes. She has a sense not only of the whole but of the parts of the whole. Because she has spent time in Canada, she has become Queen of Canada not only because Prime Minister St. Laurent declared so in 1953, even though that was a very important declaration, but because she has experienced a sense of being Queen of Canada by participating in Canadian life.

I would like to commend the Hon. Member for Nepean—Carleton for the work he has done in bringing this motion forward. I look forward to the day when this statue will be erected to celebrate the 35th anniversary of the Queen's reign. I hope all Hon. Members will participate in the celebration of that day when we will see that statue erected here on Parliament Hill.

**Mr. Allan Pietz (Welland):** Mr. Speaker, I am very pleased to enter this debate this evening. I thank the Hon. Member for Nepean—Carleton (Mr. Tupper) for bringing this issue forward.

As Hon. Members know, the Queen has reigned over this country for 35 years. Next week on Christmas Day, many Canadians will turn on their television sets and tune in to the Queen's Christmas message. It is a tradition for many families, many of whom do not have any British blood at all but may have emigrated here from other countries in the Commonwealth or from elsewhere. As Elizabeth II has visited Canada so often in her long reign, her message often mentions her visits to Canada and makes special note of those she has met with here.

The other time of the year when national attention is regularly focused on the monarchy is Victoria Day in May. On a superficial level, we all appreciate the holiday, but at the same time, we can appreciate the historic importance of the monarchy in our evolution as a nation. The day has significance as the day of celebration of Queen Victoria's birthday, but it is also a day to celebrate Queen Elizabeth II.

The Queen of Canada is in many ways a symbol for Canadians. Some people might say that she is just a symbol, she does not live here nor does she have daily input into the governing of this country. Young people and some new immigrants to this country do not always relate in a personal way to her role as the head of Government. Nonetheless, that which she symbolizes is very vital to understanding ourselves and the nature of Canada.

Canada has had a relatively short history, and some areas have had a shorter history than others. We are still busy writing our history rather than identifying very strongly with our nation's past achievements. But a sense of community and connectedness is vital to everyone.

• (1750)

We, of course, cannot deny our historical links to Britain and the monarchy. While the majority of Canadians do not have ancestors from the United Kingdom, as Canadians we have undeniable historical links with Britain as a one-time colony and one that chose a similar type of government. When Parliament passed legislation in 1953 making Queen Elizabeth the Queen of Canada, a strong link was forged between this country and the monarch. Historically, then, Queen Elizabeth II holds a unique and important place.

As head of the Commonwealth, Elizabeth II unites a great many different cultures and histories to work together toward a better future. That symbolic role on a global scale has a good deal of relevance to Canadians. In a real sense, that is what this country has done. It has united people from around the world to work together for the future of Canada.

In my riding of Welland in the Niagara Peninsula, we are culturally very rich. We have a strong French-Canadian community in Welland and a strong Italian community in Thorold. The St. Catharines Folk Arts Council is made up of some 35 ethnic organizations, all of whom are active and vital in the peninsula. Insofar as we, as Canadians, take pride in our diversity and ability to work together toward a common future, the symbolic presence of the Queen has a great deal of meaning for us.

It has meaning not merely in the historical context but in a living, forward-looking context. Queen Elizabeth II is the longest serving monarch we have had. She has always taken an active, personal interest in this country. Whenever she has visited, she has left a strong and personal impression.

In preparing to speak to the House today on this motion, I spoke with people in my riding who remember clearly the visit to Niagara made by Elizabeth II some 30 years ago. I remember meeting her myself in my capacity as the mayor of the City of Welland in more recent years. Her grace and accessibility are qualities which leave a lifelong impression on everyone she meets.

For the Welland riding, her visit to Canada in 1959, held special significance. She came to Canada to preside over the opening of the St. Lawrence Seaway, of which the Welland Canal is a very important part. All of her visits to Canada over the past 35 years have touched us, as ordinary Canadians, right where we live.

Her enduring interest in this country has been noted by all. Her command of the French language and appreciation of the special character of the Province of Quebec has provided an example of her sensitivity to this unique country of ours. She has shown a genuine interest in native peoples and their concerns. She has made a point of meeting with multicultural organizations across Canada. Her wide travels here have made her more familiar with this huge country than most of us will ever be.

She has provided an example to all Canadians through her commitment to duty and service. Many countries have people to point to as national symbols. They are not necessarily heads of state and they are not necessarily people one would be proud to know. Elizabeth II, through the virtues and values she brings to her life and work, is someone we are proud to be associated with and proud to have as our head of state.

Some Hon. Members might feel that commissioning a statue of a monarch still living is not particularly appropriate. In the case of our Prime Ministers, statues have been erected long after their deaths. It often takes a few years before hindsight allows for impartial appreciation of someone's contribution to our national development. In the case of the Queen, there is no need to wait. The Queen has served this country longer than any other monarch. She has meant more to Canadians than any other and has more than earned the honour we have the authority to bestow in creating a statue here on Parliament Hill.

**Mr. Joe Reid (St. Catharines):** Mr. Speaker, I am pleased to say a few words in support of Motion M-135, that the Government consider the advisability of commissioning a statue for Her Majesty Queen Elizabeth II here on Parliament Hill.

In so doing, I recognize that Canada has been a constitutional monarchy from the time of its inception. Kings and queens have been part of our history for as long as that history has been written. However, what sets this monarch apart is that in 1953 she was declared by Parliament and the Government as the first Queen of Canada.

The Fathers of Confederation deliberately chose our form of constitutional monarchy, having the American example before it. Those were difficult times, but also a time of new beginnings. They could have chosen to reject the monarchy if they had preferred to do so, but in the words of Sir John A. Macdonald: "Our first act is to recognize the sovereignty of Her Majesty".

From that time, and even more significantly from 1953, when Elizabeth was specifically named Queen of Canada, the sovereignty of Her Majesty and the sovereignty of this country have been linked as one and the same.

The Queen is the head of the Canadian state, with powers and authorities under our Constitution as a constitutional monarch. She has administered those affairs with dignity and responsibility. She has, at times, remonstrated with her First Ministers and has given them cautious, careful and prudent guidance.

Although this form of Government is often misunderstood and often subject to criticism as not being democratic, this system is, in fact, one of the most stable, democratic and least costly of any system of government in modern political science.

The Queen has been enormously successful as an institution in government. We do not talk of a kingdom in this country. The people of Canada know that Parliament is supreme. We see no threat in Her Majesty, but we see her as part of our heritage, from whose predecessors Parliament won the right of government.

We see her as a person, conducting the affairs of the monarchy, as she is called upon to do from time to time, with the utmost of grace and dignity.

**The Acting Speaker (Mr. Paproski):** I hesitate to interrupt the Hon. Member but he will have six minutes remaining in his speech the next time the Bill comes before the House.

The hour provided for consideration of Private Members' Business is now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### STATUS OF WOMEN—COURT CHALLENGE TO LANGUAGE TRAINING POLICY/MINISTER'S POSITION

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, I rise to speak to a question I asked in November concerning the Government's language policy for immigrant women. This is not a new question, but one which was identified in the 1960s, the 1970s and again in the 1980s. Over 50 per cent of immigrant women do not have access to language training.

The policy is that those who are about to have access to the job market or are seen as the head of the family are the ones who are eligible for language training. This is not effective. We know that what it is doing is making immigrant women, particularly those from Third World and Asian countries, ghettoized into low-paying jobs and poor working conditions. There now has been a colloquium of groups that have decided to launch legal action against the federal Government on its language policy. It seems to me we are just putting the well-being of lawyers as a priority rather than having a true policy for these immigrant women.

• (1800)

It has been identified as a problem over the years, and I think it would be quite simple if the Government could change its policy at this point in time. I am not suggesting that this would not be costly. Of course, it costs money to eliminate discrimination. However, we must look at the input of the Government with respect to adult immigrant women in particular. We did not educate them. We did not raise them. They were not part of any kind of liability on our health care system. Therefore, they have arrived here, and have become

part of our workforce but are not able to gain the kind of employment they would be able to gain if they had the kind of language training that certainly male immigrants have access to.

I also have great concerns about the kind of pressure we are putting on the families of immigrant people. I wonder if any of the Members in the House recognize how difficult it is if one has to call a doctor, if one has to have a parent-teacher's interview or if one has to look for or ask about food products and cannot do it because they cannot communicate in the language. I certainly have some experience in hospitals where we had patients who could not communicate in either of the official languages. It was very difficult for them. I might suggest that it would also be less costly for us in the health care system because, of course, recovery is much quicker if communication skills are available.

It seems to me to make sense rather than going through the courts, and that was the purpose of my question originally. The Minister did not respond except to tell us the numbers of people who were in language training courses through the CJS program. I am very concerned about that because now we know that we are in the process of having legal action taken against the Government. I do not think this Government, or any other Government in Canada, would want to see legal action where it seems to me very evident it is going to find itself in discriminatory circumstances. However, my major concern is that the expenditures of funds would be in defence of a biased policy rather than toward eliminating discrimination and making life much more equitable for these people.

Another interesting statistic I have looked at is that up to the age of 55 years, there are about 8 per cent more immigrant women in the workforce than there are native-born Canadian women. It seems to me that these are women who will be in the labour force and, therefore, they are going to need the language skills. I am very concerned about the fact that over the years the problem has been identified over and over again, as I say, since the late 1960s, and we still have not done anything to change this policy. Just a fairly simple change in policy would be the kind of thing that we would be looking for. It would stop the legal action that is apt to be there. It would also certainly give us a sense that the way we are treating our immigrant women is equitable to the way we treat our male immigrants. We always wanted to see ourselves as a country that welcomes people.

[*Translation*]

The Government offers language training to immigrant men and women it feels will enter the labour market. Immigrant women who are coming to join a partner in Canada are excluded from the program if the Government assumes they will stay in the home. This policy ignores the fact that these women must communicate in English or French to lead their daily lives.

Furthermore, language training is not offered to immigrant women who have few occupational skills. Immigrant men in the same category do have access to language courses. This discriminatory policy relegates immigrant women to the ghettos of low-paying jobs.

[*English*]

It seems to me it would be quite simple for the Minister to undertake to change this policy to stop any kind of legal action. I hope that is what the Government wants. That is certainly what New Democrats want to have happen to immigrant women and visible minorities.

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, on behalf of the Minister I can say that we hope litigation will cease. I am not very hopeful that that will happen, regardless of what the Government does. We live in a world in which it is popular to say that you are being discriminated against and popular to go to court. We could have the most flawless program which human ingenuity could contrive and there would still be someone who would say that he or she is being discriminated against.

In her question on November 27 the Member said:

> Is the Minister willing or not to allow these people to become part of our daily workforce?

Of course he is. I think the Member made an unfortunate inference in her question. The Government has instituted policies which have created over one million jobs. Almost half of those jobs have gone to women and 80 per cent of those are full-time jobs. Surely the Member will accept the fact that the Government is interested in having women take part in the workforce if they so choose.

• (1805)

The Member also says that the Government's policies are working against immigrant women. I want to read her statistics with regard to this in order that we can discuss concrete data. In fact, the number of training seats available to immigrant women has gone up since we came into office in 1984. In 1983-84 there were 2,123 seats available to immigrant women. There was a slight increase in 1984-85 when there were 2,474 seats available. There were 2,512 seats available in 1985-86 and in 1986-87 there were 2,280 seats available to immigrant women.

With regard to refugee women there has been a 30 per cent increase in seats available.

**Ms. Dewar:** That's because the others were so bad.

**Mr. Friesen:** Of course it is because the others were so bad, but it does take time to bring programs into line with needs. We could not do it on September 5, 1984, the day after we were elected. We began working on it but it does take time to get programs in place. As the trend line shows, it is improving.

I hope the Member will accept the fact that the Government is making a sincere and genuine attempt to improve the lot for immigrant women, and refugee women in particular, that they

can get the language training they require in order to get into the workforce if they so choose.

The trend line shows that in 1983-84 there were 2,942 seats available to refugee women. In 1986-87 there were 3,911 seats available. That is a 30 per cent improvement. I hope the Member will accept the fact that the Government is doing what it can to improve the lot of refugee women and immigrant women in order that they can get the language training necessary to participate in the workplace.

[*Translation*]

SHIPYARDS—DELAY IN RESTRUCTURING INDUSTRY IN QUEBEC/ REQUEST FOR CLARIFICATION CONCERNING FRIGATES

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, this is further to a question I asked in November 1986 about the problems of Quebec shipyards, and now, a year later, Mr. Speaker, the issue has yet to be dealt with. I mentioned at the time that the Conservative Government had promised the Quebec Government that it would purchase two shipyards. As we know, the Quebec Government owned Marine Industry in Sorel and Versatile owned the Davie Shipyard in Lauzon and Vickers in Montreal. Because of the problems faced by the shipyards, the incompetence of the Conservative Government and the lack of a useful policy, Versatile is now bankrupt and was unable to meet its commitments.

The Conservative Government, through the Minister of Supply and Services (Mr. Côté), who was then Minister of Regional and Industrial Expansion, asked the Quebec Government to acquire, through Marine Industry in Sorel, the Lauzon Shipyard in Quebec and the Montreal shipyard, and in return, promised to grant large contracts and to see to it that the Federal Government would become a major customer of the three shipyards. This would have put back to work the 5,000 workers of the industry who were then unemployed.

One year later, Mr. Speaker, the position is still the same and there is still uncertainty. The shipyards in both Quebec and the Atlantic provinces are affected. We know that Quebec and St. John shipyards are still waiting for a decision on the frigate building contracts.

I believe that it is important to recall that, in 1983, the Liberal Government, to ensure that all shipyard workers in Canada would have jobs, promised to give overall control to the St. John Shipyard in New Brunswick and guaranteed that three frigates would be built by the St. John Shipyard and three frigates by the Quebec shipyards. To ensure that one and a half frigate would be built in Montreal and one and a half in the Sorel shipyard and to ensure that the Quebec City workers in Lauzon would have jobs, the contract for repairing four destroyers under the TRUMP Program was awarded to the Lauzon shipyard.

Mr. Speaker, in 1984, disaster struck. The frigate which was to be built in Montreal has been transferred to the Quebec City shipyard. There is now a dispute with the Sorel shipyard about transfering the other frigate which was to be built in Sorel to Quebec City. The Government has taken away from Montreal shipyards two ships, two TRUMP destroyers, which it is intent on giving to Atlantic Canada since it is a very well known fact that the Federal Government would like to award the contract for all six frigates to St-John's shipyards.

• (1810)

Mr. Speaker, I suggest it is not only the Hon. Member for Montreal—Sainte-Marie who objects to this kind of attitude and who would like the Parliamentary Secretary to provide some answers. In this morning's issue of the *Le Devoir* newspaper . . . I never thought a year ago that I would still be dealing with this today. I have here an article from the *Le Devoir* referring to a letter from Michel Côté to Daniel Johnson, under the following headline:

Ottawa had promised "huge contracts" for Quebec shipyards

All those who know Daniel Johnson, the Quebec Minister of Industry, recognize that he is rather a non-partisan moderate man and, among Quebec Liberal ministers, he does not really stand out as a staunch liberal because of his background, his own father having served as Quebec Premier under the National Union banner. And for such a man to accuse the Federal Government, the Quebec Federal Ministers in Ottawa, of not meeting their commitments, and I can tell you he came down quite hard on the Minister of Employment and Immigration (Mr. Bouchard), the Minister of Energy, Mines and Resources (Mr. Masse), and the Minister of Regional Industrial Expansion (Mr. Côté) who have failed to honour their commitments to Quebec shipyards.

What matters, Mr. Speaker, is not only the question of the industry itself but also the question of manpower, the 5,000 workers. All decisions made by this Government over the past three years clearly show that it is intent on starving the Quebec shipyards. First there is the lack of decision concerning the sharing of the work. Second, the then Minister of Regional Industrial Expansion considered the Atlantic Provinces and decided that from then on any ship repair contract under $5 million would be awarded without tenders. Mr. Speaker, they even played around with some of the projects: an $8 million contract would be split and awarded so as to give preferential treatment to shipyards located in the Atlantic Provinces, to the detriment of Quebec shipyards.

In another decision the Minister said: Listen, in Quebec the seaway is frozen, there is no navigation, so we will not seek to obtain bids from St. Lawrence shipyards in Quebec. There again pressure had to be applied to have the decision reversed. And recently, they said that so-called trimming and short-term repairs have to be done in a ship's home port which means none of the business will come to Quebec.

Mr. Speaker, all Quebecers, including the Government of Quebec, are outraged at the attitude taken by the Conservative Government. If Mr. Bourassa trusts this Government on free trade, I have the impression he is going to get the same

treatment as his own Minister, Daniel Johnson, who trusted the Government on the shipyards and today sees, to his chagrin that the Government is not delivering the goods.

I hope that the Parliamentary Secretary will have some positive answers to give for the holidays, so that these workers who have families to support will soon be able to go back to work, and so that during the holidays, like all the moms and dads across this country who work in our shipyards, they will be able to give presents and celebrate like the rest of us.

• (1815)

[*English*]

**Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, the Hon. Member should be very much aware that he is lucky he does not come from Halifax where we have absolutely nothing.

The Hon. Member is under some kind of illusion that the federal Government is not concerned about the difficulties. I only reiterate that certainly the Government is aware of the difficulties being faced by shipyards in Quebec. I should like to assure him that the charges he makes are simply not the case.

I remind the Hon. Member that the contracts were somewhat in jeopardy because of the financial difficulties of Versatile. It took the co-operative efforts of both the federal and provincial Governments to make it possible for the contract for the *Caribou* ferry to be signed and for work on other contracts to which my hon. friend has alluded to proceed.

As far as specific contracts are concerned, work is proceeding on schedule with regard to the Tribal Update and Modernization Program or TRUMP. The work in the shipyard has commenced as scheduled in November of this year.

With regard to the CPF project, I am pleased to report that although the prime contractor, Saint John Shipbuilding Limited, experienced difficulties with scheduling in the early stages of the project, the work is now going well and no more slippages are anticipated. The early slippages affected only the first two frigates to be built at the Saint John yard and will not affect the ships to be built in Quebec. In fact, construction work on the third ship, which is the first to be built in Quebec at Sorel, has already started.

Finally, work on the Marine Atlantic *Caribou II* ferry is progressing satisfactorily and is on schedule for delivery, as was forecast, in 1989.

Might I reiterate that we recognize the importance of marine contracts to the shipbuilding industry in Quebec and reassure the Hon. Member that work on all federal contracts is proceeding on schedule.

## CANADIAN PACIFIC RAILWAY—CARRIAGE OF DANGEROUS GOODS—METRO TORONTO SPEED LIMIT

**Mr. Alan Redway (York East):** Mr. Speaker, have you ever seen the movie *Bleve*? I think I may have asked you that question in the past, but I am sure I have not asked the Parliamentary Secretary. If Your Honour or the Parliamentary Secretary had ever seen the movie, you would never forget it.

In that movie, Mr. Speaker, the first thing you see is a train derailment. Then you see a huge ball of fire engulfing everything and going up in the air, and suddenly an explosion. Across the screen you see the written words that tell you that the cameraman who took the picture you have just seen was killed by the explosion or the bleve which you have just seen in the movie. The movie is a fascinating but frightening experience. I can promise you, Mr. Speaker, that if you had ever seen it, you would want to make sure that something like a bleve would never happen again. It is an experience you would never ever forget.

A bleve is caused by the derailment of a train carrying hazardous goods. One train carrying hazardous goods was derailed in my constituency of York East on July 14 of this past year. It was a CP train drawn by three locomotives. There were 103 cars on the train. Some 31 freight cars on that particular train on that particular day derailed near the intersection of Don Mills Road and Winford Drive in my constituency. One of the cars on that train, No. 87, was carrying something called vinyl acetate. According to the Enrivonmental Contaminants Act, vinyl acetate is a toxic substance and it is highly dangerous. The fire chief for the City of North York, when his crew investigated the situation and was cleaning it up, said that that the stuff was just like dynamite. He said that if car No. 87 had actually derailed and caught fire it would have been an absolute disaster. He said in addition to that that we would have been looking at evacuating within 2,500 feet in all directions of that car and it would have been something like the Mississauga train derailment of 1979. That is a situation that occurred in my constituency on July 14, 1987.

• (1820)

As you know, Mr. Speaker, and as the Parliamentary Secretary I know is aware, some 60,000 carloads of dangerous chemicals are carried by rail through Metropolitan Toronto every year. Let me emphasize that, 60,000 carloads of dangerous chemicals. The main CNR and CPR tracks are right through the centre of my constituency. In my constituency alone there are approximately 100,000 people who live right next door to those railway tracks. That is not all, of course. Those railway tracks run through the heart of Metropolitan Toronto. There is something like 25 schools right beside the CPR tracks alone. There are senior citizens homes and all sorts of institutions. If anything ever happened in the way of a believe on that line or those lines with those 60,000 cars of dangerous materials carried every year, there would be a literal incineration of the people living next door to those tracks.

The particular train that derailed on July 14 was travelling, we are told, at something like 35 to 45 miles per hour or 56 to

64 kilometres an hour. Just to the south of this area they have limited the speed limit to some 25 miles an hour. Here there is no particular speed limit and trains are going 35 to 45 miles an hour. The fire chief for the City of North York said something else. He said "If you pick up the paper every morning you will see a story about a train derailment. Aren't we learning something from these stories?" I hope we are. In fact, the former Minister of Transport in this Government appointed the Toronto area Rail Transportation of Dangerous Goods Task Force to look into this situation to study it and see what could be done. They have been holding hearings.

Some studies have been done. In fact last week I got a stack of studies from them, nine in all. If I stood on top of them and jumped, for sure I would break my leg. So far I have been able to read one called *The Risk Perception Study*. It tells me that people out there in Metropolitan Toronto have the same concerns that I have about this situation. There are all sorts of other studies, routing studies, risk assessment studies, risk management, technology, speed, buffer zones, emergency responses, land use implications, all sorts of other things. I do not know whether the task force has the message from all these studies and from all the input they have received from the public and from me but if anything happen it will not be the task force that will be to blame; it will be you, me, the Parliamentary Secretary and the Minister.

If we have not learned anything from the last couple of weeks, surely we have learned something from the Minister of National Health and Welfare (Mr. Epp) and the problems he has been having with issues of public safety. If one single solitary life is lost as a result of the carriage of dangerous goods by train through my constituency or anywhere else, there will be hell to pay and the hell to pay will be for the Minister.

Tonight I expect the Parliamentary Secretary to show us the way and to give us some answers to this problem at long last. We have had enough excuses and enough studies. The time has come for action and we are expecting it from the Government and the Parliamentary Secretary today.

• (1825)

**Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I am pleased to respond to my colleague from York East on behalf of the Minister of Transport (Mr. Crosbie). I have not seen the movie to which he referred, but I do not doubt for one second the seriousness of the example of the movie nor of the case he makes for Toronto. However, I would remind the Hon. Member that there are certain limits on what the Minister can do, particularly since a task force has been appointed.

The task force is going about its responsibilities in a very responsible way. It is undertaking studies. Its mandate is to look not only at the speed of trains going through the Toronto area but to see if there should be new routes and new rights-of-way and if old rights-of-way by schools should be closed. I think that is the only responsible way that can be studied.

The people who know best are the people from the Toronto area. A large group of people from the Toronto area are on the task force. They are doing first-rate work. If they felt that there was a serious problem in the short term, they would say so to the Minister and we would try to accommodate that. Indeed, I think the general rule is 35 miles per hour, and CP itself has dropped the speed to 25 miles per hour in one of the areas.

If the members of the task force felt that that new speed limit should be extended throughout the rest of the district, I think they would tell us that. I am sure the Minister would respond positively. In any event, the task force will report in the late spring of next year.

I do not have the message the Hon. Member wants to hear today, whatever that message may be. Does he want the speed limit dropped to 10 miles per hour or does he want trains stopped totally? He has not indicated that.

**Mr. Redway:** One mile per hour would be fine.

**Mr. Thacker:** The Hon. Member has said that he would like the limit to be one mile per hour. That may be a little slow, but perhaps the speed limit should be 20 miles per hour. Who knows? We do not know and that is why this task force has been appointed, a task force consisting of highly responsible people. We look forward to responding positively to their recommendations when they submit their report in the late spring of 1988.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

# HOUSE OF COMMONS

**Wednesday, December 16, 1987**

The House met at 2 p.m.

*Prayers*

## STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

### SENIOR CITIZENS

OPPORTUNITY FOR GOUVERNMENT TO LISTEN ATTENTIVELY TO DEMANDS

**Mr. Gilles Grondin (Saint-Maurice):** Mr. Speaker, I would like to say that I support the position taken by the coalition including the *Fédération de l'âge d'or du Québec*, the *Forum des personnes âgées de Montréal*, the Golden Age and the *Association québécoise pour la défense des retraités*, all of which favour a truly progressive taxation system under which corporations and the wealthy will pay their fair share. They want the Government to maintain the investment income deduction of $1,000, which means that the first $1,000 is not taxable. They also want full indexation of our personal income tax system so that tax credits and deductions increase with the cost of living.

Mr. Speaker, I think the Minister of Finance (Mr. Wilson) should listen carefully to the demands being made by these organizations and by all senior citizens who come to see us regularly at our constituency offices to complain about financial pressures and who want the Minister of Finance to pay special attention to their demands.

* * *

• (1405)

[*English*]

### FINANCE

EXTENSION OF NORTHERN TRAVEL TAX BENEFITS

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, the communique issued on December 10 by the Minister of Finance (Mr. Wilson) is good news for northerners who had been concerned about the narrow application of the tax rules applied to northern travel benefits.

Under the new rules tax benefits will be extended to trips for all destinations, including those in the North, thereby allowing northerners to take their holidays in the North should they so wish.

The maximum deduction, of course, still is tied to the cost of travel to the designated southern point. Northerners will wish to thank the Minister for listening to their problems and developing workable solutions.

* * *

### MULTICULTURALISM

CALL FOR NEW ANTI-RACISM EDUCATION PROGRAM

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, an effective policy of multiculturalism requires an effective program to improve race relations in Canada. The present Conservative Government has been tragically weak in this area.

The Race Relations Directorate has been allowed to deteriorate to the extent that it includes only an acting director and one program officer. Such a limited staff, which makes the title "directorate" a bitter joke, is quite incapable of mounting the programs that this country needs.

Is that the reason the program promised last March by the Minister for Immigration (Mr. Bouchard) to fight fear, bigotry, and racism among Canadians has not yet been announced? The Minister promised an aggressive federal public education campaign for this fall. Where is it?

The Minister spoke truly when he declared: "You only beat racism, discrimination and prejudice by defeating the ignorance and stupidity from which they spring". When does the Government expect to act on that fine declaration?

* * *

### LABOUR RELATIONS

AIR CANADA—SETTLEMENT OF STRIKE

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, this morning's reports that Air Canada and its 8,500 ground workers have come to an agreement is one Christmas gift for which all Canadians can be thankful.

My colleagues from western Canada will attest that travelling of late has been nothing short of horrendous. This past Monday, for example, it took me seven hours to arrive here from my riding of Edmonton East. As you well know, Mr. Speaker, such travel can be exhausting, inconvenient, and can only impede our efforts to serve Canadians better.

Commendation should be extended to the Minister of Labour (Mr. Cadieux). When the talks broke down the Minister acted swiftly in appointing a mediator with instructions to resolve the impasse with all possible haste. The Canadian public was again held at ransom as labour and management resorted to strike and lock-out. Surely there must be some better method of settling disputes and differences.

Travelling Canadians will now be assured of being home for Christmas with family, friends, and loved ones.

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## INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND—REQUEST FOR MEDIATION OF LAND CLAIM DISPUTE

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, for almost 50 years the Lubicon Lake Indian Band in northern Alberta has struggled for a resolution of its outstanding land claim. The people are still waiting for the land they are entitled to and were promised almost 50 years ago.

Negotiations are stalled at the present time because the federal Government has refused the band's request for a mediator. Surely it is reasonable to request mediation in a dispute that has dragged on for so long. The proposed mediator is a highly respected former federal Conservative Justice Minister, the Hon. E. Davie Fulton, who has carefully examined the Lubicon Lake situation and is willing to serve in that capacity.

The federal Government, however, is ignoring this opportunity for a just settlement. Instead, the federal negotiator is working out a deal with the province without the band's involvement. The negotiator has said that he "can make a deal with the province" and the Lubicons are going to have to accept it. "They will have to be left holding the bag."

In Canada we take pride in our record on human rights. That record, however, is a blemished one, and the Lubicon Lake issue proves the point.

• (1410)

## AGRICULTURE

ANNOUNCEMENT OF GOVERNMENT ASSISTANCE FOR FARMERS

**Mr. John Gormley (The Battlefords—Meadow Lake):** Mr. Speaker, I would like personally to thank the Prime Minister (Mr. Mulroney), the Ministers of Agriculture (Mr. Wise) and Finance (Mr. Wilson), and all of my colleagues on the government side of the House for their timely assistance package for agriculture and western farmers.

The initiative includes a 1987 Special Canadian Grains Program payment of $1.1 billion, farm fuel tax rebates for two additional years at a cost of $400 million, $100 million will be committed to soil conservation, and the Farm Credit Corporation will receive an additional $330 million over the next three years for debt restructuring.

Farm Debt Review Boards will be extended until 1991, and $750 million of the Western Grain Stabilization Plan debt will be written off and new measures brought in to include all western farmers in stabilization.

In the last election campaign the Government made a commitment to farmers across Canada. These new initiatives illustrate our belief in standing up for western farmers.

The NDP is completely devoid of any agricultural policy. As farmers all too well know, the Liberals never acted responsibly on behalf of farmers. The Mulroney Government continues to listen and deliver for agriculture.

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## TRANSPORTATION OF DANGEROUS GOODS

CONSULTANTS' REPORT ON DANGERS TO HIGHLY POPULATED CENTRES

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, the transportation of dangerous goods by rail is a matter of great concern in major centres in Canada, including Toronto. In 1979 we in the Toronto and Mississauga area had the near tragedy of a derailment of railway cars containing dangerous chemicals. Ever since then measures have been implemented to make the carriage of dangerous goods more safe.

Currently, a task force set up by the Government is looking into the rail transportation of dangerous goods. The IBI Group consultants' summary report which they commissioned refers to the risk that is much greater when goods are carried through highly populated centres than when they are carried further north. The report states that there is a "basic trade-off between public safety and over-all cost," in bringing goods through Metro.

I note with alarm the prospect of northern railway tracks and central Ontario railway tracks being shut down and urge

the Government to have the task force consider the consequences to Toronto of closing down railway tracks through remote regions which could result in dangerous chemicals having to be carried through our metropolitan areas.

* * *

## WINTER OLYMPIC GAMES

THE OLYMPIC TORCH—CELEBRATIONS PLANNED BY CITY OF LONDON

**Mr. Terry Clifford (London—Middlesex):** Mr. Speaker, today with the arrival in Ottawa of the Olympic Torch, the Parliament of Canada had the opportunity to share the spirit. As the Torch lights up 800 Canadian cities, towns, and villages, its glow is reaching the hearts of millions of Canadians.

The Government of Canada's initiative to share the Olympic spirit with the Celebration '88 Program is an overwhelming success. More than 2,000—and counting—voluntary self-financed community committees are creating and implementing hundreds of Olympic-themed events.

The City of London Celebration '88 Committee, with 40 members and 30 organizations, has organized, among other events, a program on January 3, 1988, named "The London Winterfest", a special day when the Torch arrives for all Londoners to join in the Olympic spirit. The London Celebration '88 medal award winners who proudly manifest the Olympic ideals are Darrel Foley, Jennifer Armstrong, John Simmons, Harvey Bailie, Tim McLennan, and Jimmy Agathos. As all communities of Canada "catch the flame" we will truly recognize the ultimate goal—a unity among Canadians, and their pride in showing the world "our Canada" at Calgary in 1988.

* * *

## INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND LAND CLAIM—REQUEST FOR APPOINTMENT OF MEDIATOR

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, today the Olympic Flame came to Ottawa. To the majority of people who were standing in the blowing snow to watch the Flame arrive, it represents the pride of the world in its best young athletes. But to one small group huddled in the cold this morning this flame means something else. To the Lubicon Indians it is a symbol of those who are exploiting them, the sponsors of the Olympic Games.

The oil companies are taking oil out of traditional Lubicon lands to the tune of $1 million a day. The federal Government has permitted this uncurbed exploitation that brings with it disease, despair, and destruction to the people who live on the land.

The rest of the world watches us as we approach the opening moment of the Winter Olympics. Unfortunately, we as Canadians are cast in the shadow of this shameful business. The federal Government now plans to negotiate a deal with the Alberta Government without the participation of the very people who are suffering as a result of the Government's dereliction of its duty.

All the Lubicons ask is that the person who carried out the inquiry on this matter, the person most knowledgeable about the facts of this case, and I might add, a former Tory cabinet Minister, be involved in these negotiations. I call upon the Minister of Indians Affairs and Northern Development (Mr. McKnight) to direct his negotiator to invite Mr. Davie Fulton to participate in the negotiations, and to ensure that this long-standing claim is settled in a fair and democratic manner.

* * *

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

QUÉBEC-EST CONSTITUENCY—GOVERNMENT PERFORMANCE

**Mr. Marcel R. Tremblay (Québec-Est):** Mr. Speaker, I am proud to announce that twenty-four projects for the riding of Québec-Est were approved under the Industrial and Regional Development Program from September 1984 to September 1987. The funding provided by the Progressive Conservative Government for these commitments totalled $1,614,453.

One hundred and sixty-eight jobs were created as a result of these projects, Mr. Speaker. This is an example of a serious and concrete commitment on the part of our Government to improve the country's economy which had been so sorely neglected by the federal Liberals.

In Quebec, the Progressive Conservative Government has been creating jobs at the rate of 6,421 per month, for a total of 244,000, nine times the rate of 727 jobs per month under the Liberals, while today's unemployment rate of 9.5 per cent is the lowest since April 1981.

Entrepreneurs in my riding have benefited substantially from this Government's economic programs, and they greatly appreciate our initiative and our leadership in this respect.

Thanks to financial assistance provided by the Government to businesses anxious to modernize or improve their productivity, those businesses will be in better shape to compete with the Americans when the Free Trade Agreement is ratified, which in turn will create thousands more jobs.

• (1415)

[*English*]

## ATOMIC ENERGY OF CANADA LIMITED

EFFECT OF GOVERNMENT EXPENDITURE CUTS

**Mr. Len Hopkins (Renfrew—Nipissing—Pembroke):** Mr. Speaker, the Prime Minister of Canada (Mr. Mulroney) totally misled the employees of Atomic Energy of Canada Limited and all industries related thereto during the last election campaign.

The present Prime Minister promised in 1984 not only to maintain the level of research that was being done by Atomic Energy of Canada Limited but to consider even more advanced research. After he gained power the first devastating act which the Prime Minister and his Minister of Finance (Mr. Wilson) performed was to cut the budget of Atomic Energy by 50 per cent, or $100 million, and to lift an additional $70 million out of the reserves of the company.

To date they have collected the $70 million reserve fund and cut $60 million of the $100 million cut from AECL.

Next year this Government, which talks about R and D in rhetorical terms only, will be cutting an additional $25 million out of R and D, and the following year it will be cutting an additional $15 million out of Atomic Energy.

I call upon the Government to throw its rhetoric aside and start supporting an industry which has saved the country billions of dollars over the last 40 years because of its new developments in energy, in medical research, in many areas of high technology, and in a whole host of offshoots from an industry which has been a tremendous asset to many areas of human life—

**Mr. Speaker:** I regret to interrupt the Hon. Member but his time has expired.

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## AGRICULTURE

ANNOUNCEMENT OF ADDITIONAL FEDERAL GOVERNMENT ASSISTANCE TO FARMERS

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, the Special Canadian Grains Program announced yesterday by the Prime Minister (Mr. Mulroney) is good news for all Canadian farmers. The injection of $1.1 billion of cash, the extension of the fuel tax rebates, further funding for the Farm Credit Corporation in the amount of $100 million per year for each of the next three years, provision for a write-off of one half of the Western Grain Stabilization Fund deficit, a recognition of the necessity to deal with the serious problem of soil degradation through PFRA programs, and the Farm Debt Review Boards receiving $40 million to keep them operating until 1991, certainly give new meaning to the old adage that actions speak louder than words.

What a change, Mr. Speaker, to have a Prime Minister who says "the Government will stand by farmers and their families when they are hurting".

We recall only too well the response of a former Prime Minister who said "why should I sell your wheat?" and responded with an obscene gesture.

The response of the farm community indicates how well received this new program is where it really counts, in the farm kitchens and coffee shops across Canada.

* * *

[*Translation*]

## EXTERNAL AFFAIRS

SITUATION IN HAITI—GOVERNMENT OBLIGATION TO TAKE STRONG AND CLEAR POSITION

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, like all Canadians, we in the New Democratic Party were shocked by recent events in Haiti. We were also disappointed in the Canadian Government's weak response to this serious situation.

Mr. Speaker, it is clear that the National Council of General Namphy's government has lost all legitimacy in Haiti and that the new provisional electoral council appointed by General Namphy is unconstitutional.

This is a crisis situation, and the Government of Canada should take a clear and strong stand. A diplomatic protest note is not enough. The Government must cut its aid to Haiti and stop deporting Haitian refugees. At the international level, the Government must take a clear stand against General Namphy's regime and make strong representations at the United Nations and elsewhere to bring about strong and effective international pressure on General Namphy's regime to ensure a stable situation for a proper and legitimate election.

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# ORAL QUESTION PERIOD

[*Translation*]

## TRADE

ARTICLE 1904.2 OF FREE TRADE AGREEMENT—PRIME MINISTER'S POSITION—REQUEST FOR EXPLANATION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, in the absence of the Prime Minister, I will direct my question—

• (1420)

[*English*]

**Some Hon. Members:** Order.

**Mr. Speaker:** Perhaps the Chair could help. I apologize to the Right Hon. Leader of the Opposition for interrupting, but there is a long standing rule about not referring to the absence of Members.

There has also been a long standing custom that, when asking questions of the Treasury bench, the questioner starts off by saying—if in fact the Minister is absent to whom the Member wishes to direct his or her question—"in the absence of the Minister for so and so, I will direct my question to—". That is a perfectly proper procedure. The Right Hon. Leader of the Opposition is absolutely correct in his approach.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, some of the backbenchers, the trained seals of the Conservative Party, need a rest. We understand that.

**Some Hon. Members:** Oh, oh!

**Mr. Turner (Vancouver Quadra):** I think some of them have started the party early today.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** We certainly are not starting the Question Period early.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Perhaps the Right Hon. Leader of the Opposition could try again.

[*Translation*]

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I have a question for the Deputy Prime Minister, a very simple question because here in the House we are always trying to elicit very clear and very specific answers.

The Deputy Prime Minister knows full well that the Prime Minister has been arguing that his free trade agreement with the United States guarantees that Canada will be fully exempt from existing and future American trade laws.

Mr. Speaker, Article 1904,2 of the agreement provides, and I quote: "—the antidumping and countervailing duty statutes of the Parties, as those statutes may be amended from time to time, are incorporated into this agreement." In other words, the agreement directly contradicts the Prime Minister.

Can the Deputy Prime Minister explain and give us a reason for this?

[*English*]

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I did not get all of the Right Hon. Member's question, but I certainly point out that Article 1904 says:

—the Parties shall replace judicial review of final antidumping and countervailing duty determinations with binational panel review.

That, of course, confirms what we have said, that we are going to have a binational panel review and that we are providing ourselves with time to develop new trade remedy laws appropriate to one single market.

I think it would be more appropriate, rather than picking out specific clauses in the Free Trade Agreement—

**Mr. Riis:** We would not want to do that.

**Miss Carney:** —for the Right Hon. Member to read the whole Chapter of the agreement because each Article relates to other Articles in the Chapter as is normal in treaty language.

GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I turn then to the Minister. Is she suggesting that we not read the document? Is she suggesting we do not refer it to Parliament and that we accept the Prime Minister's and her statement as to what is in it?

I want to bring the Minister back to her own document which says on page 273 that American anti-dumping law and countervailing laws future and present apply against Canada. Why then does the Minister claim that Canada has been exempted from American trade law when it is not the case? Why then does the Minister claim that we have somehow got guaranteed access to the American market, something which in light of the text we clearly have not? Why does the Minister not admit that she and her colleagues, led by the Prime Minister, failed to obtain for Canada what they undertook to obtain?

• (1425)

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, let me make it very clear that I am urging all Hon. Members to read this agreement, and particularly members of the Opposition who, through their speeches and public statements, have made it clear that they have not read the agreement and do not know what is in it.

I have never said when talking about the Free Trade Agreement that Canada is exempt from trade law. I have said repeatedly, over and over again, that we set up a binational review for a period of five years plus two so that we could develop common trade law that applies to one market. I said that over and over. I have explained to the House that through many, many difficult negotiations, we were unable to do that in the time period preceding October 4. I have said over and over that in the meantime we have set in these interim measures and we will be addressing this question in the time period we have set. For the Right Hon. Member to suggest otherwise is misleading the House and Canadians.

EXEMPTION FROM U.S. TRADE LAW—EFFECT OF AGREEMENT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the Minister has said in the House repeatedly, particularly in the last debate on this issue, that her purpose was to get an exemption from American countervail. We can give her the citations. She said it right in this House.

The Prime Minister said in New York City that American trade law cannot apply to Canada, period. I cite again for the Minister's attention 1904.2 of the agreement referring to American trade law future and applicable; anti-dumping, quotas, surtax and countervail will apply to Canada. How is it, therefore, that Canada has an exemption from American trade law in this agreement? How have we got secure access to the American market?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, the Right Hon. Member's question is both pitiful and pathetic. I am being very kind to the Right Hon. Member.

I have explained to him in the course of debate over the last year, when I told Canadians about the historic negotiations that took place over the last 16 months and the historic negotiations that took place in Washington in October and recently, that we had set ourselves that goal of creating new laws and we could not do it in the time period available to us. Therefore, we have put in interim measures while we develop the new laws that are required when there are two markets that are being integrated into one through the reduction of tariffs.

It is a matter of public record. I have said that all across the country. For the Right Hon. Member to maintain, after we have tabled the "Elements of the Agreement" and after we have tabled the entire Free Trade Agreement, that I am claiming that we are exempt from U.S. trade law is ridiculous and irresponsible.

PROPOSED OMNIBUS U.S. TRADE BILL—PARLIAMENTARY COMMITTEE RECOMMENDATIONS

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I have a supplementary question for the Minister for International Trade. While the Minister is talking about statements that are ridiculous and irresponsible, I would like to cite to her a statement made by the Prime Minister of Canada in an interview in *The New York Times*. He said: "We will have guaranteed access to the U.S. market through the elimination of U.S. trade laws or we won't have a deal". That is a direct quote from the Prime Minister of Canada.

• (1430)

The fact that the Minister for International Trade is engaging in double-backward gymnastics, trying to cover up her tracks on this matter, is of no comfort to Canadians when they know that they are being denied proper information.

My question is directed to the Minister. She said yesterday in response to a question that she had not had time to know what was in the U.S. Trade Bill which will apply to Canada if passed. I have here a 45-page document prepared by the Department of External Affairs which outlines every specific issue in the proposed omnibus U.S. Trade Bill. Obviously the Minister has not got around to reading that.

An all-Party committee of the Commons recommended that the Government say now that it will not abide by the agreement if the United States passes the omnibus Trade Bill before it deals with the Canada-U.S. Trade Agreement. Therefore, can we get a firm commitment from the Minister today that the Government will not proceed with the trade agreement if the Americans pass the omnibus Trade Bill?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, double-backward gymnastics may be easy for the Hon. Member but are very difficult for me.

**Some Hon. Members:** Hear, hear!

**Ms. Carney:** The Hon. Member raised several issues in his question. Possibly he would like to repeat them in a supplementary question.

If the opposition Party read past Article 1904 to Article 1906, it may explain to them the provisions of the Free Trade Agreement.

Article 1906: Duration, says:

> The provisions of this Chapter shall be in effect for five years pending the development of a substitute system of rules in both countries for antidumping and countervailing duties as applied to their bilateral trade. If no such system of rules is agreed and implemented at the end of five years, the provisions of this Chapter shall be extended for a further two years. Failure to agree to implement a new regime at the end of the two-year extension shall allow either Party to terminate the Agreement on six-month notice.

That certainly meets the Prime Minister's commitment.

REQUEST THAT GOVERNMENT ACCEPT COMMITTEE RECOMMENDATION

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I am sorry that the Minister no longer has much agility of feet. I knew she had no agility of mind, but we now recognize that she cannot move on her feet either.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Shame!

**Some Hon. Members:** Order.

**Mr. Hnatyshyn:** Cry-baby.

**Mr. Axworthy:** I am not crying. I am just saying that some of us are a little more quick-footed than others.

**Mr. Speaker:** Order. The Hon. Member for Winnipeg—Fort Garry will put his question.

**Mr. Axworthy:** Mr. Speaker, I will now pose the question which I thought the Hon. Minister might want to answer. Will the Government go along with the unanimous recommendation

of the Commons committee and say explicitly at this time that the Government of Canada will not proceed with the trade agreement with the United States if the Americans go ahead and pass their omnibus Trade Bill? Yes or no?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I would have thought that the Hon. Member would have the grace to stand in his place and withdraw his coarse and common allegations in Question Period.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Ms. Carney:** His question is totally hypothetical and I will not deal with hypothetical questions in this House.

OBSERVANCE OF AGREEMENT PROVISIONS BY PROVINCES AND MUNICIPALITIES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker—

**Mr. Shields:** Ladies and gentlemen, Shirley Carr!

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** Order. I may have to keep you here for a while this afternoon. The Hon. Member for Oshawa has the floor.

**Mr. Broadbent:** Mr. Speaker, we have once again seen the intellectual level of which the Conservative Party is capable.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** The Hon. Member has a very profound sense of humour.

Mr. Speaker, I have a question for the Prime Minister. Article 103 of the trade proposal between Canada and the United States states as follows:

> The Parties to this Agreement shall ensure that all necessary measures are taken in order to give effect to its provisions, including their observance . . . by state, provincial and local governments.

This clause is unequivocal in its assertion that it is up to the federal Government to ensure compliance, including by the provinces and municipalities, and the Government itself has admitted that at least a number of areas are within provincial jurisdictional authority. Has the federal Government obtained agreement from all the provinces to implement this accord? If not, does it intend to do so?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I want to correct an assumption which the Hon. Member has made in his question. As I and the Prime Minister have stated, the Government's position on this matter is very clear.

This treaty is within the legal competence of the Government of Canada on behalf of the people of Canada. We are entitled, under the Constitution of this country, to enact this treaty. In fact, as we have indicated on many previous occasions, we have every legal right to put into effect all the provisions of the treaty.

**Mr. Broadbent:** Is that so?

**Mr. Hnatyshyn:** It is as simple as that. That is the considered legal opinion of people who have studied this matter. It is the opinion of the Government of Canada.

IMPLEMENTATION OF PROVISIONS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, that which the Minister of Justice has just said is very interesting. I do not know of a single legal authority who would support what he has just said. I would like him to clarify that.

All legal authorities I know have said that it is the unequivocal right of the federal Government to sign the treaty but that the one decision which has been made in this area, which was made in the 1930s, makes it quite clear that the federal Government has no right whatsoever to implement it in areas of provincial jurisdictional authority.

I will address my question to the Minister of Justice since he is apparently answering these questions. Since the Government is required to carry this out by the agreement it is about to enter into with the United States, how does it plan to carry out these commitments when at least three provinces have said that they are categorically opposed to it?

When the Minister answers that question will he also do us the courtesy of tabling the legal opinion which he apparently has which would justify the making of the extraordinary assertion he made only a minute ago?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I will reiterate the point. I have given the view of the Government of Canada of the legal position. We know that we have the ability to enter into this treaty and to have the provisions thereof put into effect. The courts of this country are always available in the event that anyone wants to challenge that right. We are certain and determined in our legal right to proceed.

**Mr. Broadbent:** There we have the first withdrawal, Mr. Speaker.

EFFECT ON FEDERAL-PROVINCIAL RELATIONS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, would the Minister cite, not half a dozen, not four or five, but only one legal authority in the country, apart from himself as a politician somewhat interested in the area, who would support the claim he has made? I suspect that waiting for his answer will be like waiting for Godot. Therefore, while we wait, I will ask him another question.

Since three of the provinces have said that they are opposed, and since the Government will be committed to acting on this

with the Government of the United States, does it intend to act on the federal power of disallowance, for example, to carry out its will? If it does, what does the Minister think that will do for federal-provincial relations?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I do not quite understand what the hon. gentleman wants me to do. I am sure that he may have access to his own legal opinions on this issue. I state categorically that the Government has the right to enter into and implement this treaty under the trade and commerce provisions of the Constitution of Canada.

**Mr. Broadbent:** Name one authority.

**Mr. Hnatyshyn:** Mr. Speaker, I have just quoted the Constitution of Canada. What kind of authority does the Hon. Member want?

**Mr. Axworthy:** That is to enter a treaty, not implement it.

**Mr. Broadbent:** Just give us one.

**Mr. Hnatyshyn:** There are precedents galore with respect to international trade arrangements.

**Mr. Riis:** Name one.

**Mr. Hnatyshyn:** There is 1935, 1947, the GATT. I take it the Hon. Member knows what the GATT is. This was passed by the federal Government and brought in some months after the GATT had been signed on the part of Canada for the approval of the House of Commons. We are now debating this in advance of the signature of this agreement, and that is something that has never happened before.

* * *

• (1440)

## HEALTH

TOXIC MUSSELS—REQUEST FOR FINANCIAL COMPENSATION PROGRAM TO ASSIST VICTIMS AND FISHING INDUSTRY

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister is aware of all of the circumstances surrounding the tragic toxic mussel episode. He knows that as a result of general mismanagement and confusion, individual Canadians have become seriously ill, two have died, and the fishing industry has unnecessarily suffered financially, in particular those sectors that were improperly included in a health alert issued by the Government of Canada.

I ask the Prime Minister if the Government is prepared to consider establishing a financial compensation program, first and foremost for the victims of toxic mussel poisoning, and also for the fishing industry, particularly those sectors that have suffered financially because of the Government's mismanagement of this issue.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the issues have been raised in the House many times. I have explained very clearly the position of the Government, the health alert which was necessary on Friday last, and which the Hon. Member's Party and members of that Party said was over-reaction. This week we have a different reaction to the position they took last Friday. The action I took was correct, and in respect to the best information for the industry, is exactly what I said yesterday in the House, and what I said outside the House, and that is to clear the system and bring new product in that is inspected and that we know is safe.

REQUEST FOR ESTABLISHMENT OF FINANCIAL COMPENSATION PROGRAM

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, we all know that despite the incredible confusion and mismanagement by the Government on this issue, the Government and the Minister make the claim, incredibly, that everything operated according to plan. All we can say is, some plan! What we are raising today is a separate issue. It is a question directed to the Prime Minister of Canada, and I ask it again.

Is the Prime Minister prepared to consider a financial compensation program for those victims—more than 100 in Canada, including two who have died—and their families, of toxic mussel poisoning, and also for the fishing industry, particularly those sectors that have suffered unnecessarily financially because of being falsely included in a health alert issued by the Government of Canada? That is the question. It is a separate one.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, to repeat, the question does not change the answer and the answer remains the same.

**Mr. Tobin:** What is the answer to the question?

**Mr. Epp (Provencher):** The point, as I indicated yesterday, the ads that went into various newspapers across the country, in both official languages, today, secondly, the news release entitled: "Live Atlantic mussels, clams, oysters and quahogs removed from sale". I think if Members look very carefully, the plan that is in this one, for example, 280 officers of the Department of Fisheries and Oceans and the Department of National Health and Welfare, plus 1,075 officers from the federal Health Protection Branch, from provincial and municipal departments. We have contacted 52,689 individual retail restaurants and other establishments.

**Mr. Tobin:** You are saying no compensation, then? Answer the question.

**Mr. Epp (Provencher):** We have a very clear plan in action. What we are saying is the best thing we can do with health as

a priority, and then to clean the system and have an orderly plan of bringing the product back. That is the best way to handle the industry—

**Mr. Gauthier:** How about compensation?

**Mr. Tobin:** Answer the question.

**Mr. Epp (Provencher):** I am answering the question. The hon. gentleman last Friday said the health alert was over-reaction. Today he is yapping about something else. Get your act straight.

**Some Hon. Members:** Hear, hear!

**Mr. Gauthier:** So much for compensation.

FISHERIES INSPECTION PROGRAM—REQUEST THAT PUBLIC INQUIRY BE INSTITUTED

**Mr. Jack Harris (St. John's East):** Mr. Speaker, my question is also directed to the Prime Minister. There is a loss of confidence by Canadians which has increased as a result of the second death from mussel poisoning, a loss of confidence in the Government's fisheries inspection program and the Government's ability to respond quickly and appropriately to a problem of such seriousness.

The handling of this matter has also caused financial chaos in the shellfish industry in Atlantic Canada. Will the Prime Minister demonstrate that his Government can act responsibly by instituting a public inquiry into the whole sequence of events and the procedures of the Department of Fisheries and Oceans, and immediately announce a compensation program for those in the shellfish industry who have been so drastically affected and for those whose health has been injured?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the hon. gentleman asked the same question yesterday and I answered it yesterday.

**Mr. McCurdy:** No, he didn't.

**Mr. Epp (Provencher):** I say to him again that the operations centre has a very clear plan in mind. I can say to the Member and to the House that after the press release of this morning at six a.m.—I believe that was the agreed time it would go out—tomorrow there will be a further briefing in the operations centre in terms of the testing procedure and the reintroduction into market—

**Mr. Riis:** Compensation, Jake.

**Mr. Epp (Provencher):** —which I think is the best plan at this stage respecting the reintroduction of product into the market. That is as far as I will go today and that is as far as I went yesterday. The answer remains the same.

**Mr. McCurdy:** What about compensation? That was the question.

RESPONSIBILITY OF MINISTER OF FISHERIES

**Mr. Jack Harris (St. John's East):** Mr. Speaker, has the Minister of Fisheries and Oceans been put out to pasture on this issue? It is his Department, his inspection procedures, we are talking about. He is the one who should know about compensation programs. Why does he not get up on his feet and announce a compensation program and an inquiry into his own procedures?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the issue of health is the primary issue.

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** The question is about compensation, Jake.

**Mr. Epp (Provencher):** That issue remains the primary issue and all the actions we are taking relating to the actions of yesterday, which were explained in the House, the actions which we took today with the press release and, again with explanation in the House, what we are doing today, what we have said we will do tomorrow and the type of briefing for tomorrow and what action, that is on a very clear plan as to how the health of Canadians can be protected and the best action for the industry, and I am following that plan and I am sticking to that plan.

* * *

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF RENEWABLE RESOURCES AND CULTURE, AND OF MINISTER OF SOCIAL SERVICES, NORTHWEST TERRITORIES

**Mr. Speaker:** I wish to bring to the attention of Hon. Members the presence in the gallery of two Members from the Northwest Territories Legislative Assembly the Hon. Titus Allooloo, Minister of Renewable Resources and Culture and Communications, and the Hon. Jeannie Marie Jewell, Minister of Social Services.

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## FISHERIES

TOXIC MUSSELS—OPPORTUNITY TO OFFER COMPENSATION TO VICTIMS

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I should like to direct my question to the Prime Minister and get back to the issue of compensation for the victims of toxic mussels, particularly in light of negligence on the part of two Cabinet Ministers. We know that the first alarm was sounded four days late—on December 1—because lab tests results

released on November 27 already indicated that mussels were toxic. The outcome of all this is that in excess of 100 people are sick and that a second victim has died today. And then the ban on seafoods, which covered perfectly good products including—through sheer blunder, I might add—such things as lobsters, shrimps and scallops, made fishermen, wholesalers, fish dealers and restaurant owners incur huge financial losses. I want to ask the Prime Minister whether he thinks it might be fair and equitable if his Government were to repair the damage it has done to the victims as a result of its own blunders and mistakes.

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Hon. Member's Leader stated the health priority in the House. I have stated the health priority. Now, the answer today is the same answer I have given every day as to the knowledge of the issue for this Minister, that the information came to me on November 30th and that the health alert went out on December 1. The Member cannot change the facts. The Member cannot put a different twist on the facts.

**Mr. Gray (Windsor West):** The facts of your negligence.

**Mr. Epp (Provencher):** So to the Hon. Member I say that just today in his question he now used the word "seafood". That has not been the issue. Just analyse what you are saying. Analyse what you are doing to the industry. But, more importantly, analyse what you are doing to the health of Canadians. He cannot have it both ways.

**Some Hon. Members:** Hear, hear!

[*Translation*]

CONSUMPTION OF TOXIC MUSSELS—QUERY WHY GOVERNMENT REFUSED JUST COMPENSATION FOR VICTIMS

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, it is clear the Minister of National Health and Welfare does not intend to acknowledge his responsibility, nor does the Minister of Fisheries and Oceans. That is why I am directing my question to the Prime Minister, who in the final instance will have to decide about compensating the victims. Both ministers have behaved like bulls in a china shop, and today, the Prime Minister has to decide what to do next. Why is the Government refusing to pay fair compensation to people who became victims through the Government's fault?

• (1450)

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, as I have said so many times, the health issue will remain as the priority issue. There is a very clear plan in terms of how to restore the industry and to keep the health issue as the primary issue.

The Hon. Member will have to think of his words and his partisanship in relation to what he wants to do. Not only does he want to make the points about responsibility, he also wants to use his position in this House to raise—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Hon. Member for York East.

* * *

## INCOME TAX

FUNDING OF NDP MUNICIPAL ELECTION CANDIDATES—ISSUANCE OF RECEIPTS FOR TAX DEDUCTIONS

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Minister of National Revenue. He is aware that financial contributions made to municipal political candidates are not deductible for income tax purposes.

However, according to a recent report, supporters of NDP municipal candidates in the city of Toronto have been making contributions to those candidates and receiving federal income tax receipts.

**Some Hon. Members:** Shame!

**Mr. Redway:** They have been doing it by funnelling the money through the federal New Democratic Party.

**Some Hon. Members:** Oh, oh!

**Mr. Redway:** Is this NDP tax rip-off legal and, if so, will the Minister immediately move to close this NDP tax loophole?

**Some Hon. Members:** Hear, hear!

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, I am sure this matter is of interest to all political Parties in this Chamber. I can assure my colleagues that our Department, pursuant to its responsibilities, will check into the amounts of the receipts and authenticate them.

**Mr. Crosbie:** And prosecute.

**Mr. MacKay:** Insofar as the use or purpose to which the contributions are made is concerned, I think that is probably within the jurisdiction of Elections Canada.

**Mr. Jelinek:** It is a question of morality.

**Mr. MacKay:** That process will be looked at very carefully. It is not in the interest of any of us in this Chamber that these political contributions which are, after all, a special form of tax deduction, should be abused or misused.

**Mr. Crosbie:** You are tattle-tale grey, Ed.

**An Hon. Member:** Honest Ed.

## GENERAL AGREEMENT ON TARIFFS AND TRADE

PANEL RULING AFFECTING BRITISH COLUMBIA FISHERY

**Mr. Jim Fulton (Skeena):** Mr. Speaker, I hope the Tories do not run off with the shoe closet after the election.

**An Hon. Member:** You can do better than that.

**Mr. Fulton:** My question is directed to the Minister of Fisheries and Oceans. On November 30 he received a letter from the British Columbia Minister of Fisheries, Mr. Savage, regarding the GATT panel ruling, which pointed out that the decision has serious implications for export controls and natural resource management. Mr. Savage said:

> British Columbia also notes that any specific grandfathering of Provincial fishery practices impairs all those practices not specified. By grandfathering East Coast policies, the legal text could be interpreted as specifically disallowing existing West Coast policies which have a similar intent.

He concludes by saying:

> Without such a solution the British Columbia government may find itself under considerable pressure to reassess its support for the Canada-U.S. agreement.

Will the Minister confirm that the Government of Canada will oppose the GATT ruling as the Minister stated on November 18 in this House?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I do not have the letter from the Hon. Mr. Savage in front of me. Indeed, as we have indicated in the House and as I have indicated to the British Columbia fishing industry, in the matter of regulations which we apply against the export of unprocessed salmon and herring, we intend to meet our obligations to our fishermen on the West Coast, to the processors, and to meet our obligations under the GATT. We intend to take all those factors into consideration in preparing for our case to be heard before the GATT council.

GOVERNMENT POSITION

**Mr. Jim Fulton (Skeena):** Mr. Speaker, yesterday the Minister of Fisheries and Oceans said that he could not recall the context in which he made a particular statement. He was asked what action he would take in relation to the GATT panel ruling, and the statement he made, as reported in *Hansard* at page 10922, is:

> —we will be opposing that recommendation when it reaches the GATT council.

Is that or is that not the position of the Government of Canada, or was that not the Minister of Fisheries who was in this House on November 18?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, as I have indicated to members of the industry, including some of the Hon. Member's own constituents, we will be consulting with the processors, the unions and others, and preparing the Government's response to this GATT panel recommendation. I might add, it does not become a decision of GATT until the GATT council finally ratifies it.

**Mr. McCurdy:** Do you oppose it or not?

**Mr. Siddon:** I, together with the fishing industry which I represent, certainly will be doing everything in my power to ensure that their interests are represented.

**Mr. Rodriguez:** What do you think?

**Mr. Siddon:** If the Hon. Member wants to interpret that as opposing, at this point I am certainly opposing anything that is not in the interests of our fishermen.

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## EXTERNAL AFFAIRS

ZIMBABWE—DETENTION, WITHOUT CHARGE, OF CANADIAN CITIZEN

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, my question is addressed to the Minister of State for External Relations. Has Canadian citizen Dick Laban been held in a Zimbabwe jail for several months without even a formal charge being laid? What is the Department doing to ensure that Mr. Laban is dealt with in accordance with fundamental justice in a country that does not have a very enviable human rights record?

[*Translation*]

**Hon. Monique Landry (Minister for External Relations):** Mr. Speaker, we are aware of Mr. Laban's case. As the Hon. Member said, he is being held in Zimbabwe. He is being visited regularly by an officer from our High Commission. He is also visited by his family and friends who bring him books and food. He is in good health, is well treated, and has retained a lawyer. He is accused of having provided information to South Africa's intelligence service in 1984. A hearing was scheduled for December 8, and we are now waiting for news from our High Commission.

* * *

[*English*]

## HEALTH

TOXIC MUSSELS—PLAN OF ACTION—REPRESENTATIONS REPORTEDLY MADE TO ONTARIO GOVERNMENT

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Throughout the situation dealing with the toxic mussels, the Minister today has insisted that last Friday he had "a very clear plan of action" to deal with the over-all ban.

If he had this very clear plan of action, can he explain why, after he had announced a ban on all shellfish from Atlantic Canada, his own officials were in touch with the Government of Ontario in an attempt to convince it to lift a ban on mussels

outside of P.E.I. and the Magdalen Islands? Can he explain why, in his clear plan of action, his own officials were trying to convince the Ontario Government to lift its own ban?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, again the Hon. Member puts together positions, allegations which are not factual and which I did not say.

• (1500)

On Friday I put forward a ban. On the weekend of Saturday and Sunday the operation centre was put together. The plan that I put forward in the House today was developed during those days and the subsequent days this week.

For the Hon. Member to say that the plan was in place on Friday, again, as she has done day after day, it is simply false, and she insists on it, and she knows it, and she persists in it.

**Some Hon. Members:** Hear, hear!

**Mr. Epp (Provencher):** What I am saying to her if in fact she checks the Ontario records, when she checks the Ontario records when the information went out on December 1 to the Ontario Health Ministry on that day, which is then the job of the Ontario Health Ministry to put that information forward into all health units, Ontario didn't do it, and it was my officials in the next days in Health Protection Branch who literally took those alerts and went into the Ontario units of health, because Ontario hadn't done it. For her to put those kinds of details forward and try and wrap them around in some kind of semblance of truth has gone too far.

**Some Hon. Members:** Hear, hear!

ONTARIO BAN—MINISTER'S POSITION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I suggest that when two people have died it is not the arena for applause.

I would like to ask the Minister to give us a very specific answer to a very specific question. Last Friday morning in the House he stated that within three minutes he had issued an all-out alert on all shellfish in Atlantic Canada. Subsequent to that, his own officials in his own Department were in touch with officials from the Ministry of Health in Ontario trying to tell them it was okay to lift a wider ban on mussels outside of the mussels in P.E.I. and the Magdalen Islands.

I would like to ask the Minister how he can claim in the House today that he had a very clear plan of action last Friday, when on the one hand he was issuing an all-out ban on all shellfish, and on the other hand his own officials were trying to tell Ontario to lift their ban?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Hon. Member has again stated the allegations as if they were fact.

**Ms. Copps:** They are fact.

**Mr. Epp (Provencher):** They are not fact.

**Ms. Copps:** They are absolute fact.

**Mr. Epp (Provencher):** They are not fact. What I said on the Friday was the ban. I did not say that there was a clear plan in place on Friday. For the Member to persist on that time after time is simply false, it's wrong, and it shouldn't be done in this House.

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## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—PROVINCIAL JURISDICTION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Prime Minister. His Minister has risen in the House and stated that the federal Government can sign treaties without the consent of the provinces.

Why is it that every year that I have gone to the International Labour Organization, the Canadian Government, whether it was the previous Liberal or the present Conservative Government, has always taken the position that it cannot sign treaties on the environment, on human rights, on women workers, and on occupational health and safety, because these are the jurisdiction of the provinces?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, for just about 45 minutes I have been sitting here expecting the NDP or the Liberals to ask me a question about agriculture.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Mr. Speaker, it was either that, or the statement this morning by the Chairman of General Motors in Oshawa saying that the Free Trade Agreement is a great deal for Oshawa, a great deal for Ontario and the automotive industry.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** What do I get? The NDP wants a legal opinion.

The Leader of the NDP has just heard from the distinguished Minister of Justice and Attorney General of Canada one of the finest legal opinions that this House will hear in a long time.

ILO COVENANTS—LEGAL POSITION OF GOVERNMENT

**Mr. Rod Murphy (Churchill):** The Minister should be nervous after that endorsation by the Prime Minister considering past history.

**Mr. Hnatyshyn:** The Prime Minister is always right.

**Mr. Murphy:** We do want our Government to be saying the same thing all across this land and at international conferences.

What is the position of this Government? Does it have a right to implement International Labour Organization covenants, which it has always stated that it has not the right to do? Will it reverse its case time after time whenever it is convenient? What is the legal position of this Government?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, is the socialist Party arguing that the federal Parliament and the Government of Canada have the right to conclude international treaties, but are dispossessed of any rights in respect of their implementation? If my hon. friend is saying that, I want to tell him on behalf of Canadians—

**Mr. Murphy:** That is what your Government has been saying.

**Mr. Broadbent:** That is what you have been saying in Geneva.

**Mr. Mulroney:** —and on behalf of this Government, and on behalf of the people in the Parliament of Canada that this Government and this Parliament speak for Canada, all Canada. This is what we have done, and this is what we will do.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** In view of the time, I should advise that the Hon. Member for Glengarry—Prescott—Russell has indicated his co-operation in asking a single question, which will be followed by a question from the Hon. Member for Pembina.

**Mr. Crosbie:** One too many.

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## CANADA LANDS COMPANY

SECURITY SURVEILLANCE CONTRACT

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I will ignore that remark from the Minister of Transport, and I will ask a question of the Minister of Public Works. It concerns the management and disposition of property by the Canada Lands Company at Mirabel, and I know that this is embarrassing for the Government.

Yesterday, in answer to my question concerning the deficiencies in a report of an internal audit by Louise St. Laurent, the Minister stated that there was no wrongdoing—

**Some Hon. Members:** Oh, oh.

**Mr. Speaker:** The Hon. Member for Glengarry—Prescott—Russell has the floor, and he is entitled to the usual courtesies.

**Mr. Boudria:** Mr. Speaker, yesterday the Minister stated that there was no wrongdoing at Mirabel, and that everything at the Canada Lands Company at Mirabel was clean.

Does this mean that the Minister personally approves of a beer parlour receiving an untendered contract to do security surveillance of vacant lots at a cost of $42,000? Is this the Government's position?

If so, I would like to tell the Minister that it is small wonder that the people of Canada do not think much of the competence of this Government to run the affairs of the country.

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I refer to the report of the Auditor General who made no adverse comment about any wrongdoing at Mirabel.

Let me refer to a portion of the report of the special audit division of Public Works Canada which states the following:

> To achieve its mandate the new management of the Corporation followed management practices and controls examined during this review. In the areas of Land Sales and Agricultural Renewal a structured and controlled process was put in place in accordance with Treasury Board terms and conditions and regularly monitored by Central Agencies. The Corporation complied with the approved process and produced complete documentation in support of decisions and approvals.

I think that says it all, Mr. Speaker.

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## AGRICULTURE

SPECIAL GRAINS PROGRAM—TIMING OF IMPLEMENTATION

**Mr. Walter Van De Walle (Pembina):** Mr. Speaker, my question is directed to the Prime Minister.

Yesterday a very positive announcement was made with regard to the Special Grains Program. When will that Special Grains Program come into effect?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I thank the Hon. Member for his surprise question. Yesterday I was honoured on behalf of the Government of Canada to announce a deficiency payment to grains producers in Canada of $1.1 billion, the largest—

**Some Hon. Members:** Hear, hear!

• (1510)

**Mr. Mulroney:** In excess of some $800 million will be in the pockets of farmers by March 31, 1988. Among other things, a major series of initiatives was announced to render more secure the status of the Canadian farm, the family farm, and the plight of the Canadian farmer in a multitude of ways.

We announced initiatives yesterday which we think put the proper spotlight and the proper degree of attention on all Canadian farmers who do so much for the country.

I am proud to say that in the three years since I have been Prime Minister and this Government has been here, direct aid to Canadian agriculture has increased by 400 per cent.

**Some Hon. Members:** Hear, hear!

## ROUTINE PROCEEDINGS

[*English*]

### TRADE

TABLING OF MEMORANDUM OF UNDERSTANDING—SOFTWOOD LUMBER

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I have the pleasure today to table, in both official languages, the Memorandum of Understanding on Softwood Lumber, pursuant to Standing Order 67(2).

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### SOFTWOOD LUMBER

15 PER CENT EXPORT CHARGE EXEMPTION

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I am pleased to report that we have successfully renegotiated the Memorandum of Understanding on Softwood Lumber which was concluded a year ago with the United States. As a result, all softwood lumber products milled in five provinces—British Columbia, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland, and representing close to 75 per cent of Canada's softwood lumber exports to the U.S.—will be exempt from the 15 per cent export charge.

Discussions are continuing with the U.S. on the value of Quebec replacement measures, and I am optimistic that we will be in a position to announce shortly a reduction in the export charge for softwood lumber milled in Quebec.

The Government of Saskatchewan has recently advised me of that province's interest in seeing the export charge eliminated for Saskatchewan producers on the basis of changes in Saskatchewan forest management policies.

Clearly we are well on the way to achieving the objectives which we set for ourselves a year ago to move away from this export charge.

Our key objectives in signing the Memorandum of Understanding last year were to retain in Canada revenues which would otherwise have gone into the U.S. Treasury and to protect the ability of the provinces to manage their resource. That is an important consideration.

Faced with the prospect of a countervailing duty imposed by the U.S., nine out of ten provinces and the IWA, the international woodworkers' union, fully supported the Government's decision to seek a negotiated solution to the dispute with the U.S. over softwood lumber.

As a result of that agreement, approximately $335 million has already been remitted to the provinces. The provinces have been able to proceed with planned changes in forest management policies which would have been, for all practical purposes, precluded if the U.S. had imposed a punitive countervailing duty. I have today reminded the Governments of Ontario, Manitoba, and Alberta that we are prepared, as soon as each province is ready, to discuss with the U.S. the value of their replacement measures.

We were criticized for our decision to seek a negotiated solution to this dispute, and there were dire predictions from our critics that the export charge would result in shutdowns and lay-offs in the industry. Our critics were wrong.

A study issued November 20, 1987 by Dough Smyth of the IWA-Canada provides an authoritative assessment of the impact of the export charge on employment in the Canadian lumber industry. This study concludes:

> The massive job losses which many Canadian observers believed would surely result from the imposition of the 15 per cent export tax on softwood lumber shipments to the United States during 1987 simply have not occurred.

Altogether 600 new jobs were added in British Columbia alone between January and September, 1987, according to the union's report.

The IWA study also shows that during the first eight months of 1987 Canadian lumber production exceeded comparable 1986 output by more than 5 per cent. After noting that the few sawmill closures announced throughout Canada during 1987 were caused by a number of factors, the study concludes:

> In no instance that we know of can the export tax be directly blamed as the sole cause of the closure.

Over all the study concludes:

> It is clear, therefore, that the dire predictions of declining profits, production cutbacks and sawmill job losses ranging from 5,000 to 20,000 positions during 1987 have simply not come to pass.

The main elements of the agreement which I am tabling today are as follows. First, the value of B.C. replacement measures constitute full replacement of the export charge on softwood lumber products milled in B.C. and exported to the U.S. after November 30, 1987. Termination of the export charge for lumber milled in British Columbia eliminates the unfair burden on lumber remanufacturers in that province. B.C. will be able to rebate to remanufacturers any export charge paid with respect to softwood lumber products shipped after October 31.

Second, effective January 1, 1988, all softwood lumber products milled in the four Atlantic provinces will be exempt from the export charge.

Third, lumber produced in Canada from logs harvested in the U.S. will also be exempt from the export charge subject to a ceiling of 365 million board feet per year. This will be of

particular benefit to a number of Quebec mills close to the U.S. border. That ceiling is roughly the amount of the volume of trade at the present time.

Fourth, additional further manufactured products will be exempted from the export charge with respect to the value added. This will be of particular benefit to mills in Alberta, Ontario, and Quebec.

Finally, all individual company exclusions will be terminated. As a result, the 20 companies which have enjoyed the benefits of this exclusion over the past year will now be competing in the U.S. market on the same basis as other softwood lumber producers in their respective provinces. As a practical matter, for most of the companies affected, the loss of their exclusion will be offset wholly or in part by the concessions we have gained.

In conclusion, I want to acknowledge the significant investment of time and effort on the part of my colleague, the Hon. Minister of State for Forestry and Mines (Mr. Merrithew), and the Canadian Council of Forest Ministers concerning provincial replacement measures. Finally, I would like to make particular mention of the very close and effective working relationship with the Governments of British Columbia and Quebec during all the negotiations.

**Some Hon. Members:** Hear, hear!

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, time after time in the House the Minister for International Trade (Miss Carney) has shown a remarkable facility of taking a disaster and describing it as a victory.

The fact of the matter is that the announcement today should bring absolutely no joy to the hearts of Canadians, because what she is not announcing in the elimination of an export tax is the application of a major new program of stumpage fees which will have significant negative consequences for the entire lumber industry, not just the softwood industry.

When the legislative committee on Bill C-37 held its hearings, the problem of replacing an export tax with a stumpage fee was made very clear. Our there in the forests in the interior of British Columbia and other places, it is impossible to distinguish which tree is going to be softwood lumber and which one is going to be used for other wood products such pulp and paper. There was no formula or equation announced in the Minister's statement to show that that is indeed the case. We have the problem that in the softwood lumber field itself there will be a new cost to Canadian consumers.

**Miss Carney:** This is good news, Lloyd.

• (1520)

**Mr. Axworthy:** All Canadian consumers will now be paying higher lumber prices. That is consequence number one. All Canadian softwood lumber products in the building industry will now be higher priced. As we saw previously in the committee, that can add anywhere from $500 to $700 per house in new construction in this country.

Second, we will now, because of the stumpage fee, be adding additional costs to all our other exports, not just U.S. related exports, but all our other lumber related exports going to other countries. You cannot say that this tree is going to the United States and that one is going to Europe. The stumpage fee has across the board application and, therefore, we will be in a position where our own exports will be at a higher cost and in a less competitive position with others in the softwood lumber area.

Third, will the new stumpage formulae being brought in by the provinces apply only to those stands of timber used for softwood lumber or will they be applying to all wood products? There is no clarification in the Minister's statement to determine whether in fact the negotiation has resulted in some kind of complicated formula that will allow a distinction to be made between various kinds of lumber products. If that is the case, then the inflationary consequences, the cost-push consequences, will be enormous for the entire lumber industry.

When the Minister, in an attempt to dissemble in this House, says that we are eliminating the export tax, she does not provide any information on the other side of the equation about the additional cost to Canadian consumers, additional costs to our export markets and potentially additional costs to all other lumber products as a result of the raise in stumpage fees.

The Minister in her statement suggests that the imposition of the export tax in its original form and now the stumpage fee will have absolutely no impact on the softwood lumber industry. It is a mere irrelevant, small item that has no consequence whatever. She points to the fact that in the last six or seven months since the passage of the Act the market prices have stayed strong and employment up. There is no argument with that. But the Minister does not deal with the fact that the softwood lumber industry is a cyclical industry. It goes through boom and bust times.

What was clear in the evidence presented before the standing committee dealing with this matter was that it may be possible for the lumber industry to pass on these additional costs to consumers when there is strong market demand. But when that market turns down, as historically it will, because it has every time in the past, then the additional $700 million, $800 million, $900 million—close to a billion dollars—in additional costs imposed will provide an enormous drain on the cash flow of the industry and put many companies in a position where they will no longer be able to operate.

Let me give you an example of the changes already occurring as a consequence of the new regime that has been brought in as a result of the Government's action.

In an article dated October 17 in *The Vancouver Sun* various spokespersons for the British Columbia interior lumber industry point out that these are the changes in cost. If you

combine the additional stumpage fee increases and the cancellation of the reforestation subsidies, which are not allowed as a result of the Memorandum of Agreement signed with the Americans, the cost of production which used to average around $5 a cubic metre, will now be in the range of anywhere from $50 to $80 a cubic metre. In Prince George the cost was $4 a cubic metre. It is now $80.75 a cubic metre. That is an incredible increase for the entire production of that major lumber producing area. Let us take a look at Cranbrook. Dealing in spruce the price goes from $5 to $50. In northern British Columbia, dealing in spruce, the price goes from $10 to $125 a cubic metre in additional input costs in that lumber area.

If the Minister for International Trade (Miss Carney) and her colleagues, especially her colleagues from British Columbia, are attempting to say that the lumber industry can absorb those kinds of costs in perpetuity, then they are whistling through their proverbial hats. When the market turns down they are condemning the industry to an additional cost of $10 to a $125 a cubic metre. That will be the death-knell for many a softwood lumber producer in that region. Will that change occur?

There is a kind of economic convulsion taking place in the United States today. All of a sudden the Americans are going through a major re-organization of their economic system which could be the foretaste of major chaos and which could bring major destruction to the lumber industry.

There is one other point concerning the substance of the Minister's statement. She says, as if this is a great achievement, that further manufactured products will be exempted. Manufactured products were never supposed to be in the agreement in the first place. They were caught there and they have been there for a whole year. All of a sudden the Government is making this announcement as though it were a great big deal, that products have been exempted.

This Memorandum of Agreement set in motion a very dangerous precedent. For the first time, Canada is agreeing that the kinds of programs we have in our resource industries are considered to be unfair trade practices. We have now accepted that in principle and that principle is becoming entrenched in the proposed trade agreement under Sections 408 and 409. All our resource industries will be prevented from applying the kinds of direct support and assistance necessary to keep many of them healthy.

This Memorandum of Agreement is only one further step against the resource industries of Canada perpetrated by this Government in the last few years.

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, in listening to the Hon. Minister's statement on the lifting of the softwood lumber export tax in certain circumstances I was reminded of the story of the person who was observed to be hitting his head against a brick wall. When asked why he was doing such a thing he replied, because it feels so good when you stop.

I have to challenge the statement by the Minister that there have been no lay-offs resulting from the application of a year's duration of the softwood lumber export tax. The fact is—and the Minister's Parliamentary Secretary in this House had a list—that there have been several lay-offs and closures both of a permanent and temporary nature, and in all cases the imposition of the softwood lumber export tax was cited as a contributory factor; in most cases major, in some cases minor. I have also heard personally about this from operators of some mills. Several producers have closed.

It is true, nevertheless, that there has been an upturn in some sections of the industry and in some parts of the country. That is a reflection not of any inherent worth of this measure but simply of the cyclical upturn in the softwood lumber industry and the strong domestic market. Although we have been accused of being doomsayers, none of us was hoping for unemployment to result. Fortunately, it has enabled the industry in many parts of the nation to ride through the imposition of this measure. That is a reflection, as I said, of the cyclical nature of the industry. Just as the boom must end, so surely the downturn will unfortunately begin and detract many of those who have had to pay this tax.

The announcement is welcome in the Maritimes—

[*Translation*]

—And would also be welcome for mussels that are near the border between the United States and the Province of Quebec.

[*English*]

But let us not be deceived. The impact in the Province of British Columbia of this measure has been cataclysmic. Industry sources estimate up to a 600 per cent increase in management and cutting costs as a result of the softwood lumber export tax, because of the measures introduced to replace that tax and to satisfy the American industry lobby. The Council of Forest Industries recognizes a 250 per cent forest-wide cost increase in wood acquisition.

The Hon. Minister and the Premier of British Columbia are playing whip-saw with this industry. Their approach failed. They got into a blind auction with the Americans. Their first offer on this tax was 10 per cent and their final offer was 15 per cent. It is not only a failure but essentially a cession of sovereignty within the context of Canada's independence.

• (1530)

The Government failed to consult adequately with the industry and, completely *sub rosa*, ceded a constitutional power from the provinces to the U.S. Trade Department.

[*Translation*]

A dangerous precedent, Mr. Speaker, and the present Memorandum of Understanding does nothing to deny this concession.

[*English*]

In the United States, that tax was seen as part of the softening up process, the process widely remarked on by American commentators, whereby the United States established its expectation and its intention of hegemony in the free trade agreement. A sophisticated lobby was able to manipulate public and legislative opinion, not only within the United States but within Canada, to the ultimate advantage of the American economy.

Those fee increases which have now been introduced to justify the removal of the softwood lumber export tax will of course affect the competitiveness and prices of all lumber products to all Canadians. Let us not be deceived into believing that softwood lumber is the only component of the product mix the bounty of our forests yields us. From the railway tie to the toothpick, all markets will be affected. All Canadian consumers will pay higher prices because of these ill-counselled, hasty and peremptory measures the Government is now withdrawing.

American sales into the Canadian market have had their effect and may continue to have their effect. The 25 per cent of our industry that is still affected will, as will the sectors that are now unaffected, continue to feel the damage of the Minister's concessionary and ill-prepared negotiating approach in this agreement as in the other agreement.

* * *

[*Translation*]

## INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF PARLIAMENTARY DELEGATION

**Mr. Marcel Danis (Verchères):** Mr. Speaker, pursuant to Standing Order 101, I have the honour of tabling, in both official languages, the Parliamentary delegation's report on its official visit to Mexico.

* * *

[*English*]

## CORPORATIONS AND LABOUR UNIONS RETURNS ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

**Mrs. Jennifer Cossitt (Leeds—Grenville):** Mr. Speaker, as Chairman of the Legislative Committee on Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act, I have the honour to present the Bill to the House without amendment.

*Introduction of Bills*

## EXCISE TAX ACT

MEASURE TO AMEND

**Hon. Tom Hockin (for Mr. Wilson (Etobicoke Centre))** moved for leave to introduce Bill C-101, an Act to amend the Excise Tax Act.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Lewis:** Mr. Speaker, I would like to take this opportunity to thank the two opposition Parties for their courtesy. There have been discussions and I think you would find that there would be unanimous consent in the House to send the Bill to Committee of the Whole House on the understanding that it would be dealt with as the first order of Government business. There is also an understanding among the Parties that the item would be completed in all stages by 4.30 this afternoon.

**Mr. Gray (Windsor West):** Mr. Speaker, what the government House Leader just said does reflect the understanding of our Party on the matter. I would like to make a suggestion. If by some chance we complete consideration of the Bill through all stages before 4.30 and the person who had the floor in debate on the trade motion, the official spokesman for the NDP, is not present, perhaps we could suspend the sitting of the House until the Minister of Finance (Mr. Wilson) is ready to give his statement on tax reform at 4.30.

**Mr. Lewis:** Agreed.

**Mr. Riis:** Mr. Speaker, indeed there have been discussions between the Parties. However, recognizing the contents of the Bill before us and the fact that it does a number of things other than simply extend the date for the fuel tax exemption, but in fact results in some increases, I suspect that there will be adequate debate to fill the time until 4.30.

**Mr. Speaker:** I take it that there is agreement with the suggestion put forward by the Minister of State (Mr. Lewis) and it will be so ordered. I also take it that if the Bill should happen to be completed before 4.30, the Hon. Member for Kamloops—Shuswap (Mr. Riis) would have no objection to the Chair adjourning until 4.30 to go along with the suggestion which has been extended as a matter of courtesy by the other two House Leaders to his own Party.

*Petitions*

## WESTERN ARCTIC (INUVIALUIT) CLAIMS SETTLEMENT ACT

MEASURE TO AMEND

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development)** moved for leave to introduce Bill C-102, an Act to amend the Western Arctic (Inuvialuit) Claims Settlement Act.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

## CANADA PORTS CORPORATION ACT

MEASURE TO AMEND

**Mr. André Harvey (Chicoutimi)** moved for leave to introduce Bill C-276, an Act to amend the Canada Ports Corporation Act (port Saguenay de Ville de la Baie).

**Mr. Speaker:** Shall the Hon. Member have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

**Mr. Harvey:** Mr. Speaker, thank you for giving me this opportunity to table the Bill to amend the Canada Ports Corporation Act. The purpose of this Bill is simply to change the name of the port of Chicoutimi to port Saguenay de Ville de la Baie.

Mr. Speaker, this name change reflects a regional need, and I am therefore particularly pleased to table this Bill this afternoon.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.)

**Mr. Speaker:** When shall the Bill be read the second time? At the next sitting of the House?

**Some Hon. Members:** Agreed.

• (1540)

[*English*]

## PETITIONS

TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, it is my honour and duty to present petitions which have been signed by residents of Whitehorse, Elsa, Mayo, and Dawson City, Yukon, who wish to register their extreme concern, based on the potential environmental hazards and threat to security and safety not only of northern Canadians but of all Canadians, with the proposed plutonium flights over the North.

These petitioners call upon the Government of Canada to say no to these flights, in the interests not only of northern Canadians but of all Canadians.

PROPOSED FREE TRADE

**Mr. Dan Heap (Spadina):** Mr. Speaker, it is my honour and duty to present a petition from a number of residents of Canada who are concerned that the recent agreement negotiated between the Prime Minister of Canada (Mr. Mulroney) and the President of the United States has no mandate in the last election or since from the Canadian people and will seriously erode and undermine the sovereignty of Canada and hinder Canada in planning and determining its own economic future. They believe that it fails to win for Canada the secure access to the United States market which was promised as the key objective and, in fact, endangers hundreds of thousands of jobs.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

OPPOSITION TO PROPOSED TAX REFORM

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, I have two petitions to present. The first is from citizens of the City of Thunder Bay who note that the federal Government's White Paper calls for changes to the taxation structure of Canada. The proposals do not, however, change an already unfair tax structure for average Canadian families; those wealthy Canadians earning over $100,000 a year who do not pay their fair share will in fact receive a tax cut under the proposal, and 60,000 profitable corporations are likely to pay no income tax at all.

The petitioners protest the failure to restore full indexation to the personal tax system and call upon Parliament to reject these tax changes and to restore full indexation to the personal tax system.

PROPOSED FREE TRADE

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, the second petition is also from residents of the City of Thunder

Bay who point out that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

They say that the Prime Minister (Mr. Mulroney) promised, in the course of the bilateral trade negotiations, that Canadian sovereignty would not be compromised but that in fact the agreement negotiated threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control effectively foreign ownership, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions.

They say that this agreement would in fact deny Canadians the policy freedom to determine our own economic future.

The petitioners call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the privilege, honour, and responsibility to present a petition signed by residents of R.R. 1, Blenheim; R.R. 1, Chatham; Windsor, and Timmins, Ontario. These petitioners are putting forward the proposition that the Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

They further point out that the Prime Minister (Mr. Mulroney) promised, in the course of the bilateral trade negotiations, that Canadian sovereignty would not be compromised.

In view of the fact that the proposed trade agreement not only denies Canadians the secure access to U.S. markets which was the key objective in these negotiations, but indeed threatens the loss of hundreds of thousands of Canadian jobs, these petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, I have petitions here from a number of Canadians concerned about the trade arrangement that has been made between the Government and the United States.

They point out that the Government had no mandate for such, that the Prime Minister (Mr. Mulroney) promised that Canadian sovereignty would not be compromised but that the trade agreement threatens the very fabric of Canadian political and economic sovereignty, and that it not only denies Canadians secure access to the U.S. market which was the key objective in these negotiations but threatens the loss of hundreds and thousands of Canadian jobs.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I, like my colleagues, have a petition from a number of residents of Canada who have called upon Parliament assembled, indicating that in their view the Conservative Party has no mandate to conclude a free trade agreement, that such an agreement as has been signed threatens elements of Canadian control over our destiny, denies Canada the ability to build a society distinct from that of the United States, and threatens the loss of hundreds of thousands of Canadian jobs.

In addition, there is not—

**Mr. Speaker:** I hesitate to interrupt when any Member is presenting a petition. However, the Hon. Member will know, as will all Hon. Members, that the presentation of a petition can be accompanied by words describing the petition and from where it comes, but I think the Hon. Member is getting well into the field of argument now. I will have an application from someone wanting to comment and that will take up a lot of time. I would ask the Hon. Member to close off his remarks.

**Mr. Langdon:** Thank you, Mr. Speaker. In fact, I was quoting from the petition, which concludes with a call from the petitioners for Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement. This petition has been signed by people from Nipigon, Red Rock and Thunder Bay as well as from other parts of northern Ontario.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, I, too have a petition to present. It is signed by people from all across the Province of Ontario; from Fort Francis and Kenora in the northwest, to Welland, Burlington, Hamilton and Guelph in the south. It is signed as well by people from Geraldton, Red Lake, Atikokan, and Thunder Bay.

These petitioners call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, I have the privilege and responsibility to file a petition signed by people from Thunder Bay, Dorion, and Nipigon.

These people say that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, and that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control effectively foreign ownership, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and to allow the people of

Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, again I have the honour to present a petition signed by Canadians who express their concern with the Government's trade agreement.

• (1550)

They believe it would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States.

They also believe that the proposed trade agreement not only denies Canadians secure access to the U.S. market, which was the key objective in these negotiations, but also threatens the loss of hundreds and thousands of Canadian jobs.

Therefore, your petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, pursuant to Standing Order 106, I have the honour to present a petition on behalf of a number of westerners who indicate that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised.

They believe that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunity between the regions.

Therefore, they call upon Parliament to dissolve now and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

OPPOSITION TO TAX ON FOOD

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Pursuant to Standing Order 106, I welcome this opportunity to table in the House a petition asking the federal Government to refrain from putting a tax on food. Mr. Speaker, I realize that the Government has finally decided to take the advice of the Official Opposition and refrain from imposing this tax. And I also want to take this opportunity to mention that 385 petitioners were also instrumental in persuading the Government not to take such a regressive measure.

REQUEST FOR NECESSARY GOVERNMENT ACTION TO INCREASE HOUSING FOR THE NEEDY

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I have another petition which informs us that over 100,000 people are homeless and asks Parliament to act now to take the necessary measures so that Canadians in substandard housing will be given adequate accommodation. This petition is signed by 105 petitioners.

SITUATION IN HAITI—DEMANDS OF HAITIAN COMMUNITY

**Hon. Suzanne Blais-Grenier (Rosemont):** Mr. Speaker, pursuant to Standing Order 106, I present a petition on behalf of 4,000-odd people of Canada's Haitian community. Your petitioners humbly request:

That the régime of General Namphy in Haiti be denounced because it is made up of former Duvalier supporters, some of whom are now on trial;

That the Canadian Parliament firmly denounce the so-called democratic approach of this régime since it took over;

That Canadian assistance, earmarked mostly for salaries paid to Canadian volunteers and for project administration expenditures, be suspended until such time as the interim electoral council, whose members have been dismissed by General Namphy, has been reinstated; and

That the Prime Minister urge the United Nations to launch an inquiry into the repeated breaches against human and democratic rights which were witnessed on November 29 and the following days and which are still going on.

The petition of the Haitian people will continue to circulate and gather public support until the disappearance of the Haiti dictatorship and the end of the massacre of these people.

* * *

[*English*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, it is with a great deal of pleasure that we answer Question No. 208 today. It was the subject of some discussion last week and I am pleased to see that the Minister of Energy, Mines and Resources (Mr. Masse) has followed through upon his return to the House.

[*Text*]

USE OF PETRO-CANADA JET

Question No. 208—**Mr. Boudria:**

1. Since September 17, 1987, did any cabinet Minister utilize the Petro-Canada jet and, if so (*a*) on how many occasions (*b*) what was the name of the cabinet Minister (*c*) in each case, what was the (i) date (ii) destination (iii) cost (iv) purpose of each trip?

2. Did any person accompany the Minister and, if so, what was the (*a*) name (*b*) occupation (*c*) purpose of travelling of each person?

**Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources):** In so far as the Minister of Energy, Mines and Resources is concerned:

1. Yes. (a) Three occasions.

(b) & (c) 1. Hon. John C. Crosbie. (i) September 20, 1987, (ii) Prince Rupert—Ottawa, (iii) equivalent commercial rates for chartered craft—$4,000, (iv) government business.

2. Hon. Marcel Masse. (i) September 27 and 28, 1987, (ii) Quebec City—Calgary, Calgary—Ottawa, (iii) equivalent commercial rates for chartered craft—$7,500, (iv) government business.

3. Hon. Marcel Masse. (i) October 10 and 12, 1987, (ii) Quebec City—Chicago, Chicago—Ottawa, (iii) equivalent commercial rates for chartered craft—$4,500, (iv) government business.

2. Hon. John Crosbie—Information not available. Hon. Marcel Masse—Yes.

September 27 and 28, 1987
(a) & (b) Daniel Carrier,
Executive Assistant to the Minister.

Bob Evans,
Press Secretary.

(c) Government business.

October 10 and 12, 1987
(a) & (b) Daniel Carrier,
Executive Assistant to the Minister.

Bob Evans,
Press Secretary.

Penny Gotzaman,
(public servant),
Policy Advisor.

Mrs. Masse,
Minister's wife.

(c) Government business except for Mrs. Masse, who was officially invited by the American Gas Association to accompany the Minister.

[*English*]

**Mr. Hawkes:** I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

[*Translation*]

## MOTIONS FOR PAPERS

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**Mr. Speaker:** Is that agreed?

**Some Hon. Members:** Agreed.

* * *

[*English*]

## MESSAGE FROM THE SENATE

**Mr. Speaker:** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-95, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1988.

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# GOVERNMENT ORDERS

[*English*]

## EXCISE TAX ACT

MEASURE TO AMEND

**Hon. Tom Hockin (for the Minister of Finance)** moved that Bill C-101, an Act to amend the Excise Tax Act, be read the second time and, by unanimous consent, referred to the Committee of the Whole.

He said: Mr. Speaker, I have some very brief comments to make pursuant to the agreement the House Leaders made earlier this day with regard to this Bill. I would like to make a few comments, however brief, because it is an important Bill.

The main purpose of this Bill is to extend the fuel tax rebate program for primary producers for two years to December 31, 1989. The Bill will also implement other proposals relating to the excise taxes on motive fuels announced by the Minister of Finance (Mr. Wilson) in his Budget Speech on February 18, 1987. These include the one-cent per litre increase in the excise taxes on motive fuels and an equivalent increase in the fuel tax rebates payable to primary producers to offset the tax increase.

[*Translation*]

The fuel tax rebate program provides for a refund of taxes paid by primary producers on fuel bought for their production operations. Farmers get a full refund of the federal and excise taxes they pay on this kind of fuel. Federal sales taxes are paid back to other primary producers—fishermen, forest resources operators, hunters and trappers, to name some. In addition, all

primary producers are also eligible for a 1.5-cent-a-litre refund of excise taxes on motive fuels.

[*English*]

The program was introduced in the fall of 1984 in response to financial difficulties being experienced by primary producers. We remember that time. It is a temporary program that was designed to provide short-term assistance. The program expires on December 31 of this year.

The economic situation has improved for many of our primary producers since this program was introduced. The farming sector, however, continues to experience very serious difficulty. This was, of course, recognized by the announcements made by the Prime Minister (Mr. Mulroney) yesterday. Farmers in the grains and oilseeds sectors have been hit particularly hard in recent years. The devastating effects of the international subsidy war make additional assistance imperative. All of us who follow the subsidy war know that this is continuing from our major trading competitors.

In response to this serious problem, and to provide additional assistance to all primary producers, the Prime Minister announced yesterday at the Agricultural Outlook Conference that the fuel tax rebate program would be extended to December 31, 1989. This extension will provide $200 million each year to the farming sector, $110 million of that to grain farmers as part of the grains assistance program. The total benefit from the two-year extension of this particular program for all primary producers will be $500 million.

This initiative also responds to the recommendation of the Standing Committee on Agriculture that the fuel tax rebate program be extended.

The one-cent per litre increase in the excise taxes on motive fuels was part of a limited number of tax increases announced in the February Budget to maintain an acceptable rate of progress towards the Government's medium-term deficit reduction goals, which are proceeding on course. The fuel tax rebates to farmers and other primary producers are being increased by an equivalent amount. Since the rebates to farmers are currently equal to the taxes imposed, it would be inappropriate to propose any further increases in the level of these rebates without implementing the tax increases on which the higher rebates are based.

• (1600)

This program is an expenditure program. No payments can be made in respect of fuels purchased in 1988 until after the legislation receives Royal Assent. In order to ensure that rebates can continue to be paid to farmers and other primary producers in respect of fuels purchased after December 31, 1987, it is imperative that this legislation receive Royal Assent before the end of this year.

I am certain that Hon. Members appreciate the importance of this program. The time remaining is very short and I ask their assistance in giving quick consideration to this Bill. This will ensure that primary producers and, in particular, Canadian farmers, will continue to receive fuel tax rebates in respect of fuels purchased in the new year.

**Hon. Herb Gray (Windsor West):** Mr. Speaker, we are dealing with a Bill intended to extend the rebate program for groups such as farmers, loggers, fishermen, miners, hunters and trappers for two years, to December 31, 1989. However, that is only one part of the Bill.

The other part of the Bill is to increase the rates of excise tax on gasoline, aviation gasoline, diesel fuel and aviation fuel by one cent per litre, effective last February 19, 1987, the date of the last budget. This would bring about a total annual increase in revenue from this excise tax of approximately $450 million.

The net increase in revenue to the federal treasury as a result of this legislation will be $200 million. That is $450 million produced by this increase in excise tax, less the $250 million for the fuel tax rebate. In other words, the Government is asking us to agree to an increase in excise tax not simply to equal the additional cost of extending the rebate program for another two years, but to also carry out what amounts to a hidden and unjustified tax grab from the Canadian people of another $200 million.

The position of our Party is certainly to support the measures to extend the fuel tax rebate program for farmers, loggers, fishermen, miners, hunters and trappers to December 31, 1989, but I do not see how Canadians would expect us to support the one-cent increase in gasoline excise taxes, because this would certainly further hit the hard-pressed Canadian taxpayer, not simply to match the additional cost of the rebate, but to produce another $200 million for the federal treasury.

This additional tax grab has negative effects on many sectors of the economy. Furthermore, this measure cannot be judged in isolation. One must also examine the other increases in indirect taxes introduced by the Conservative Government.

Let us consider the Conservative record when it comes to increases in indirect taxes, that is to say, sales and excise taxes. First, let us look at gasoline and associated products. There was the first increase of two cents per litre on gas, effective September, 1985, with an annual cost of $900 million. There was a second increase of one cent per litre on gasoline, effective January, 1987, with an annual cost of $450 million. There was a third increase of one cent per litre on gasoline effective February, 1987, with an annual cost of $450 million. There is equalization of sales tax on unleaded and leaded gas, effective 1987, with an annual cost of $30 million.

There are other increases in sales taxes. There was the first increase of one per cent in sales tax in 1984, with an annual cost of $1 billion. There was a second increase of one per cent in sales tax, effective January 1, 1986, for another annual cost of $1 billion. There was a third increase of one per cent in sales tax, effective April 1, 1986, for a further annual cost of $1 billion.

There was the extension of the sales tax on candy, soft drinks and even pet food, which went into effect in 1985, for an annual cost of $400 million. There was the extension of sales tax on snack foods, coming into effect in 1987, for a further annual cost of $60 million. There is the increase in air transport tax, coming into effect in 1987, for an annual cost of $45 million.

There is the proposed 10 per cent tax on all long distance calls and business telephones, and the increase in cable television tax, coming into effect in 1988, for a further annual cost of $945 million. There is the proposed increase in sales tax on paint, wallpaper and toys, coming into effect in 1988, for an annual cost of $370 million.

I have added this up quickly, and it means that the Conservative Government has imposed an additional tax burden of some $6.65 billion in the few short years since it came into office.

Furthermore, we are talking about an annual increase. This burden goes on and on, on the shoulders of the hard-pressed Canadian taxpayer, especially the lower income taxpayer who bears the heaviest burden of sales and excise taxes.

These are unfair, regressive taxes that do not hurt the wealthy friends of the Conservative Party but particularly hurt middle and lower income Canadians.

These increases are only part of the additional burden placed on ordinary Canadians by this heartless Conservative Government. There are also increases in personal income taxes which have added hundreds of dollars and more to the annual tax burden of middle and lower income Canadians.

Later today the Minister of Finance (Mr. Wilson) will give a statement indicating the Government's final answer to what it laughingly calls tax reform. In that regard, we will find that any reductions that the Government will promise will do nothing more than give back some of the hundreds of millions of dollars improperly taken out of the pockets of middle and lower income Canadians since it came into office. It will not be giving back all of what it has taken. It will not even restore Canadians to where they were in 1984.

While I certainly support the extension of the rebate for farmers, fishermen and the other groups which I have mentioned, we must put on the record what is really happening here. It is not just an extension of the rebate, it is also another hidden tax grab, added to the tax grab of billions of dollars imposed on middle and lower income Canadians in the short years since the Tory Government came into office. I want to put this on the record so that Canadians will very much remember what the Tory Government has done to their pocketbooks when they come to vote. I am sure it will not be long before they have the opportunity to vote and I am sure they will turn out of office the heartless Conservative Government.



**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, it is always somewhat dangerous to accept a Bill for passage through all stages without seeing the text of the Bill. This is a Bill where there is that danger.

• (1610)

Bill C-101 does two things. It extends the rebate to people who are primary producers across the country from December 31, 1987 for the next two years. It also increases the tax on fuel by one cent per litre on February 19, 1987. In fact, we have been paying that for some time. It is something to consider that without too much trouble we can collect from the people of the country without passing a Bill in Parliament, but we cannot pay out to the people of the country without passing a Bill. Therefore, at the eleventh hour, we are asked to pass a Bill, which it is necessary to pass, because without it the primary producers who purchase fuel after January 1, 1988 would not be able to get part of the rebate for which they are being considered. Consequently, it is a little dangerous to tell the Government that we will pass something, because what we get in the end is not necessarily what we are told we will get.

Since February 19, 1987 all people across the country have been paying an extra cent per litre on fuel. That is authorized or ratified by this particular Bill. Since that is already in place, it behooves us to pass this Bill, rather than to stop it from going through quickly. But I do point out the danger of accepting a Bill without having the text in its entirety.

In the presentation made yesterday by the Prime Minister (Mr. Mulroney) and the Minister of Agriculture (Mr. Wise) before the Agricultural Outlook Conference, we were told that this rebate would be 9 cents per litre for gasoline, and 7.5 cents per litre for diesel fuel. This is a welcome amount, particularly for the farmers and, I am sure, for the hunters, the loggers, the trappers, and the fishermen.

It is interesting to note that this is part of an agricultural package which is a little confusing. The $1.1 billion going into the special grains payments and deficiency payments is recognized and appreciated. It is also recognized that in a couple of areas the Government did bite the bullet and pay back, or at least cut off the responsibility for the Western Grain Stabilization fund. That was $750 million that it would eventually find itself picking up, and it may as well be done now.

The other points were spread over two or three years, and consequently had to be divided by two or three. The net result is a rather confusing suggestion that the farmers were getting a lot more in this package than they will get in the next fiscal year. If you read the headlines, Mr. Speaker, you will see how confusing it was. No two reporters picked out the same things. Consequently there is a variety of reports on what was actually proposed yesterday by the Prime Minister and the Minister of Agriculture for farmers.

I appreciate the fact that it is worthwhile to pass quickly a Bill which allows for the increase of taxes and the ability for

farmers and other primary producers to collect the rebate of 4 cents and 3 cents per litre on the fuel that they buy. We have to recognize that the Government is not rebating the entire amount of excise tax. If one looks at the Bill carefully, it will be found that the present tax on gasoline will be 5 cents per litre, and the tax on diesel will be 4 cents per litre. What we are being told is that the Government will rebate 4 cents per litre in 1989, and 3 cents per litre in 1988.

In order to have this rebate program in place on January 1, 1988, we have agreed to allow this Bill to go through the House today.

**Hon. William Rompkey (Grand Falls—White Bay—Labrador):** Mr. Speaker, I would like to make a few comments. Because it is Christmas, it might be appropriate to refer to *The Bible* where it states, "The Lord giveth and the Lord taketh away". It goes on to say, "Blessed be the name of the Lord". In this case the Government is giving and the Government is taking away. Canadians, particularly those who live in northern and rural areas will say, "cursed be the name of the Government", because, as my colleague from Windsor has pointed out, the Bill gives to primary producers, but it certainly takes away more than it gives. It extends the tax rebate for two years to farmers, loggers, fishermen, miners, hunters, and trappers, and it puts into their pockets $250 million. But it will take out of the pockets of Canadians generally $450 million in the rates of excise tax on gasoline, aviation fuel and gas, and diesel fuel. That will be increased by 1 per cent.

The net effect is that although farmers and fishermen and primary producers, many of whom live in northern and rural areas, will pay less for the gasoline that they use in their work, they will pay more for everything else. For example, a placer miner in the Yukon has to fly in and out. He has to fly on an aircraft, and fuel is going up. Moreover, the Government still has a tax that he has to pay at the airport, but I will not get into that. Everything that the miner buys has to come in by air. The cost of that transportation is going up. The cost to the man who produces the tools that the miner uses, and the nets, the boats, and the engines that the fishermen use, will all go up because the fuel that is used by industry will be increased in price.

On the one hand, while it appears that the Government has made a magnanimous gesture toward primary producers, that is, farmers, loggers, fishermen, and so on, particularly those people who live in northern, rural, and remote parts, because they have to pay more for their materials and the transportation of those materials they will be in a net deficit position.

I could go on and talk particularly about fishermen who have not been helped by the actions the Government has taken. It is important to point out in the context of this debate that although on the surface this appears to be a gesture aimed at improving the lot of farmers and fishermen, there is no net gain. As a matter of fact, there is a net loss on the part of those primary producers.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I would like to follow up on the remarks made by my hon. colleagues. This particular Bill reminds me of many of the Bills that we have been faced with in this House that say one thing and basically do another. Bill C-101 is the extension of a fuel tax rebate program that was first introduced in October, 1984. This rebate program is to be extended for farmers, loggers, fishermen, miners, hunters, and trappers to December 31, 1989. It is a rebate to primary producers for an additional two years. It looks and sounds good, but it will affect only one part of the day in the life of a farmer, logger, fisherman, miner, hunter, or trapper.

• (1620)

The rebate of the excise tax imposed on gasoline and diesel fuels sold to or imported by these various sectors for purchases between January 1, 1987 to December 31, 1987 will be 3 cents per litre, and for purchases between January 1, 1988 to December 31, 1989, it will be cents per litre. The total annual cost of the rebate program is estimated to be $250 million. This sounds very kind, very generous, and very wonderful. I am sure that government Members will be thrilled with themselves.

On the other hand, why does the Government not look at the second part of the Bill? The increase in tax on fuel of one cent per litre is already in effect. look at the impact of that tax on the daily lives of everyone, and government Members might not be so quick to vaunt and be so proud of what it has undertaken to do.

I see the Hon. Minister giggling and laughing across the way. It is no laughing matter for the person who pays for it out of his or her pocket.

We do not support the one cent increase in the gasoline excise tax which has been in effect, by the way, since February 19 of this year. Further, it has hit hardest at low and middle-income Canadian families. The increase has had a negative effect upon many sectors of the economy.

If we are to take a look at the impact, we should not do it in isolation. If we put the increases all together, they amount to $6,650 million, and that is only the sales tax section. It does not even include what the Conservatives have done in the area of personal income tax, what they have dug out of the pockets of every good Canadian close to $22 billion. I think such a tax grab it is totally unconscionable.

I should like to put on record what the Conservatives have taken from the pockets of Canadians in the area of sales tax. They should be ashamed of their tax record. It is actually an unbelievable gesture. Referring to the Conservative tax record, in terms of gasoline and associated products the annual cost was $900 million. The first increase of two cents per litre on gas was effective in September, 1985. The second increase of one cent per litre on gas, effective January, 1987, amounted to $450 million. The third increase of one cent per litre on gas, effective February, 1987, amounted to $450 million. We must

look at those amounts, along with the equalization of sales tax on unleaded and leaded gasoline which amounts to an additional $30 million. We know that Canadians need to use their cars for transportation. I regret the way they have dug into that pocket!

Let us look at the other sales tax measures which they have put into place. There was a 1 per cent increase in sales tax in 1984 which amounted to $1 billion. There was a second increase of 1 per cent which amounted to another $1 billion. Those guys do not even care how many billions they take. They do not even count the zeros. The third increase of 1 per cent in sales tax amounted to another $1 billion. The extension of sales tax on candies, soft drinks, and pet food amounted to $400 million in 1985. We cannot even enjoy small pleasures around here. The extension of sales tax on snack foods—they are scrooges—amounted to $60 million. The increase in air transport tax—and we have settled the Air Canada situation—amounted to $45 million. The proposed 10 per cent tax on all long distance calls and business telephones and the increase in cable TV tax, which was automatic and with no justification, will amount to $945 million. The proposed increase on paint, wallpaper, toys, et cetera—they want to kill Christmas too—will amount to $370 million.

These tax changes do not include any increase which will occur when a new federal sales tax is introduced. I believe the Minister is expected in here in about five minutes with some more such jolly good news which we are all waiting with bated breath to hear!

This is not a simple Bill and it is not as pleasant as it would seem on the surface. I suggest that they ought to re-look at some of their goals.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Mr. Riis:** On division.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported.

**Mr. Hockin (for the Minister of Finance)** moved that the Bill be concurred in.

Motion agreed to.

**Mr. Hockin (for the Minister of Finance)** moved that the Bill be read a third time.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?



**Some Hon. Members:** Agreed.

**Mr. Gray (Windsor West):** On division.

Motion agreed to, Bill read the third time and passed.

SITTING SUSPENDED

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I rise on a point of order. I believe there was unanimous consent to recess or adjourn the House until 4.30 p.m.

**Mr. Deputy Speaker:** Very well.

At 4.28 p.m. the sitting of the House was suspended.

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SITTING RESUMED

The House resumed at 4.30 p.m.

## ROUTINE PROCEEDINGS

[*English*]

### TAX REFORM 1987

GOVERNMENT RESPONSE—STATEMENT BY MINISTER OF FINANCE

**Mr. Speaker:** It being 4.30 p.m., pursuant to order made Tuesday, December 15, 1987, the House will now revert to Statements by Ministers. I will recognize the Hon. Minister of Finance (Mr. Finance).

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, six months ago, I proposed comprehensive reforms to ensure that Canada's tax system serves the interests of all Canadians.

I set out clearly for public discussion and consultation the objective of tax reform and a carefully balanced package of specific proposals to achieve those objectives. The response was clear. Canadians want a fair and progressive tax system that imposes little or no burden on those least able to pay; a system that levies similar amounts of tax on individuals in similar economic circumstances.

Canadians want a tax system with a broader base and lower rates; a system that encourages individual initiative and in which all high income individuals and profitable corporations pay their fair share of tax. Canadians want a tax system that supports Canada's ability to compete in world market and to create increased employment opportunities; a system that supports the ability of Canada's regions to grow and prosper. Canadians want a more understandable and reliable tax system that ensures the revenues to finance public programs.

Today, I am presenting measures to implement the far-reaching changes to Canada's income tax system that I proposed in the White Paper in June. The proposals meet those objectives with lower tax rates and a fairer system for all.

During the extensive consultation process, broad support was repeatedly expressed for the main thrust and the framework of the proposed income tax reforms. A number of specific proposals were put forward by the House of Commons Standing Committee on Finance and Economic Affairs, by the Senate Committee on Banking, Trade and Commerce and by others. I am tabling today a formal response to the recommendations of the House committee.

I want to pay particular credit for the fine work done by the House committee led by its Chairman, the Hon. Member for Mississauga South (Mr. Blenkarn).

**Some Hon. Members:** Hear, hear!

[*Translation*]

As a result of these consultations with Canadians, we have incorporated improvements that further the objectives of the White Paper. In my remarks I will touch only on some features of the measures which are of broader interest. Details on all the measures that I am bringing forward are contained in the supplementary information that I will table.

[*English*]

To achieve the objectives of personal income tax reform, the three fundamental proposals of the White Paper will be implemented: One, a simplified structure of lower personal income tax rates. There will be three federal tax brackets instead of 10. The rates will be 17 per cent, 26 per cent and 29 per cent respectively. Two, conversion of personal exemptions and many deductions to tax credits. The new credits will be worth the same to all taxpayers regardless of their income. This is a major improvement in fairness. Three, the reduction or elimination of many special tax breaks. This helps to pay for lower tax rates and makes the system fairer.

As a result of these reforms, personal income tax will be reduced for 9.7 million Canadian households, 85 per cent of the total. Income taxes will be reduced for 90 per cent of those aged 65 and over. About 850,000 Canadians, including 250,000 senior citizens, will have their income tax reduced to zero.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The vast majority of families with children will pay substantially less personal income tax as a result of the White Paper proposals. Today I am announcing further improvements to the tax treatment of families with children.

To provide further assistance to lower and middle-income families, the refundable child tax credit will be increased by an additional $35 per child to $559 on January 1, 1988. This will directly benefit 2.3 million Canadian families, including 300,000 below the income tax threshold.

To target additional assistance to larger families, the child credit for the third and each subsequent child in the family is being doubled to $130. A dependent child will be able to earn up to $2,500 before the basic credit will begin to phase out.

[*Translation*]

To provide further assistance to lower—and middle—income families, the refundable child tax credit will be increased by an additional $35 per child to $559 on January 1, 1988. This will directly benefit 2.3 million Canadian families, including 300,000 below the income tax threshold.

To target additional assistance to larger families, the child credit for the third and each subsequent child in the family is being doubled to $130.

A dependent child will be able to earn up to $2,500 before the basic credit wil begin to phase out.

• (1640)

[*English*]

In addition, children who reach the age of 18 during the year will be eligible for the dependent child and the refundable child tax credit for the full year. Family allowance payments will be reported on the tax return of the higher-income spouse, but there is no change to the provisions which determine who receives the family allowance payment.

These measures incorporate a number of suggestions from the House Committee on Finance and Economic Affairs. The impact of these measures is to further reduce the taxes paid by families with children. In combination with the new child care initiative announced earlier this month by my colleague, the Minister of National Health and Welfare (Mr. Epp), these measures will bring about a major strengthening of tax assistance for Canadian families.

In keeping with the objectives of fairness and base broadening, the White Paper proposed to limit deductions for automobile expenses to reflect more accurately the element of personal consumption in these expenses.

As a result of suggestions received during the consultation process, changes have been incorporated to meet a number of concerns that were raised. For those drivers using personal automobiles for business use of more than 24,000 kilometres per year, the existing system will remain. Deductions will be restricted only for those who drive personal automobiles for relatively modest amounts of business use. These measures will ensure that deductible automobile expenses more accurately reflect business use.

The White Paper proposed measures to provide objective tests for determining the extent to which farm losses could be deducted against other sources of income. As part of these measures, new accounting rules were proposed. During the consultation process, a number of suggestions were received on ways that the objectives underlying the White Paper proposal could be achieved without asking all farmers to adopt modified accrual accounting. I am thus issuing today amended proposals which will retain cash accounting for farmers.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The Government will continue consultations on these amended proposals which would address the tax treatment of farm losses, but which would allow farmers to continue to account on a cash basis. Implementation will follow completion of these consultations.

I made a limited number of modifications to other proposals. For example, adjustments are being incorporated in measures dealing with investments in Canadian films and in multiple-unit residential buildings.

The corporate income tax proposals will achieve three major objectives set out in the White Paper. Corporate tax rates will be reduced. The general federal rate will fall to 28 per cent in 1988 and the manufacturing rate will be reduced to 23 per cent by 1991. The rate for small business will fall to 12 per cent. This will promote growth and job creation in Canada by maintaining a corporate tax system that is competitive with other countries, particularly the United States.

[*Translation*]

The elimination or reduction of many special tax breaks will pay for lower corporate and personal tax rates. It will return the profit motive to investment by rewarding success. And it will encourage investment decisions based more on economic initiative and opportunity than on tax considerations.

[*English*]

A broader tax base with fewer preferences will mean that profitable corporations will pay a bigger share of the total tax burden. The corporate income tax will also be a more predictable and reliable source of revenues.

At the same time, important tax incentives have been retained for key priorities such as small business growth, research and development and regional development. The corporate tax measures will be implemented substantially as put forward in the White Paper. Adjustments have been incorporated to moderate the impact of tax reform in a number of areas.

To support the development that is vital to regional economic growth and to isolated communities, the White Paper proposed to retain important incentives in the resource sector. In particular, improvements are being made in the proposed regime for flow-through shares.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** The period during which resource expenditures will qualify for the 16 and two-thirds per cent rate of depletion will be extended to the end of 1989. In addition, changes are being made in the investment loss rules to ensure that flow-through shares remain an attractive investment vehicle for junior resource companies.

The White Paper proposals recognize the vital role of research and development in the future of our economy. To ensure that Canada's tax regime for R and D continues to be among the world's best, the proposed limitation on claimable investment tax credits has been increased to 75 percent.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** In addition, the proposal for the capitalization of interest on vacant land will be modified so as not to affect small firms in the home building industry.

Across the entire economy, corporate tax reform will strengthen the incentive for firms to invest in profitable ventures. The rate of tax on the return from new investment will be reduced. The tax treatment of capital in this country will continue to encourage risk taking, initiative, growth and job creation.

One of the key principles of tax reform is that all corporations should pay a fair amount of tax on their economic income. The existing tax base fails to achieve this goal. Tax reform broadens the tax base so that it more closely measures the true income of corporations. This directly addresses the problem of profitable corporations paying little or no tax.

The changes being proposed will reduce by one-half the number of profitable corporations that pay no tax. Those that remain will either be firms in cyclical industries that have experienced significant economic losses in prior years or will be firms in industries which receive incentives directed at important national priorities. These priorities include promoting regional development, ensuring a healthy and active resource sector and encouraging research and development to provide jobs in the future.

However, there has been some concern that many large banks and life insurance companies have not paid significant tax over the past decade. To respond to this concern, the Commons committee has suggested that it might be appropriate to levy a minimum tax.

I share this concern. This has motivated the proposals in the White Paper affecting the taxation of financial institutions. I am confident that the combination of all the proposals in tax reform will ensure that financial institutions will pay their fair share of tax in the future. It is expected that over the next five years, the base-broadening measures being applied to the larger financial institutions will raise substantial amounts of revenue estimated to be almost $4 billion. In the meantime, I will be reviewing various mechanisms which could be used in achieving this objective should that be necessary.

• (1650)

Before tax reform is fully effective, a number of banks are not expected to be taxable in 1988. Accordingly, I will implement a tax on the capital of larger banks and trust companies. This tax, a form of minimum tax, will be creditable against future income tax.

Corporate tax reforms will ensure that life insurance companies pay appropriate tax on their regular corporate income. However, without further action, investment income earned by life insurers on funds accumulated in respect of life insurance policies would have remained untaxed.

I therefore intend to tax this income in the hands of the insurance company at a rate of 3 per cent in 1988 rising to 15 per cent by 1992. This measure will include some modifications to the original White Paper proposal. It will remove a major tax preference for the life insurance sector. In conjunction with reforms to the regular corporate income tax, this will ensure that insurance companies are appropriately taxed.

To deal with the increasing problem of abusive tax avoidance and evasion, the White Paper proposed a number of measures including a general anti-avoidance rule. As a result of consultations, changes will be incorporated in the proposal to deal with concerns that were raised about the possible unintended scope and effects of such a rule. Draft legislation is being released today for further discussion. Implementation will follow these consultations.

Fiscal responsibility was a major constraint that we imposed on ourselves in evaluating proposed changes to the tax reform package. We would not and we will not abandon the principle that tax reform must pay its own way. Nor did we accept the notion that the bill for changes in the first stage of tax reform can be held over until the second stage. That is why we have rejected suggestions for larger personal income tax cuts now to be financed by sales tax reform later. Tax reform is not a reform-now-pay-later proposition.

Therefore, improvements such as child benefits have to be paid for now. To maintain the fiscal balance of the package, I am taking the following measures: additional taxes will be levied on banks and trust companies, including a capital tax on large deposit-taking institutions; effective January 1, 1988, the federal sales tax on alcoholic beverages and tobacco products, currently 15 per cent, will be increased by three percentage points.

We are proceeding with the changes to the existing sales tax as announced in the White Paper, according to the schedule set out in November. These measures will ensure that the first stage of tax reform is fully consistent with responsible fiscal management.

Over-all, the White Paper proposals and the measures I have announced today will reduce personal income taxes by $12 billion over the next five years. This will be paid for by roughly equal increases in corporate and sales tax revenues.

I am tabling the Notice of Ways and Means Motions that will enable us to proceed with the measures that make up the first stage of tax reform. Most of the measures will come into effect on January 1, 1988. Personal income tax reductions will be reflected in payroll deductions beginning July 1, 1988. This will provide employers with adequate time to make the necessary adjustments.

The measures presented today deal with the first stage of tax reform. In the second stage the outdated federal sales tax system will be replaced by a multi-stage tax and a number of further adjustments will be made to the income tax system. The refundable sales tax credit will be substantially enriched, paid in advance, and extended to more households. There will be further income tax reductions for middle-income Canadians, and the income surtaxes will be removed.

The consultation process has indicated there is support among a wide range of interest groups for a new sales tax system—one that is fairer, more reliable, and more supportive of efforts to strengthen competitiveness, growth, and job creation.

A multi-stage sales tax system has been the subject of ongoing discussions. A multi-stage tax can be implemented either at the federal level alone or on an integrated basis in conjunction with the provinces. Currently, the opportunity presented by combining both federal and provincial sales taxes under one system is under discussion with the provinces.

Last week, after meeting with my provincial colleagues, I announced that we had agreed that work on the national sales tax should continue based on the following considerations: municipalities, hospitals, school boards, colleges and universities should not bear a greater tax burden under the national sales tax than they would under the existing sales tax regimes; basic groceries, prescription drugs, and certain medical devices should not be subject to tax.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** These considerations reflect our commitment to ensuring that the design of the tax is consistent with the views of Canadians. They provide a foundation for further discussion of the national sales tax with the provinces. While much more work must be done before we can be sure that a national sales tax system can be achieved, I am encouraged by the progress to date with these and other discussions.

These proposals are the result of extensive consultations. This dialogue, with full involvement of the House committee, has been a clear improvement in the process of implementing taxation proposals. The flexibility of the Government has served Canadians well in achieving a better balance among the competing objectives and priorities that make tax reform the challenge it is. The result is an improved set of proposals for tax reform that retains the structure and principles established in the White Paper.

[*Translation*]

The measures febore the House today will put more money into the hands of Canadians. The freedom to make their own decisions, as individuals and families, on how best to use that money is at the heart of the government's philosophy of economic renewal.

[*English*]

Building a stronger, more resilient economy is the best way to ensure that Canadians have the resources to sustain and enhance their social and cultural identity, key elements in the high quality of life we enjoy. It is the best way to strengthen the distinctive elements of national life that make Canada a unique and uniquely successful nation.

[*Translation*]

The government will continue building a stronger Canada by moving forward on the full range of initiatives designed to unlock our potential as individuals and as a nation—initiatives such as tax reform, free trade, regulatory reform and child care.

[*English*]

Last June 18, I said that, in the final analysis, this package must be judged on whether the proposals would give to our senior citizens more peace of mind and security; to those in need, a fairer and reduced tax burden; to our young, a greater sense of opportunity and hope; and to our working people, more incentive, stability and freedom.

I can say today—with even greater confidence—that we are meeting those tests.

[*Translation*]

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, we have just witnessed what I would call a farce, and I think this fact deserves to be strongly emphasized so Canadian taxpayers will realize what it is they have been watching.

• (1700)

[*English*]

This Government cannot be trusted. This Minister of Finance (Mr. Wilson) cannot be trusted—

**Some Hon. Members:** Oh, oh!

**Mr. Garneau:** —because he has abused the confidence of Canadian taxpayers. The Minister of Finance is just like a thief who has stolen the purse of an old lady in a park with $200 in it, and just because he returns the empty purse, he expects to be thanked.

[*Translation*]

Mr. Speaker, I intend to comment on the various items mentioned by the Minister of Finance in his speech today, and to give you an example of the simile I just gave, here are some comments on the tax treatment of families.

Mr. Speaker, in 1985 when this Minister of Finance decided to de-index partially family allowance payments, reduce the dependent child exemption and increase the child tax credit, he saved the federal Treasury and took out of the pockets of Canadian families one billion two hundred million dollars over a five-year period. He cut family tax benefits by $1.2 billion. For 1988-89 this would represent a saving of $200 million.

And what did he announce today? He will return part of the 200 million he took out of the pockets of these families three or four years ago.

Mr. Speaker, that is what I mean when I say the Minister cannot be taken seriously, when he says his tax reform will improve the circumstances of our families. He is just giving back part of what he took away several years ago.

Mr. Speaker, since 1984, tax reform has developed into a three- or four-act farce. Initially, the Government tightened the screws on Canadians with the biggest tax increase in our history.

Mr. Speaker, in his last three Budgets the Minister of Finance increased taxes by a total of $22 billion—yes, $22 billion—which put a considerable burden on families—

**An Hon. Member:** The deficit!

**Mr. Garneau:** —the Hon. Member for Portneuf (Mr. Ferland) had better look after his riding, because if he is so anxious to talk about the deficit, we will talk about it later on. I certainly have some comments to make.

So the Minister of Finance increased taxes by $22 billion.

Mr. Speaker, perhaps I may recall the various tax increases he introduced.

First, he increased the sales tax by 1 per cent in 1984.

Second, he increased the sales tax by another 1 per cent in 1986 and then by a third 1 per cent. In fact, there were two sales tax increases in 1986 of 1 per cent each. Mr. Speaker, do you realize how much this cost, per increase? It cost Canadian taxpayers an additional 1 billion dollars. For every increase, the Minister took an additional 1 billion dollars out of the pockets of Canadian taxpayers.

He raised the tax on gas by two cents a litre in 1985. He increased it by an additional cent in 1987. This afternoon, the House was looking at four cents altogether, because as of today, the tax on gas will be four cents a litre more than when this Government came to power.

Mr. Speaker, sales tax has been extended to a number of items that were not taxed before, representing an increase of $400 million. There is even a tax on chocolate bars, the stuff children buy for snacks. The tax on cigarettes and tobacco was raised initially in 1985. In 1986 the tax on tobacco and alcohol was raised a second time. The third time was in 1987, and we will have another 3 per cent increase as a result of the Minister's statement.

The Registered Home Ownership Savings Plan was abolished. Our income tax system was de-indexed. The federal tax rebate was eliminated. The status of married persons was changed, resulting in additional tax increases. Five and 10 per cent surtaxes were introduced. Another 3 per cent surtax was added, which has now become a permanent fixture as a result of Bill C-64. And now we have an additional 10 per cent tax on all communications except basic services, which will take $1 billion out of the pockets of Canadian taxpayers.

[*English*]

After having increased taxes by $22 billion in three years, now, on the eve of the election the Minister comes to the Canadian people and says he will return $2 billion in 1988. Big deal! There is still a net increase of $20 billion that the Canadian people are going to have to pay because of this Government. The trick he is using is unbelievable. This is why I am saying to the Minister of Finance that he is playing with his credibility a lot. I do not think the Minister can stand that for very long.

The Minister announced in June that he would cut the R and D credit. Companies that invested in research and development could have deducted 100 per cent of the net taxable benefit the company had. He decided in June to cut by half this tax credit for research and development, and today he announced with a smile on his face that he is now increasing it to 75 per cent. The conclusion is a net decrease of 25 per cent, and he announces it as being an improvement. God knows we need research and development. You are playing with your credibility, Mr. Minister.

When the Minister says he is going to give back to families a certain amount of money, he is playing with his credibility, because in 1985 he took from Canadian families $200 million because he partially de-indexed the family allowances cut the child exemption to the level of the family allowances and increased—and I take that into account—the refundable child tax credit. But altogether in the process, in the year 1988, he put $200 million in his pocket. Now, on the eve of the election, he is returning $150 million by increasing the refundable tax credit by $35. This is what the officials have told us. So altogether the Minister nets another $150 million, and he is telling the Canadian people that he brought more fairness to the system. That is a farce.

Let us talk about the flow-through shares. In June the Minister decided that the earned depletion would disappear in two steps, first, sixteen and two-thirds per cent for 1988, and zero for 1989. Now it is a big deal. He says he is improving the system. He will keep the sixteen and two-thirds per cent for 1989. Yet the earned depletion allowance of 33 per cent will disappear. The Minister says in his speech that he will protect this to help regional development. I say to the Minister of Finance that he is playing with his credibility because he is not telling the truth. He has hit hard the Canadian taxpayer and now he is returning a little amount of money and saying: "I helped you".

[*Translation*]

Flow-through shares: the Minister of Finance (Mr. Wilson) has just lowered the boom with respect to flow-through shares, for two reasons. First, he does away with earned depletion. What he had announced on June 18 remains basically unchanged, except that he prolongs the agony for one more year. But because he cuts the earned depletion in half and, second, because he will tax capital gains at a rate of 75 instead of 50 per cent, he makes the operation of flow-through shares almost inapplicable. And that is what we have been hearing throughout Canada, not only in Quebec, people have been saying just that in British Columbia, Alberta, Manitoba, Northern Ontario and Northern Quebec. They told us that the measure of the Minister was going to kill investments in smaller oil and mining companies.

All he is doing today is to decide to maintain the system. I would ask the Hon. Member for Abitibi (Mr. St-Julien) and the Hon. Member for Témiscamingue (Mr. Desjardins) what they are going to tell their constituents, after promising them that the Minister of Finance would keep the earned depletion at 33.3 per cent. What is the Minister going to say to small businesses that have asked . . . Again yesterday I was reading the statement of Maritime residents who told us that the way the Minister applies the $500,000 capital gains tax exemption only on shares will make it impossible for them to use the tax benefit which the Minister is bragging about. In fact only big companies will be able to benefit from the sale of shares.

You know, Mr. Speaker, according to the measure announced by the Minister, a family company which would be as big a monopoly or consortium as Eaton's or Power Corporation is considered to be a small business.

• (1710)

[*English*]

Can one imagine Eaton's as a small business that will get the advantage of the $500,000 capital gains tax exemption? Is that what you call fairness? A small business owner who is not incorporated and wants to sell the assets will not benefit from the exemption. Is that fairness?

I suggest that the Minister of Finance is playing with his credibility. The House will recall that, before the election in 1984, he made a number of statements, one of which was that "We would cut spending. We would not raise taxes. Tax levels in Canada are already too high". The Minister said that in March, 1984, before the election. After the election, he increased taxes by $22 billion, which is the largest tax increase in three years that we have seen in Canadian history.

In November, 1984, after the election, they said that Canadians pay a pretty sum in taxes and they feel they pay quite enough. The Prime Minister (Mr. Mulroney) said this as well. They said they would not increase taxes, yet they have increased them by $22 billion. Just before the next election, the Government is bragging that it is returning $2 billion.

On June 18, the Minister of Finance tabled in the House of Commons a proposal for sales tax in which food would be taxed. An example was given to show that the new tax on food would not hurt Canadians.

Today, the Minister announced that he will not impose that tax. Yet I cannot trust what he is saying.

Let me explain why. The House will certainly want to pay attention to what he said in his speech. He stated that municipalities, hospitals, school boards, colleges and universities should not bear a greater tax burden under the national sales tax. Why does he use the words "should not"? He also says that basic groceries, prescription drugs and certain medical devices should not be subject to tax. Why use the words "should not"?

I have been part of the Budget speech process for many years and I know that the officials of the Department, if not the Minister, use very precise words. There are reasons for this. If there is certainty that food will not be taxed, we do not say it "should not" be taxed but that "it will not" be taxed. We would say that the municipalities and hospitals "will not" bear a greater tax burden.

I state very sincerely that I do not believe the Minister one bit. If I compare what he said before the election and what happened after the election, and if I compare what he is saying now in this statement with what could happen after the election if by chance he is re-elected, I am sure we would hear more about these items that "should not" subject to tax. It is not a firm commitment and he may change his point of view.

[*Translation*]

Mr. Speaker, I should like to return to the matter of financial balance. The minister does not support his statement with figures because he either could not or would not. Why? I want to know. The Minister would not say how much additional revenues he was expecting to collect with his proposals and what exactly would be the cost of those changes. He simply said that everything should balance out. We do not know what will be the tax level on banking institutions. All we know is that there will be a 3 per cent additional tax on tobacco and spirits, although he would not say exactly how much additional revenues it would provide.

Mr. Speaker, we have just lived through five years of economic prosperity which had begun before the Conservative Party came to power. 1983 was a year of very interesting economic growth. 1984: since the Conservative Party came to power in September, it could not claim responsibility for the economic growth which occurred in 1984 and which exceeded 5 per cent; 1986 was also a year of economic growth. During these five years the Government has increased taxes by $22 billion and, in spite of that, the deficit still amounts to $28 or $30 billion a year. Each year the public debt increases by as much as $30 billion. By the end of this fiscal year, it will amount to nearly $300 billion.

Mr. Speaker, this is a political party which came to power on the pretence that it would bring down the deficit not through taxe increases but by a reduction in expenditures. So I will say again to the Minister of Finance: Sir, you are playing a dangerous game with your credibility, as evidenced by an article published recently that the C.D. Howe Institute said—

[*English*]

"The C.D. Howe Institute calculates that the total Canadian deficit amounts to 4.1 per cent of the Gross National Product compared with the U.S. deficit of 2 per cent of the GNP".

[*Translation*]

Mr. Speaker, this Government and this Minister of Finance seem . . . Perhaps I should put it another way . . . When the Hon. Member for Etobicoke-Centre entered the House as Minister of Finance, I don't think people saw the new Minister as an accomplished politician, but he did have a certain credibility in the business world and among ordinary Canadians. When the new Minister of Finance spoke, he had a certain credibility. Today, however, under constant pressure from the Prime Minister's Office which cannot be said to have a monopoly on truth, the Minister is losing that credibility. He is brandishing billions of dollars' worth of expenditures. Mr. Speaker, do you realize that in two weeks, the Minister of Finance has added nearly $3 billion to public expenditures to pay for items like nuclear submarines, the icebreaker *Polar Sea*, daycare funding and wheat? Three billion dollars! Did anyone hear the Minister say where he is going to get the money? Did you hear anything in his speech today that says those $3 billion will be financed by increasing sales tax? Did he tell us those additional $3 billion would increase the deficit? Did he tell us he was going to increase personal income tax? No, not a word about how he was going to finance the $3 billion! Mr. Minister, you are playing fast and loose with your credibility. No one is going to believe you anymore, not even your Prime Minister.

If we look at today's operation, it is really sad to see what the Minister has done. I don't know whether you looked at everything . . . Mr. Speaker, you may have glanced at the report of the Standing Committee on Finance and Economic Affairs. The Committee travelled across this country. The Committee heard hundreds of witnesses who came with briefs prepared after consulting with thousands of members of their chambers of commerce, professional associations and senior citizens clubs. We received all kinds of briefs. We drafted a very thorough report, and the Hon. Member for Mississauga South (Mr. Blenkarn) must be very disappointed today, because at least 85 per cent of our recommendations were rejected outright.

**Mr. Wilson (Etobicoke-Centre):** Bullshit!

**Mr. Garneau:** The Minister of Finance says: Bullshit! I added up all the recommendations we made. Mr. Minister, you are playing fast and loose with your credibility when you say

things like that. Eighty-five per cent of our recommendations were set aside.

Mr. Speaker, I would like to talk about the banks, since I am familiar with the subject. The Minister of Finance said he had set aside the minimum tax to be applied to banks. Here is an area, a community of institutions which in actual fact have paid no income tax over the past years for a number of reasons, one of which is mainly the use of investment instruments that generate non taxable income. The banks evaded nothing, they simply made use of the law, but one thing remains, they paid no income tax. In committee we looked at several options and we recommended a minimum tax because it allowed the Government to tax profits. What did the Government do? It is going to tax reserves. After his blunders in connection with the Northland Bank, the Bank of British Columbia, the Bank of Alberta, the Canadian Commercial Bank, after fumbling around and engulfing hundreds of millions of the taxpayers' dollars, the same Minister says in this House that he will tax reserves aimed at protecting the savings of Canadians. This is the reason why I viewed a minimum tax as a lot more rational because at least this concept was based on the profits made and showing on the banks' balance sheet. The Minister will now tax capital, and a bank showing no profit would have to pay tax. Will this make the savings of Canadians in those banks any safer? I would like to deal with the insurance companies from across the land which told us here that the Government's policy was wrong, that it would increase by 20 to 40 per cent life insurance premiums paid by Canadians.

Did the Minister listen to the committee's recommendations? Not at all. We might understand he would turn a deaf ear to the Opposition, but he turned a deaf ear to his own Members, the experts in the field. He maintained the 15 per cent tax on insurance company investment. This is the only thing he did: instead of doing it outright, he will do it in two or three steps.

However, the principle remains that there will be a 15 per cent tax on the investment income of insurance companies, which will result in an increase of between 20 and 40 per cent in insurance premiums according to the experts who appeared before our committee.

The Minister believes that he can do anything he wants. He is always consulting, but he throws all the replies that he receives in the waste basket as soon as they come in because he does not know how to listen. For instance, and I shall close with this as my time is nearly expired, did he listen to the coalition of senior citizens who came twice to tell us that the tax reform would affect them and that their taxes increased substantially between 1984 and 1987? I have two examples here. An older couple with an income of $27,000, which is not that much, saw their taxes increase from $2,000 to $3,300 within three years under this Government.

This group of senior citizens, who come not only from Quebec, but from all Canada, appeared before the Finance Committee. These people came back last week to meet the Minister. Did he listen to them? No, he must have simply thrown their submission into the waste basket since nothing will change for senior citizens.

• (1720)

Their $1,000 exemption on the first $1,000 of investment income has been eliminated. They have no protection against inflation. They do not know how they will be affected by Phase II of the tax reform. Senior citizens have been completely ignored.

Mr. Speaker, the credibility of the Government as well as personal initiative and entrepreneurship have been affected substantially by this reform.

Under tax reform, the same Minister who provided a $500,000 capital gains tax exemption is now proposing to tax capital gains at a higher rate than dividends, on the pretext that this will promote investment and development.

People who take risks and who make capital investments will be taxed at a higher rate if they obtain any capital gains than if they had invested the money in a quiet company and received dividends. This will affect the dividend policy of companies and completely change stock and shares dealings in Canada. After the market crash last October, there is cause for concern about our economic future and our development. Small manufacturing companies will see their tax rate increase from 10 to 12 per cent, and what about the simplification of the tax system, which was one of the objectives of tax reform?

If somebody can show me and prove to me that this reform will simplify Canada's tax system and make it easier for taxpayers, Mr. Speaker, I should like to meet him and listen to him because, after spending weeks with the finance committee, listening to briefs from experts of every description, accountants, lawyers, businessmen, we came to the conclusion that the new system is going to be more complicated than the one we had before.

Mr. Speaker, I will conclude the way I began, by saying that this Minister of Finance reminds me of a highway robber who steals a woman's purse containing $200, and because he gives back the empty purse he fully expects the victim to be grateful. It does not make sense, the Minister of Finance knows very well that I am right, he knows very well that taking $22 billion out of the pockets of Canadian taxpayers and handing back a mere $2 billion— And he expects us to thank him for that. Mr. Speaker, I know my time is limited, so I hope I will have other opportunities to focus on each of these measures and show that the credibility of the Minister of Finance is at its lowest ever because he has given up everywhere under the Prime Minister's election pressure.

[*English*]

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, this feels a little like the replay of a movie, because six months ago I stood in the House of Commons and commented on the

Minister's White Paper on tax reform. so little has been changed since that time that I might as well pull out the speech that I gave on June 18 and deliver it again.

We are left with a tax system, Mr. Speaker, which is as unfair as the reforms that the Minister put forward back in June of this year. We are left with a tax system in which wealthy Canadians with incomes of over $100,000 will be big winners, and in which poor Canadians and Canadians with average incomes will be considerably worse off than they were back in 1984 before the Conservative Government came to power. We are left with a system where the essential unfairness of the tax system has not been changed by the Minister of Finance (Mr. Wilson).

• (1730)

The Minister says that he is quite happy and that the Government is quite happy to go to the people with tax reform as one of the major planks in the Conservative platform. If the Minister thinks the bank shareholders are the only voters, then so be it. I am sure that they will give the Minister of Finance the vote of confidence which they feel he richly deserves.

As far as average Canadians are concerned, that is not the case. The Minister had a choice. He could have opted in favour of average Canadians or he could have opted in favour of the banks. He has opted in favour of banks and financial institutions and against average Canadians. I am quite happy to go to the people and talk about tax reform and about real fairness, a fairness which I am afraid we do not see in the proposals from the Minister of Finance.

[*Translation*]

Mr. Speaker, the Minister of Finance had a choice to make, but what he gave us is a system which remains unfair to ordinary Canadians. Canadians were expecting justice, but with this so-called tax reform advocated by the Minister of Finance the average family will pay $1,000 more than in 1984 as a result of the tax reform just unveiled by the Minister of Finance, and once he is through making the changes announced today in the ways and means motion.

People living below poverty level will continue to pay taxes. Sixty thousand profitable corporations will still be able to pay no income tax at all under the fiscal reform introduced by the Minister. And thanks to the partial deindexation, the benefits, if any, for the average Canadian family will have completely disappeared within three years.

[*English*]

Over the past six months the Standing Committee on Finance and Economic Affairs has worked particularly hard on the question of tax reform. We responded, albeit with some reticence, to the Minister's timetable. We accepted that the Minister's delay until June 18 in introducing his tax reform would not prevent us from offering our comments. Just over a month ago, after a cross-country tour, after receiving more than 600 briefs and after hearing from some 200 witnesses, we presented a report with 81 recommendations which were based on sober second thought and on a great deal of reflection on the proposals made by the Minister of Finance.

I regret to say that the Minister has totally ignored most of those recommendations. In fact, according to my count, only 12 of the 81 recommendations made by the committee have been acted upon by the Minister. The rest have either been ignored, rejected, or put aside for further study. If the Minister and the Conservative Government really believe in parliamentary reform, then that is just not good enough.

I commend my friend, the Chairman of the Finance Committee. We get along reasonably well. We differ on certain ideological questions from time to time. However, I can commend him for keeping us going and for the work that is there. I saw him get to his feet reluctantly and I do not believe that he applauded the Minister. Well, I did not applaud the Minister either, and with good reason. I understand the Chairman's reticence, because the Minister of Finance has slapped the committee in the face and has kicked Canadians in the ass in the way that he has treated their need for a fair tax system.

This apostle of Christmas cheer, the Hon. Member for Etobicoke Centre, has chosen to make a few small changes. However, rather than having them paid for by the corporate sector as we proposed in committee, he is ensuring that they will be paid for by average Canadians. Average Canadians got "scrooged" by the Minister of Finance.

The Minister, just to put it on record, is raising the price of a case of beer by 41 cents on 24 bottles, by 38 cents on a bottle of scotch, and by 26 cents on a carton of cigarettes. On behalf of average Canadians I want to convey with somewhat clenched teeth my greetings for a Merry Christmas to the Minister after what he has done to Christmas cheer.

This whole exercise is a bit like free trade. In this case Canadians have been consulted but ignored. In the case of free trade they were not consulted and they were ignored. On December 16 we are seeing a Ways and Means motion which, by parliamentary tradition, will enter into force on January 1. The legislation will come months later, but the message is very clear to average Canadians—do not bother to try to influence the legislation, do not bother to try to get any words into the conscience of the Minister of Finance. He did not listen over the last six months. He will not listen over the next six months. He is actually proud of a measure which does little or nothing to redress the imbalance in taxation between corporations and average Canadians and between rich Canadians and average Canadians. It is clear that not only the Minister but the Government has its head and heart on Bay Street, not on Main Street.

It goes without saying that the recommendations made by the New Democratic Party in our minority report, along with the report of the Finance Committee, have been ignored. Likewise, the recommendations made by my friends in the Liberal Party in its minority report were ignored. This was despite the fact that we were speaking for some 75 per cent of

Canadians who have decided that they cannot support this particular Government.

I would like to deal for a minute with the specific proposals made by the Minister. I guess it is useful that the Minister accepted to a modest degree certain proposals made to improve the benefits for families. However this means, in his case, that families with three or more children will get an extra $65 in tax credit. There will be a certain amount of child tax credit added, to be paid for whenever one buys a bottle of scotch or 24 bottles of beer. Apart from that there will be nothing at all, according to the committee's recommendations in respect of dependent children between the ages of 18 to 21. That is to be deplored.

It is interesting that in terms of our recommendations for a substantial increase in benefits for families with children, because of the important responsibility they carry in society, there is nothing at all.

The Minister backed off on his proposals for accrual accounting for farmers. They will welcome that, but he has left farmers across the country in a position of grave uncertainty, because they do not know what will happen next. Farmers are in limbo. In fact, the proposals put out by the Minister for discussion look very much like modified accrual accounting for farmers, except that it is called cash accounting. In other words, the Minister has not really backed away. He has just changed the cosmetics of his proposal to make it sound a little different. I suspect that farmers may treat that with the same contempt that they treated the Minister's proposals in the White Paper.

I regret the fact that the Minister, who claims to be listening to average farmers and average Canadians, did not listen when farmers across the country said that there must be peer review in deciding who is a legitimate farmer. The Minister rejected that out of hand. Farmers like the proposals made by the committee. In respect of the loss provisions, the Minister has kicked them out of the court as well and has said that they will not apply. Why? It is because they happened to reject the ability of certain of his wealthy friends in Mississauga and other such places to deduct farm losses when they are not genuinely full-time farmers. I exempt the Hon. Member for Mississauga North (Mr. Horner), who I understand messes around with cattle from time to time in a fairly legitimate way.

The point I am making is that the Minister has drawn back from his proposals for farm accounting because they were so unacceptable. He has not indicated clearly what will be there, therefore farmers must wait yet another year before finding out what the situation will be.

The Minister has moved on auto expenses. I suppose that is welcome. It is hard to analyse exactly what he has done. We will see what that means in a day or two when the dust has cleared. Apart from that, the Minister has done as little as possible to implement the recommendations made by the committee. In fact, the other recommendations he accepted seem to be the ones which amounted not to benefiting average Canadians but to taking income away from average Canadians, for example, those who will pay the tax on family allowances.

[*Translation*]

Mr. Speaker, in the end, the problem with the Minister is not simply that he rejected all the recommendations made by the Standing Committee on Finance and Economic Affairs, there is much more than that. The problem is the fact that the Minister is completely ignoring the recommendations that are being made by the New Democratic Party and by a great number of Canadians from all walks of life, by groups representing ordinary Canadians that have appeared before the Standing Committee on Finance and Economic Affairs during our hearings in the last five months.

Mr. Speaker, our Party and the Committee have recommended that we increase the corporate income tax and especially the tax on all financial institutions in order to have a better balance between individuals on the one hand and corporations on the other. The Minister of Finance and the Government have rejected these recommendations.

Mr. Speaker, even the Hon. Member for York-Scarborough (Mr. McCrossan), who is a Member of our Committee on Finance and Economic Affairs, in a letter that he wrote to the Minister of Finance in November, has stated clearly that if the Government does not take a clear stand in support of an adequate tax on financial institutions, in order to avoid the situation in which banks and life insurance companies were paying almost no tax at all on their profits, then in effect, Mr. Speaker, the Government would be guilty of advantaging the rich at the expense of ordinary Canadians.

• (1740)

[*English*]

I will cite the comment from the Hon. Member for York—Scarborough (Mr. McCrossan) who said in his letter to the Minister of Finance (Mr. Wilson):

> To the extent that "handsome" taxes which are seen to be fair are not levied in 1988 against all profitable financial intermedies, it is almost certain that tax reform will be seen as unfair and that the allegation of "favouring the rich" will form an important part of the next election campaign.

What the Member from York—Scarborough said is absolutely dead on. He understands that situation. I think he made a great contribution to the committee in helping to design the average minimum margin tax and I, with him, deplore the fact that the Minister of Finance would not listen to the committee and, therefore, is guilty of a tax system which favours the rich and ignores the needs of average Canadians.

What has the Minister done, Mr. Speaker? He has brought back a capital tax and said, "Look what I am doing". In fact, in his language he tried to indicate that this was a brand new tax that will soak the banks. It is not true. It is a weaker capital tax than the tax on capital which is in force right now and which was due to expire at the end of 1987. This is the Minister's dirty little secret. There is a capital tax on the banks

right now which the Minister proposed to withdraw. Will he put it back in its present form? No, Mr. Speaker. He is going to make it refundable. That means it will simply be a prepayment on income taxes if, as, and when the banks ever get around to paying those taxes.

What about revenues? The Minister says this will increase his revenues by $120 million in the first year. We have looked at the figures. They indicate that the banks were paying only $20 million in capital taxes under the old tax at the same rates. The Minister, by some legerdemain, has come up with an extra $100 million, which I suggest will not be there. If you gave the Minister the benefit of the doubt, if you said, "Okay, the system will work", what will the banks pay? The banks will be forced to pay 6 per cent of their profits as opposed to an overall level of taxation which, with provincial taxes, ought to amount to some 40 per cent to 44 per cent of their taxes. The banks will pay 6 per cent. It is reminiscent of the situation prevailing over the last five or six years. Tax measures were brought in by the Liberals back in the 1970s, and have been perpetuated by the Conservatives since 1984. These measures saw to it that the banks paid between 1 per cent and 5 per cent of their income in tax.

Any average Canadian, any bank teller, who pays taxes has to pay a higher rate of tax on his or her income than the average Canadian bank. The poor Canadian banks are only able to pay 1 per cent, 2 per cent or 3 per cent taxes on their profits. Poor dears. They are not able to stay profitable, not able to stay in business, almost forced to the wall, forced to be in little tin tarpaper shacks because they cannot keep up the rent on those locations they have on every major street corner, on every main street in urban Canada. The banks have to be spared. On behalf of the bank presidents of Canada, I would like to say to the Hon. Minister of Finance how grateful they all are for this particular consideration.

Perhaps I spoke with tongue in cheek just now, but I want to say there is something wrong about a tax system which spares the banks and taxes average Canadians at a level higher by a substantial amount than in 1984. Make no mistake, we are not talking about tax cuts for average Canadians; we are talking about tax increases for average Canadians.

The people who benefit are the wealthy Canadians who drive around in BMWs and Jaguars who go to the cocktail parties in Forest Hills and in Etobicoke held to raise election funds for the Minister of Finance and his Conservative colleagues, who go to the convention centre in Toronto and similar quarters in Montreal and dole our $250 a plate for fundraising dinners where they can hear the Prime Minister (Mr. Mulroney) say how the Conservatives are acting on behalf of average Canadians.

Those average Canadians with incomes of $100,000 a year, or a majority of them, will have a tax reduction of $4,365 per annum thanks to tax reform from the Hon. Minister of Finance. Nothing in the proposals which have been made today in the Ways and Means motion will change that at all. But the family earning $15,000 a year will get a tax cut of $90 a year. If you are in the $100,000 bracket, you will get a tax cut 50 times as great as the average tax cut for someone who perhaps shines your shoes, delivers your milk or cleans house for you once a week and earns less than $15,000 a year.

For a family with a couple of kids earning $30,000 a year the White Paper would have given a tax cut of about $263. That will change slightly, perhaps by another $30 with the proposals made in the Ways and Means motion. but that family on $30,000 a year has had a tax increase of $966 since 1984 because of the increases of the minister of finance and the conservative government's policy of soaking the poor to benefit the rich. that, of course, has been needed so that we can have these huge capital gains exemptions for wealthy Canadians and other types of things designed to keep the BMW owners off the poor lines.

The consequence is that for the average Canadian with $30,000 worth of income he or she will wind up, after tax reform, paying $700 or $800 more in tax per annum than he or she paid prior to 1984.

What else has changed, Mr. Speaker? Nothing much has changed in the Ways and Means motion. sixty thousand profitable Canadian corporations will not be paying a nickel of tax. Twenty per cent of Canadian corporations, one Canadian corporation in five which is profitable, will not pay tax. On behalf of the shareholders, the presidents and the officers of those companies, I suppose I should thank the Minister of Finance again for remembering their needs, even if it is at the expense of average Canadians.

I come back to the problem that we face, namely, that Canadians have indicated more and more that they want fairness and justice in the tax system. They want real tax reform, not the phoney tax reform which the Minister of Finance is giving them. When it came to choosing between the needs of the banks and the needs of average Canadians, people wanted the Government to side with average Canadians, but they failed to get that.

I want to remind the Minister of Finance of some of the recommendations we made in our minority report. These are constructive recommendations which an NDP Government would seek to put into operation in order to give Canadians a genuinely fair tax system. We say the tax system should be more progressive. There should be higher rates of taxes, dare I say, on upper income Canadians. Canadians say yes to that, Mr. Speaker. I regret that the Minister of Finance has said no. We say the tax system should be fully indexed so that average Canadians will not find that any benefits they get from tax reform will disappear as quickly as they will disappear. The finance committee itself estimated that the benefits from tax reform will, because of deindexing, disappear in just three years. Canadians say yes to that change. I regret to say that the Minister of Finance said no.

We have been arguing year after year that capital gains in Canada should be taxed like any other form of income.

Somebody who clips coupons, who holds shares, properties, who has works of art, condominiums in Florida and makes capital gains on them should surely pay as much taxation as a man or woman who works eight or 10 hours a day. He or she may work eight or 10 hours a day, week in and week out, year in and year out, in order to earn the amount of money that is made in a property flip, money which would be tax free according to the Minister of Finance. One must ask, if capital gains can be earned that easily, perhaps they should be taxed more highly rather than at a lower rate than wages and salaries are taxed.

• (1750)

We have argued that the lifetime exemption on capital gains was wrong. It should not have been brought in. It should only have been allowed for small businesses and farms. We accepted that, but we do not accept it in other areas. Unfortunately, the Minister of Finance did not hear us. The Government did not hear us either.

Canadians say that it is wrong to give special treatment to capital gains, but the Minister of Finance says that it is right. It certainly is right-wing. It suits his friends in the banks, it suits wealthy Canadians, but it does not suit average Canadians.

We said that other measures that favour wealthy Canadians should be blocked, measures like the top-ups on RRSPs and the ability to deduct interest payments against other income when investing. Canadians understand that it is wrong to have those kinds of loopholes in the tax system. The Minister of Finance does not understand that.

We said that the child tax credit should be substantially increased by some 80 per cent. The Minister of Finance heard us but acted in a very limited way. Canadians know what is fair to families. The Minister of Finance does not.

We said that there should be no sales tax on food. I guess I should comment on that because back on June 18, I said very specifically that if the Minister of Finance refused to listen to average Canadians on that issue, he would have the fight of his life in the 1988 or 1989 election campaign. It has taken him six months, but last week we finally heard from the Minister of Finance. He should not have left Canadians with any uncertainty on that question. I welcome the fact that the Minister of Finance has finally seen the light, but I ask how it is that this man of the people could have been so deaf to what Canadians from Bonavista to Vancouver Island, from Tuktoyaktuk to Point Pelee, were saying which is that a tax on groceries was absolutely wrong. From the very beginning, from June 18, the Minister of Finance should have acknowledged that.

New Democrats have said that we believe it is right that there should be a minimum tax to ensure that wealthy Canadian individuals do make a reasonable contribution to the society from which they benefit. Canada is one of the finest countries in the world. Every Canadian benefits from that, even if he or she does not directly receive government services. Every Canadian benefits from medicare and from the kind of healthy, decent, caring, sharing society that still exists in this country. If that is right, we feel that it is just as right that corporations should pay their fair share as well.

It is wrong that every year, 60,000 Canadian companies do not pay tax. If the Americans can agree that there should be a minimum tax on corporations, why the devil should we be lagging behind? We say that there should be a minimum tax on corporations. Canadians agree with that because it is part of a fair tax system. It is only the Minister of Finance who fails to understand that.

[*Translation*]

Mr. Speaker, the New Democratic Party has been giving some very serious thought to the remote areas in this country, our mining companies and flow-through shares, and to the problems created by the fact that according to the Minister of Finance, flow-through shares and earned depletion allowances have been abolished. Very little was done to cope with these problems by the amendments announced today by the Minister. We said we would need targeted tax measures that would benefit small resource companies, to ensure continued exploration in regions like Abitibi, Schefferville and other remote areas that depend on this country's resources, and that the tax measures must also benefit these areas as such. Unfortunately, the Minister of Finance only said he would consider the recommendation. I regret to say that once again, the Minister of Finance has refused to listen to the mining industry, the people in the regions concerned and the recommendations of the New Democratic Party.

[*English*]

We called for a tax system that was more accountable. We said that the cost of tax expenditures which amounts to more than the annual deficit of Canada every year should be reported every year to Parliament and should be voted upon every year by Parliament. That was ignored as well.

We said that there should be a tax system that was simpler and easier for Canadians to understand. That was ignored as well. It is very interesting just how much of what average Canadians are looking for in the tax system was in fact ignored by the Minister of Finance.

In conclusion, I want to say that the responsibility is not just that of the Minister of Finance. Sometimes there is a tendency to say that the Minister is right if one is a Conservative or that the Minister is wrong if one is an average Canadian or is speaking from this side of the House. It is not just the Minister of Finance who is responsible for this.

When the Minister announces his Ways and Means motion for a tax system that goes into force on January 1, 1988, he is speaking on behalf of the Government, on behalf of the Prime Minister on behalf of 38 or 40 cabinet Ministers, and on behalf of 200-odd Conservative Members of Parliament. That is Conservative government policy. They will say it is Progressive Conservative policy, I say it is regressive Conservative policy.

This tax reform is a government initiative that the Government intends to take to the people of Canada in the 1988 or 1989 election campaign. If that is its reform, I will take on the Minister of Finance or any Conservative candidate on any television station on any platform at all anywhere across Canada.

In the 1984 election campaign, the now Prime Minister promised a fairer tax system. He said that those wealthy banks and companies will pay and pay handsomely. I suppose they paid handsomely to the Conservative war chest because they are not being made to pay handsomely in tax revenues that would allow us to take the tax burdens off average Canadians.

[*Translation*]

Mr. Speaker, finally, the Government had a choice. The measures announced today are not just decisions made by the Minister of Finance. They are supported by the Progressive Conservative Party and by all Members and all Ministers in that Party. Apparently, this is to be the Conservative Party's platform for the next election campaign. Mr. Speaker, if the Conservatives want to ask the average Canadian to vote for them on the basis of a platform that favours the banks and large corporations at the expense of ordinary Canadians, they can go right ahead. We favour genuine tax reform that is fair and equitable to all Canadians, to all taxpayers and not just to the corporate sector.

[*English*]

We are prepared to fight an election campaign on this particular tax reform. I wish that even now the Minister of Finance would understand what a mistake he is making, listen carefully to the proposals made by the Finance committee, listen to what average Canadians are saying, and then come back with real tax reform that brings taxes down for average Canadian families, that takes poor Canadians right off the tax rolls and not just temporarily, that ensures full indexing of the tax system and not just a partial deindexing, and that is fair to families. Better to be fair to average families than to be fair to the banks. That is our slogan.

**Mr. Lewis:** Mr. Speaker, I think you might find that there have been discussions between the Parties and there would be consent to call it 6.20.

**Mr. Deputy Speaker:** It being 6.20 p.m., this House stands adjourned until tomorrow at eleven a.m.

At 6 p.m. the House adjourned.

# HOUSE OF COMMONS

**Thursday, December 17, 1987**

The House met at 11 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*English*]

### COMMITTEES OF THE HOUSE

VETERANS AFFAIRS—FIRST REPORT OF STANDING COMMITTEE

**Mr. Mel Gass (Malpeque):** Mr. Speaker, I have the honour to present the first report of the Standing Committee on Veterans Affairs, in both official languages.

FISHERIES AND OCEANS—THIRD REPORT OF STANDING COMMITTEE

**Mr. Gerald Comeau (South West Nova):** Mr. Speaker, I have the honour to present the third report of the Standing Committee on Fisheries and Oceans, in both official languages.

[*Translation*]

OFFICIAL LANGUAGES—FIFTH REPORT OF STANDING JOINT COMMITTEE

**Mr. Gabriel Desjardins (Témiscamingue):** Mr. Speaker, as Co-chairman of the Standing Joint Committee on Official Languages, I have the honour to present the fifth report of the committee, in both official languages.

Pursuant to Standing Order 99(2) of the House of Commons, the committee requests the Government to table a comprehensive response to the report within 150 days.

[*Editor's Note: For texts of above reports, see today's Votes and Proceedings.*]

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[*English*]

### PRIVATE MEMBERS' BUSINESS

REINTRODUCTION OF PRIVATE MEMBER'S BILL

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I would like to ask consent, which I believe I need, in order to have an Act to provide the political rights of public employees introduced again into the House. The Clerk, I think, understands better than I exactly what is the procedure. We were in consultation with the Privy office yesterday and I understand that this procedure is necessary in order to allow a Bill which I had previously debated for one hour in this House back into the hopper for the private Members' draw taking place this afternoon.

I would appreciate all Members granting me the necessary consent to revert to introduction of Private Members' Bills and then to have this Bill introduced. I was trying to listen and do this at the same time.

**Mr. Speaker:** The House has heard the request of the Hon. Member for Ottawa Centre. I should advise all Hon. Members that this can only be done with unanimous consent. I think the Hon. Member realizes that.

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, the normal pattern on a unanimous consent request at this time would be some prior consultation. At first blush, I do not think there is any problem, but I think we should go through the consultation process before we grant the unanimous consent.

**Mr. Cassidy:** Mr. Speaker, I would be quite happy to do that provided that perhaps there will be some disposition, assuming there is nothing irregular, to do this in the next few minutes because of the need to fit in under the deadline for the draw. I have to apologize, but was rather tied up with tax reform matters yesterday and we just managed to start to get in under the wire at 5.30 or 6 p.m. yesterday with respect to the draw.

**Mr. Hawkes:** Mr. Speaker, as long as we know exactly what we are facing. We are always concerned about precedents. If it is missing a deadline, that is one set of circumstances. If it opens the door to Parliament's reconsideration of matters already dealt with, which is one of the fundamental principles in this place, then we are in a somewhat different ball park. I just do not know what the situation is because consultation did not occur. We would be pleased to have those consultations at the earliest moment.

• (1110)

**Mr. Speaker:** Perhaps the Chair can assist the Hon. Parliamentary Secretary and Hon. Members. First, if the House decides to do something by consent, I should make it

very clear that that is not viewed by the Chair as any type of precedent. I might share with Members my view of precedent. It is not the automatic following of something that has been done once. I want to assure the Hon. Parliamentary Secretary that if something can be worked out here, the Chair will not feel that it is any type of precedent. I do understand and appreciate the support of the Parliamentary Secretary for maintenance, under those circumstances, to the ordered way of doing things. I know that the Hon. Member for Ottawa Centre (Mr. Cassidy) feels the same way.

I am only suggesting to the Hon. Parliamentary Secretary and the Hon. Member for Ottawa Centre that perhaps they could have a quick consultation, and it might be the disposition of the House to come back in a few minutes and revert to this matter. If there is a general disposition to go along with something, I do not want to see it stopped for any narrow grounds. I am in the hands of the House. The Hon. Member for Ottawa Centre.

**Mr. Cassidy:** Mr. Speaker, I agree that that is the most constructive way to proceed. Therefore, I withdraw my request for consent at this time pending consultations with the Parliamentary Secretary. We will do that right away.

* * *

## PETITIONS

### REQUEST FOR NECESSARY GOVERNMENT ACTION TO INCREASE HOUSING FOR THE NEEDY

**Mr. Bob Corbett (Fundy—Royal):** Mr. Speaker, on behalf of a number of concerned citizens of Sussex, New Brunswick, I wish to present a petition.

My constituents pray that the Parliament of Canada will act to establish necessary measures to ensure that the homeless and poorly lodged Canadians live in adequate and healthy housing, and have access to a variety of rehabilitation programs in order to reintegrate into Canadian society.

The Canadian Council on Social Development has indicated that 100,000 people were homeless sometime during 1986, that there are increasing numbers joining those ranks, and that soup kitchens are not an adequate response. I petition the House of Commons on behalf of the petitioners that something be done to alleviate the situation.

### CANADA POST—OPPOSITION TO CORPORATE PLAN

**Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture):** Mr. Speaker, I have the honour to present a petition on behalf of a number of residents of Portage—Marquette, my neighbouring riding, and particularly those who reside in the Riding Mountain area and neighbouring communities.

Understandably, the petitioners are concerned about reduction in postal service in their area, and petition Parliament on behalf of all who reside in that area, with the request that Canada Post should not reduce service to rural communities, and that rural Canadians should not in any way be treated inequitably by that Crown corporation.

### MANDATORY INSTALLATION IN CARS OF AIRBAGS AND THREE-POINT SEATBELTS

**Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington):** Mr. Speaker, I have the honour to present a petition signed by hundreds of constituents of the federal constituency of Hastings—Frontenac—Lennox and Addington who are asking for changes in our road safety regulations.

The petitioners believe that rear seatbelts in passenger cars are inadequate, and that the suffering of crash victims could be reduced or avoided through improved seatbelts. They also believe that medical care costs can be reduced or eliminated.

For those reasons, the petitioners urge the Government to make a commitment with respect to the mandatory installation of adjustable shoulder safety belts for all rear seat passenger cars, and the installation of airbags for front seat passengers.

### PROPOSED FREE TRADE

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have the honour to present petitions signed by 40 residents of Thunder Bay who say that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

The petitioners feel that the trade agreement negotiated by the Mulroney Government threatens the very fabric of the Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities between the regions.

Therefore the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, like my colleague, I have several petitions which deal with the question of free trade.

The first petition points out various inadequacies of the trade agreement, and it concludes that the petitioners humbly call upon this Government to allow Parliament to dissolve and permit the people of Canada to have their say during a national election. It is signed by residents of Thunder Bay.

The second petition is also signed by residents of Thunder Bay and it makes the same points. It indicates quite clearly the sense of concern of those people with this issue.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, I too rise today under the provisions of the Standing Orders to present petitions on behalf of more than 200 individuals who live in and around the City of Thunder Bay, the rural community, Kaministiquia, Atikokan, Murillo, Sioux Lookout, and even one of our suburbs, Edmonton.

The petitioners call upon the Parliament of Canada to reject the Canada-U.S. trade agreement. The petitioners argue that the Government had no mandate to negotiate it, and that it threatens the fabric of Canadian political and economic sovereignty.

The petitioners call upon the House to dissolve Parliament in order that a general election can be called so that they can directly pass judgment on the trade agreement.

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, under Standing Order 106, I too have the honour, privilege, and responsibility to present a petition signed by people from the City of Hamilton.

This petition states that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised. The trade agreement negotiated by the Mulroney Government threatens the very fabric of our Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, pursuant to Standing Order 106 I have the honour to present petitions on behalf of people who are indicating that the Conservative Government does not have a mandate from the Canadian people to conclude a free trade agreement with the United States.

They believe that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, or equalize opportunity between the regions of Canada.

The petitioners call upon Parliament to be dissolved, and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, I too have petitions to present.

The petitioners point out to Parliament that the proposed trade agreement not only denies Canadians secure access to the U.S. market, which was the key objective in these negotiations, but threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, the undersigned petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, again I have the honour to present a petition signed by Canadians who express their concern with the Government's trade deal.

They believe that the trade deal negotiated by the Government threatens the very fabric of the Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop the Canadian energy resources in the best interests of Canadians, or to equalize opportunities between the regions.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

* * *

• (1120)

## QUESTIONS ON THE ORDER PAPER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I would ask that all questions be allowed to stand.

**Mr. Murphy:** Mr. Speaker, I rise on a point of order. We will certainly grant permission for the Hon. Parliamentary Secretary to stand all questions. However, we would like some assurance from him, being that tomorrow is the last day he could answer questions this year, that he would make some attempt to have a number of questions answered at that time.

We would hate for our constituents and other concerned people to have to wait until some time in January or February to get responses to questions requesting information, some of which were placed on the Order Paper as long ago as last spring.

**Mr. Hawkes:** Mr. Speaker, I very much appreciate the tone of the Hon. Member's remarks and his concerns. In keeping with the rather excellent record of the Government in the last 3.5 years, which is very different than that of our predecessors, we will be as obliging as we can. We attempt to get Ministers to make it a priority but there are, as the Hon. Member knows, more important things from time to time, like free trade agreements and so on, which compel attendance. We will do our best to get as many answers as we can.

*Free Trade*

**Mr. Speaker:** Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

## GOVERNMENT ORDERS

[*Translation*]

### TRADE

CANADA—U.S. FREE TRADE AGREEMENT

The House resumed consideration of the motion of Miss Carney:

That this House endorse, as being in the national interest, the Canada—United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987.

**Mr. Speaker:** Wednesday during our proceedings on the motion standing in the name of the Hon. Minister for International Trade (Miss Carney) in relation to the endorsement of the free trade agreement with the United States, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) moved the following amendment:

That the motion be amended by inserting immediately after the comma following the word "interest" the following: "as determined by the people of Canada in a general election".

[*English*]

It is at this point that I wish to thank all Hon. Members who took part in the procedural discussion on Wednesday afternoon for their assistance in helping the Chair arrive at a decision.

This amendment has given the Chair very real concern. The motion itself asks the House to endorse the Canada-U.S. free trade agreement as being in the national interest of the country. Some Hon. Members would argue that the amendment seeks to clarify the words "as being in the national interest" by adding the requirement that this should be decided by the Canadian population in a general election. Other Hon. Members argued that the amendment was attempting to introduce a new element to the main motion, an element not contemplated when it was moved and as such would enlarge upon the scope of the motion. Further, the argument was made that the amendment was vague and therefore, if passed, would leave the House wondering what it had decided because of the inherent imprecision in the amendment.

This kind of motion, as our precedents demonstrate, is not easy to amend, and it might be desirable for the Chair to be as liberal as possible. However, by their own admission, the Members who spoke for the Official Opposition stated that the intent of the amendment was to link the definition of the national interest to the outcome of the next general election. As such the amendment would clearly render a part of the main motion subject to the results of a future general election beyond the dissolution of this House and this Parliament.

[*Translation*]

I should point out at this time that on many occasions in the past Hon. Members have tried to introduce amendments to resolutions of this type and found it extremely difficult to draft one that would be acceptable to the Chair.

There is an excellent ruling in this regard delivered by Mr. Lamoureux on Thursday, June 4, 1964 and I should like to quote:

The difficulty, of course, is that if an amendment proposes nothing new it is a nullity and if it does introduce a new proposition not covered in the motion it becomes irrelevant.

[*English*]

Further on in the same ruling can be found this passage, and here again I am quoting:

Furthermore, the Chair agrees with the suggestion made in the course of argument this afternoon that one cannot propose an amendment which does not oppose or alter the main motion but attempts to approve of it on a conditional basis.

[*Translation*]

Assuming that the amendment and the motion were accepted, we would have the endorsement, by the House, of the trade agreement subject to a further endorsement by the population at the next general election and, in my humble opinion, this is foreign to the main question.

[*English*]

Let me quote a further ruling by Speaker Lamoureux of May 6, 1966 when the House was asked to approve the agreement between Canada and the United States concerning automotive products and an amendment was proposed requiring the future consent of Parliament for any amendments to or renewals of that agreement. Mr. Speaker Lamoureux said:

I suggest that the proper procedure to achieve this aim is not by way of amendment to the resolution but rather by way of substantive motion, with due notice. I agree with the contention . . . that this amendment is in fact a new proposition.

Further, to quote Mr. Speaker Michener from June 11, 1958 commenting on a proposed amendment to a motion for approval of the NORAD agreement, he said the following:

If the amendment has the effect of denying the motion it is unnecessary and irrelevant because those Members who wish to disapprove the agreement have only to vote against the motion as it stands.

If the amendment adds something to the motion in a positive way it is a declaration of principle in these terms . . . Assuming that the amendment and the motion were accepted you would have the agreement approved but you would have added to it a declaration of this independent principle which is not related to the motion nor is it necessary for the decision of the motion in question.

And further on, Mr. Speaker Michener comments:

—a motion clearly could be brought forward for the purposes of this amendment but it would have to be on notice and as an independent motion.

In summary, I feel that the amendment proposed by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is similar in many ways to those dealt with previously by

Speakers Lamoureux and Michener. The condition of requiring the national interest to be determined by means of a general election is a new proposition which would have to be put forward as an independent motion on notice.

[*Translation*]

Therefore, under the circumstances, and with regret, I have no alternative but to declare that the amendment cannot be proposed to the House.

[*English*]

In closing I also want to say that, because of the very great importance of the motion itself and the issue, I wanted to hear very carefully from all Hon. Members in the Chamber. Hon. Members will remember that on Wednesday with their assistance we spent nearly an hour discussing the procedural aspects of the motion.

As I say, I regret very much that I cannot be more generous as I was urged to be, but I am bound by the procedural rules and the precedents. I hope Hon. Members, who I know feel very strongly about this matter, will accept the ruling in that spirit.

Continuing debate with the Hon. Member for Essex—Windsor.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, perhaps there has been a longer pause than usual between the last comments I made to the House and the comments with which I should like to begin this morning.

I remind Hon. Members of the House that within the speech I am giving as trade spokesman for my Party the emphasis has been very much on the necessity of having a correct, sort of modern framework which recognizes the importance of international firms and their key role in the trade of the country in order for us to assess what we have in front of us as a trade agreement.

• (1130)

From that perspective it becomes possible to ask some questions; first, about whether the objectives were achieved by this Government in the trade agreement. I think I demonstrated as clearly as one possibly could that the objectives not only were not achieved, but we have left ourselves in an extremely vulnerable position *vis-a-vis* the United States concerning future legislation on countervail and anti-dumping.

There are also a set of crucial concessions that we have given up which, as an independent country with a sense of self-direction for the future, we should not have been prepared to give up. These are concessions in the area of investment, in the area of energy, in the area of job losses, and concern areas such as economic development and our capacity to act freely in economic development in the future.

These concessions, combined with the absence of success in obtaining the basic goals which the Government set out to achieve, leave one with no other choice but to conclude that this agreement itself is bad news for Canadians. It is an unfair deal for average Canadians. It is an unacceptable deal for the country, as I am sure an election would prove. It is, therefore, something which we as a Party completely and flatly reject.

What was perhaps most unfortunate about the approach the Government had taken was that there were and there are alternatives which could have been selected. In my view, and that of my Party, they would have been much more effective and would have met the interests of the average people of Canada much more effectively and with much more concern for their interests than is true of this deal.

In the closing period of my speech on Tuesday I dealt with four areas which we felt were crucial in an alternative approach. I dealt with approaches to deal with U.S. protectionism itself directly, through item by item negotiations, through sectoral moves and through the establishment of a trade dispute agency. I had also suggested that agreed subsidies would give this country and its business people some sense of security and some sense of a guaranteed access. The Government keeps saying that the best method for proceeding is through the GATT. Though faced with an inequitable negotiation process, we have people supporting our view and we are able to put that view forward with much greater force and with much greater possibility of winning support from the United States for that view, a view which would restrict, control and dampen the use by the United States of subsidies which have been so damaging to parts of our economy.

It is crucial for us to start to move toward the establishment of various areas of technological expertise, areas of advantage within our economy in both the industrial and the service sectors. We cannot do this with a hope and a prayer. We have to do it with government leadership and with government playing an active role.

We have before us a variety of methods which can be used to help achieve that set of goals. We can put much more emphasis on training, on science and technology. But we could also use methods such as state purchasing policy, planning agreements with the corporate sector, Canadian content rules, tariffs themselves and public ownership. There are a variety of different methods which in a pragmatic way can be applied to establish for ourselves areas of advantage from which we can serve our home market, and which, for the future, enable us to expand our exports, not just to the United States but to the rest of the world.

I had just finished on Tuesday talking about the importance of recognizing the key role of multinational corporations in the trade area and, therefore, the necessity of seeing that there is some direct effort to regulate and review what those multinational firms do with respect to our country. For instance, I suggested it was crucial that we had legislation to make it possible for communities and for workers to review decisions taken by multinational companies to shut down their plants within Canada. They should not simply have the right, as has been the case throughout this country far too long, to shut

down, move out and leave Canadian workers to pick up the pieces of their lives and to pick up the pieces of their communities. That should not be done in future. It is an approach which we could take in concert with some other things which would be very important for the average person.

It is also important that we recognize that most subsidiaries which exist here have export restrictions. Subsidiaries cannot, for instance, export in competition against their American parent companies in the United States. I think we must have laws which prevent that.

In addition, the alternatives that we as a Party would set forth would include a fifth point, an emphasis on small businesses within Canada which at this stage do not in many cases have the capacity to reach into the export markets. Some manage to reach into the United States, but it is very rare for small companies to develop the expertise and the contacts to reach into other countries throughout the world. It is crucial that we provide much more help for these small businesses. They should get assistance through the Export Development Corporation which to this point has given most of its help to the large scale corporate sector in Canada. We could provide assistance through direct efforts on the part of the various Ministries of Government. The Ministry of External Affairs with its trade and commerce section would be able to help with marketing and the developing of marketing contacts throughout the world for those small firms. If we were to do that, there would be a tremendous potential for small-scale firms to produce thousands of jobs in the future for our young people.

• (1140)

Finally, I think it is crucial to talk about equitable regional development. I come from a part of the country which has suffered from the ups and downs of the auto industry. It is a part of the country which feels, as a result of these cycles, its sense of disadvantage within this country. However, that sense of disadvantage is much less than the sense of disadvantage I have heard expressed by people from Newfoundland, Nova Scotia, parts of British Columbia, parts of northern Alberta and parts of northern Ontario. They have said that we must establish fairness on a regional basis as a crucial priority of our economic policy.

It is precisely that sense of regional fairness which we will not establish through the trade agreement. We only need look at the situation in places like northern Vermont, northern Maine, North Dakota and Montana. Rather than being part of an equitable pattern of development across the United States, those parts of that country have themselves become disadvantaged regions.

We face the certainty that there will be more disadvantaged regions and that their disadvantages will be greater than is presently the case if we go forward with this deal. Our hands will be so tied when it comes to the instruments we could use to build a fair and equitable situation for those parts of Canada.

There are ways to build that fairness. As our action group on jobs found when it went across the country in 1985, there is a whole set of ways in which communities can build on their own strengths. They can do so through community development efforts and through assistance to co-operatives. What is crucial is that they can do so under their own direction, not under the direction of Chicago, Washington or New York.

In addition to those ways in which communities can build on their own strengths, we must have as a responsibility the goal of seeing to it that the resource areas of Canada are given an equal share in this Canada of ours. We must see to it that the fish processors of Newfoundland have an equal chance at prosperity and benefits for their children. We must do the same for those in the logging industry and those who work in the sawmills in British Columbia. We must see that equality of possibility is established for people in northern Alberta just as we must do so for the people in the Eastern Townships of Quebec which have been so hard hit by the problems the textile industry has faced.

[*Translation*]

Mr. Speaker, it is necessary to have genuine equality in all sectors of this country. It is necessary to have a real Canada which offers all people in this country an opportunity to enjoy a good and prosperous life, the kind of prosperity with which people in Toronto and Montreal are familiar. That is necessary and it can be done. There is no need to say it is impossible. There was an option before, as we indicated during the election campaign. As we said, there was an option and we have to find that option. It is an option of planning. It is an option of leadership on the part of the Government. It is an option of regional equality, and for this country it is very important that it be found.

[*English*]

So this historic debate begins and will continue for the months ahead. There are those who are frightened of being on their own in the world, those who want to see themselves sheltered by the protective umbrella of the United States. Those are on one side of this debate. They are the ones who cannot hack it as Canadians. They feel that they must be part of a continental grand scheme which will give them some sort of protection from the American giant.

On the other side of the debate are those of us who believe in the people of Canada. We believe that we can work to establish a socially fair, democratic country which will give to every person the chance to enjoy the tremendous benefits which Canada has to offer.

Our Party has confidence in our people. Our Party has confidence in their ability to make Canada reach full employment, to make Canada achieve fairness throughout, to make Canada establish its place in the world on its own in co-operation with all countries of the world, not as the dependent junior partner of the United States. That is what we believe this country can do. That is the faith we have in this country.

[*Translation*]

Mr. Speaker, Canada can be more than a junior partner of the United States. Canada has the potential to build a prosperous economy for all Canadians and to do so independently.

• (1150)

[*English*]

The choice between those two visions of our future cannot be made by this House of Commons. It is a choice which must be made by the people of Canada as they assess the different paths on which we might proceed. Do they want to see us sell ourselves out to the United States and become a junior partner, sheltered by the American umbrella? Or, do they want to see us express our confidence in the ability of this country to take its own direction and manage its own affairs?

That is the choice which must be made, and it must be made by an election. It is not a choice which a discredited Government, in office far too long for the people of this country, can be permitted to make. It has to be made by Canadians. If the people across the aisle are frightened of that choice, if they are as frightened of that as they are of being independent in this world, all I can say—

**Mr. McDermid:** What a joke.

**Mr. Langdon:** —is that it is a sad day to see leading this country a Government with such fear deep in its heart, such a sense of dependency built into its psyche, such a sense of absolute paranoia about the rest of the world.

**Mr. Edwards:** You wrote the book on that.

**Mr. Langdon:** What we in the NDP have is a sense of confidence that this country can go forward. We believe absolutely that this country will make that choice in an election when it takes place and see to it that the government benches of this House are reduced to virtually nothing. We will see a new direction for this country which gives us an independent future and, as a result, a much better future for every Canadian.

That is why we have to fight, and ask Canadians right across this country to fight, as hard as we possibly can to stop this trade deal from taking place. We have to appeal to people right across this country to write petitions, send letters of protest, and make clear to government Members that they are a discredited bunch who do not deserve to govern this country one day longer, let alone take it into an agreement which will destroy our independence in the future.

**Mr. McDermid:** What a bunch of poppycock.

**Mr. Langdon:** The Government must not be permitted to do that and I appeal to everyone in this country to fight the Government in its attempt to destroy our independence and our economic potential. It is completely unacceptable and we as proud Canadians are not prepared to let that discredited Government do this to us.

As a final statement in this debate, given this sense of how discredited the Government is, I want to move, seconded by the Hon. Member for Hamilton Mountain (Ms. Dewar), the following amendment:

> That the words "as being in the national interest," be deleted and the following substituted therefore;
>
> "as determined by the people of Canada to be in the national interest,"

I proudly move that amendment as a measure of our confidence in what this country can do independently without having to sell itself out as a junior partner to the U.S.

**Mr. Edwards:** Back to the 19th century. What a reactionary speech.

**Mr. Deputy Speaker:** The Chair finds the amendment in order. Resuming debate.

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I have sat for I think an hour and a half over two days listening to the Hon. Member for Essex—Windsor (Mr. Langdon). All I can say is that the one blessing of having him here in the House is that he is not back at the University of Windsor warping young minds. I have never heard so much gobbledegook, so much distortion, so much inaccuracy, so much fear-mongering. He spends an hour and 15 minutes saying "Beware! Beware! It's a tough world out there. We are going to get gobbled up. The Americans are going to buy us. They are going to destroy us. We will lose our social programs. We will lose our independence. We will lose hundreds of thousands of jobs." Then at the end of the speech he says "We NDPers have confidence in Canada. We believe we can compete. We can take on the world and conquer the world." What an absurdity! On logic he flunks totally.

**Mr. Althouse:** You would rather cosy up to the U.S.

**Mr. Andre:** Well, in one part of his speech I think he said "We are not going to allow a situation where people are taking orders from Chicago and Washington and New York." His colleagues applauded vigorously. He left one city out, that is Detroit, the city where the U.S. auto industry is headquartered. That is the industry in which we have had free trade for 22 years—free trade which has brought tremendous prosperity to that member's constituency and the constituency of the leader of his party.

Look at the absurdity of it. Oshawa is not on the StatsCan list for unemployment, they cannot measure any! Oshawa has more foreign investment per capita than any city in the country. Yet do we hear a word of condemnation? Apparently foreign investment in Oshawa is a wonderful thing. Foreign investment in Calgary is terrible! Apparently a job with a foreign multinational in Calgary is a horrible thing to behold, but a job with a foreign multinational in Oshawa is a wonderful thing that we must protect.

*Free Trade*

• (1200)

For months and months we heard the NDP saying "Don't touch the Auto Pact. You can't touch the Auto Pact, it's too vitally important". The Auto Pact is a free trade arrangement which has brought tremendous prosperity to Ontario. If we had free trade in other industries, petrochemicals for example; if the 18 per cent royalties on Canadian chemicals were removed and we had the opportunity to take advantage of the raw materials and expertise in the West with a huge market to the south, maybe we would not be able to measure the unemployment rates in Red Deer, Medicine Hat, and Fort Saskatchewan. However, the NDP says that that is an opportunity against which we must guard.

Why are jobs in Windsor and Oshawa created through the Auto Pact a wonderful thing while jobs in Medicine Hat, Red Deer, and Fort Saskatchewan created through free trade not a wonderful thing? I want the NDP to go to Alberta and tell the people why foreign investment in Oshawa is so wonderful yet would be so terrible in the West.

**Mr. Althouse:** The difference is job guarantees.

**Mr. Andre:** The situation in Oshawa is good. It is terrific and we are all proud and happy about that. At present Canadians consume 9 per cent of the automobiles made in North America. We produce 14 per cent. Under the investment plans put in place by the auto producers, by 1991 Canada will produce 19 per cent of the cars made in North America and consume 9 per cent. How long does the NDP think that that kind of inequity between Canada and the United States would exist without the protection of a free trade agreement? How long do they think it would take the Congressmen and Senators from the auto-producing states to demand that the Auto Pact be renegotiated, which it can be at any time? It can be cancelled with a year's notice. How long do they think their sacred Auto Pact would exist without a free trade agreement? It would not last very long. They should be hailing the free trade agreement as the best possible mechanism to protect the prosperity which is now theirs.

On several occasions in his speech the Hon. Member said that the free trade agreement will cost hundreds of thousands of jobs. He went to the absurd lengths of talking about unemployment rates in member countries of the EEC. He suggested that somehow this is evidence that free trade causes unemployment. There are 71 countries in the world involved in free trade arrangements. We have seen the gathering together under free trade arrangements and the lowering of free trade barriers between countries since the post-war period. Nowhere in the world have we seen a country withdraw because the free trade arrangement created the unemployment which the NDP says it will.

I recall when the United Kingdom had its debate about joining the European Economic Community. I recall the Labour Party, soul mates of the NDP, saying that it was outrageous for Britain to join the European Economic Community, that it would disappear.

**Mr. Manly:** Tell us about unemployment in the north of England.

**Mr. Andre:** The Hon. Member shouts about unemployment in the north of England. The fact is that the Labour Party, which knows the situation a lot better than the Hon. Member, has changed its policy. It now recognizes that membership in the European Common Community is beneficial to Britain. Even the Labour Party recognizes that it would be stupid to withdraw.

**Mr. Althouse:** How did the farmers make out in Britain? They did very well, didn't they?

**Mr. Andre:** I can understand the NDP saying that Margaret Thatcher does not know what is right for Britain. I accept that as a partisan remark. However, they also have the audacity, the arrogance, the ignorance, to suggest that Neil Kinnock does not know what is good for them either. Of course, the Vice-President of Socialists International is their Party Leader. I guess that makes them experts on everything in the world. They say that Neil Kinnock is an idiot for convincing the Labour Party that membership in the EEC is appropriate.

**Mr. Cassidy:** That's ridiculous.

**Mr. Althouse:** The EEC gives farm people a lot of protection.

**Mr. Andre:** What kind of test is given to people who join the NDP caucus? Are they found walking down the street or do they have to be educated? This is incredible.

Every economic think tank in the country has said that the free trade agreement will be a net generator of jobs for Canada. The numbers vary because they are trying to predict the future which is always difficult. However, everyone says there will be a net benefit in jobs except, of course, the Hon. Member for Essex—Windsor. No one else in the whole country says that.

It is not as though the NDP has a great record of predictions to fall back on. On November 8, 1984, we introduced the economic statement on which we ran in the election and which was approved by the people of Canada. At that time the NDP fearlessly predicted that that economic policy would cost 150,000 jobs. In righteous indignation the Member for Essex—Windsor stood up and said, "Mr. Speaker, this is a disaster for Canada". Since then Canada has created 1,000 new jobs every single day. That is what the NDP knows about predictions. It is galling that they stand up and say that the Government has no credibility. They predicted a loss of 150,000 jobs yet say they have credibility.

The British Labour Party recognizes that membership in a trade union is a good idea, but the NDP says that the British Labour Party does not know what is good for them, that the

NDP knows it is bad to be a member of the EEC. That is absurd, to put it mildly. That is one of the reasons they are getting so desperate. None of the five elections in which I have run have been single-issue elections. Nevertheless, the NDP want an election on this issue—

**Mr. Manly:** To throw you bums out.

**Mr. Andre:** —because they know that there is no basis for the arguments they are making. They know that in the end the truth will out. They know that in truth this is a great deal for Canada and they want an election before the bulk of Canadians find that out.

**Mr. Manly:** You're signing it before the bulk of Canadians find out the truth. Why are you rushing to sign it if you say the truth isn't out yet?

**Mr. Gauthier:** That's not very strong, Harvie.

**Mr. Foster:** That's your convoluted logic, Harvie.

**Mr. Andre:** I look forward to an election on this issue, Mr. Speaker. I look forward to an election comparing our record with NDP predictions. I look forward to having the Leader of the New Democratic Party (Mr. Broadbent) coming to Calgary from Oshawa where there is zero unemployment. They have all that foreign investment. They have a free trade agreement. I look forward to him coming to speak on behalf of the New Democratic Party candidate in Calgary Centre to explain what a terrible thing we are doing. I want to hear him telling Calgarians that they are going to disappear and all become Americans, that the Stars and Stripes will be flying from the top of the Petro-Canada tower, and that they will stop being Canadians if they go along with this deal.

• (1210)

I was in Oshawa a couple of weeks ago and I was shocked, as I looked around, not to see any Stars and Stripes on any buildings. It looked like a Canadian city to me and the people to whom I talked were certainly proud Canadians. Many of them work for General Motors and have good paying jobs. They are proud of the fact that in Oshawa they can produce a car $1,200 cheaper than the Americans in Detroit. They have a right to be proud of that. It made them stronger Canadians.

The NDP argue that the way to become stronger Canadians is to put up the barriers and have no truck or trade with the Yankees. If that is how free trade will work, I would like to travel to Europe to see what is happening there. I have not had the opportunity to travel like the back-benchers because I have been too busy. I would like to go to Europe to see all those people in Frankfurt speaking French, people in Paris speaking German, or people in Rome speaking English. I imagine that the Union Jack must be flying from the Vatican since one's identity disappears with a free trade agreement.

Apparently, all the social programs in those countries will have to be identical as a result of that trading arrangement. I will have to travel to Europe to see how the unemployment insurance schemes in Italy, Denmark and Luxembourg are identical. The old age pensions must be identical in all of those countries, if the pensions exist at all since trade apparently makes such things difficult. According to the NDP, such programs must be identical and pretty miniscule. The NDP are suggesting that our social programs will disappear and we will disappear as a country. What absurdity!

This agreement will generate hundreds of thousands of new jobs, according to all the experts. Those who say that this will not happen are the same experts whose predictions in the last three years have turned out to be totally wrong.

I could go on for hours ridiculing the NDP, considering the ammunition they provide. However, I want to spend a few minutes talking about one group for whom even some New Democrats admit the free trade agreement is nothing but a benefit. That group is the consumers. Howard Pawley acknowledged that the consumers will benefit. Indeed, they will benefit very substantially.

**Mr. Frith:** Prove it.

**Mr. Andre:** The Hon. Member says prove it.

**Mr. Gauthier:** Do not be as bad as the NDP. Give us some facts.

**Mr. Andre:** We have some facts.

**Mr. Frith:** Bill C-22 will save consumers money.

**Mr. Andre:** I am glad he mentioned Bill C-22. Let me quote what the Hon. Member for Sudbury (Mr. Frith) said. He is muttering about Bill C-22, but he remembers what he said in the *Canadian Pharmaceutical Review* about Bill C-22. He said it was a good Bill.

**Mr. McDermid:** That is why he is heckling. He is embarrassed.

**Mr. Andre:** If he keeps this up, I will tell Malépart.

There is no question that the consumer is a clear winner. First, there is the dropping of tariffs on imports from the United States. In 1986, the total tariffs paid on goods imported from the United States amounted to $2.1 billion. The removal of that by itself automatically means at least that benefit.

But there are more benefits. If U.S. goods come in to Canada tariff-free, they are therefore cheaper for Canadian consumers. Similar goods coming in from Japan, Germany and other countries will have to be cheaper in order to compete. While they will not have the tariff reduction, they will have to drop their prices or lose their market share. In either case, the consumer will get the benefit.

Third, Canadian consumers will have to compete and therefore the prices of those goods will drop. Therefore, a drop in tariffs on goods coming from the United States will cause a

price drop on goods produced in Canada and goods imported from other countries. The consumer will benefit in all those areas.

Some may express concern about the Canadian producer. The Canadian producer has the benefit of tariff-free raw materials and parts which go into their goods. More important, Canadian producers have the benefit of the entire North American market in which to compete. Even the NDP recognize the fundamental principle that the more one produces the lower the unit cost will be. The bigger the market, the bigger the opportunity for longer production runs and lower unit costs. From every standpoint the consumer is a very substantial beneficiary.

We have examined what a typical consumer might save on typical goods. For instance, the cost of the average new house in Canada would include $72,000 for building materials. The consumer would save $4,600 as a result of tariff reductions. The savings on floor coverings is $300 and some $500 for major appliances such as a fridge, stove, washer and dryer. Therefore, an average family buying the average new house will save $8,000, according to Statistics Canada figures.

**Mr. Cassidy:** That is a ridiculous estimate and you know it.

**Mr. Andre:** It is here in the study and the Hon. Member, if he had the intellectual honesty, would admit it.

**Mr. Cassidy:** Where is the study? Table it.

**Mr. Andre:** Even Howard Pawley recognizes that the consumer benefits, but not this bunch over here.

**Mr. Orlikow:** Table the study.

**Mr. Andre:** We will have more to say about consumer benefits as the weeks and months unfold, and as we go into an election. I am looking forward to debating with the NDP anywhere, at any time, about consumer benefits, jobs or any other aspect of this free trade agreement, because they know in their souls that it is a good deal for all of Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Langdon:** Mr. Speaker, I have never heard such a ridiculous and nonsensical speech in my life. I have not been listening to the Minister enough in this House, I can see.

• (1220)

I have two or three comments first and then a question. First, of course, to say the Auto Pact is free trade is absolute nonsense. It is something the Government has been trying to tell the west is the case, and it is not true. What exists are safeguards within a sectoral agreement, something of which we are entirely in favour, which protect the jobs of Canadian workers and Canadian communities.

With respect to the Minister's chemical sector, about which he talked and about which I also talked in my speech as something which would make sense for us to move toward in terms of a sectoral agreement, it would make sense because that sectoral agreement would have safeguards that protect those jobs in Calgary and Edmonton and would see to it we have some kind of handle on the industry, which we do not have in this kind of across-the-board deal. The prediction of hundreds of thousands of lost jobs, I remind the Minister, is not my prediction. That is the testimony which, unfortunately, the Minister, because he is so busy, did not happen to read or hear, as I did as a member of the committee which went across this country, because guess he was too busy to do that as well. It came from the individual industries which told us quite clearly that these were the thousands and thousands of jobs, industry by industry, which are going to be lost by this deal. The latest group, we were told yesterday, is the printing industry in Canada which said that 6,500 jobs would be lost as a consequence of this trade deal. If the Minister wants to challenge them, let him go ahead, but I think those people know a good deal more about their own industry than he does.

With respect to the European Community, the greatest piece of nonsense put forward is the suggestion that the Labour Party has somehow become a great convert to the European Community. They said, as we say, that the people of this country, just as the people of Britain, have to pass judgment first as to whether they should be part of the Common Market. The people of Britain voted and decided to go into the Common Market. Since that time Britain's unemployment rate has gone up from 1 million to 3 million. The Norwegians were given the same chance to make a choice. The people made their choice to stay out of the Common Market and their unemployment rate is significantly lower than that of Britain.

If the Minister is so convinced that free trade is wonderful for this country, why is there nothing in this trade agreement in front of us which offers any guarantee with respect to jobs that are going to be established? Why is there nothing in this trade agreement which offers any possibility of the Government negotiating with the companies which are in this country, foreign and local, in order to see to it that job guarantees are provided? If he is so convinced that jobs are going to be established, why has that so conspicuously been out of this agreement when it was part of the Auto Pact and should be part of any sectoral agreement we sign?

**Mr. Andre:** Mr. Speaker, first, just very quickly because of the Member's opening comments about the Auto Pact, the Hon. Member is trying to deceive Canadians that somehow the Auto Pact is inviolate and will last forever—

**Mr. Langdon:** Mr. Speaker, I rise on a point of order. There are many possibilities of attacking and counter attacking in this House, but to claim that one Hon. Member is attempting to deceive the House, as I have read the rule books, is out of order. It is also completely incorrect in this case and the Minister knows it.

**Mr. Deputy Speaker:** The Chair is not sure that the Hon. Minister meant that the Hon. Member was deceiving intentionally. That is why the Chair does not find it is a point of order.

**Mr. Andre:** Of course, Mr. Speaker, I would not suggest that the Hon. Member would intentionally deceive Canadians. To suggest that would be to imply he knows the difference between fact and fiction. I would not make such a statement.

The Auto Pact, as the Hon. Member knows, has a one-year cancellation provision. In one year it can be cancelled. Given the fact that by 1991 we will be producing twice as many cars in Canada as we consume, as a proportion of the North American market, that Auto Pact does not stand a chance without the protective umbrella of a free trade agreement. Second, the Hon. Member talks about safeguards. Before those safeguards would come into play, 50 per cent of the auto plants in Canada would have to be shut down. We would have to shut down 50 per cent of the plants in this country before those safeguards come into play. So I ask the Hon. Member not to invoke this absurdity of safeguards somehow coming into play.

The Hon. Member wants guarantees. The faith of the New Democratic Party in written guarantee is mind boggling at times. It thinks the only deal worth doing is a deal that says, "You are guaranteed 1,649,323 jobs by July 1, 1991". That is an absurdity. The Hon. Member knows it is an absurdity. Sure, we could get those guarantees, if the Hon. Member could guarantee that the weather is going to be perfect so that agricultural crops are abundant and that there will be lousy weather in the rest of the agriculture producing world so we can sell; if the Hon. Member is going to guarantee that other economies in the world are going to work in such a fashion, or that the Middle East is not going to blow up in a war and shut down the oil fields. If the Hon. Member could somehow, through the magic of legislation, force all of those uncontrollable events to be controlled, then I suppose someone could make a guarantee. But we have the best economists in the country, independent third parties—these are not Conservative groups, but for instance, the C. D. Howe Institute, the Economic Council of Canada, Infometrica, Data Resources—

**Mr. Orlikow:** The Fraser Institute.

**Mr. Andre:** Yes, the Fraser Institute has a right wing philosophy but, for instance, Tommy Shoyama, who worked with Donald Macdonald, is no conservative. He cut his eye teeth with Tommy Douglas. He says it is a good deal. So the Hon. Member is absurd. He knows his party is sitting out there in isolation with Bob White and Shirley Carr and it is starting to get cold as the rest of the people drift off, and that is why the frantic nature of its Opposition.

**Mr. Orlikow:** Mr. Speaker, the purpose of this agreement, according to the Government, is that it will open the market for Canadians in the United States and for the Americans in Canada. In order to compete we have to bring down our costs. Part of the costs in Canada for every company is helping to pay for the social programs which we have and which the Americans do not. We have a medicare system, a hospital system and an old age pension system, none of which the Americans have. These programs cost the Canadian people billions of dollars. When we have to compete, I say to the Minister, are not companies going to come to Governments and say, "We can't compete because our taxes are too high. We have to cut back on those social programs?" That will be the result of this free trade agreement, if it goes through.

• (1230)

**Mr. Andre:** Let me return to the Auto Pact. At the present time in Canada an automobile can be produced for an average of $1,200 less than in the United States. That is why the big three are making these investments in Canada at this point in time.

The Hon. Member for Winnipeg North (Mr. Orlikow) and the Hon. Member for Essex—Windsor know that they are doing that in Canada where we have old age pensions, unemployment insurance, medicare, and all of those social programs. With those social programs in place, it is still more economical to produce a car in Canada than in the United States.

**Mr. Orlikow:** Because companies have to pay for it themselves in the United States.

**Mr. Andre:** Now the Hon. Member is doing the reverse of the argument. The Hon. Member is stating that because in the United States they do not have these social programs it is more costly for companies down there, and therefore that is why we can compete against them. He is on both sides of that fence. Isn't that a little painful?

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**Mr. Riis:** Mr. Speaker, I rise on a point of order. Earlier today the Hon. Member for Ottawa Centre (Mr. Cassidy) rose and sought the unanimous consent of the House to revert to Private Members' Bills during Routine Proceedings. There have been some discussions. However, I would ask as a generosity on the part of the Government and the Official Opposition, that with unanimous consent we be allowed to revert to Routine Proceedings to allow the Hon. Member for Ottawa Centre to introduce his Private Member's Bill, allowing him to have that Bill available for the draw at one o'clock today.

**Mr. Hawkes:** There have indeed been consultations. In the spirit with which the House quite frequently moves when people pass deadlines, from the procedural point of view of the Government there would be no objection in overcoming the deadline problem. However, at the same time it should be made clear that the consultations have brought forward

another problem which will be of concern to the House in the long term.

We are dealing here with the situation where a Member is reintroducing a Bill in identical form that has been chosen once before in the draw and been considered by the Standing Committee on Private Members' Business. It has had one hour of debate in the House. In those circumstances the growing practice for Members who still care about the content has been to change the Bill and participate in a second draw.

In this particular case we are dealing with identical wording. I do not think that the problem will be solved today. It should be a future topic of discussion for the committee. It is not difficult to see that if we followed this practice to its logical conclusion we would reach the point where possibly all 20 Bills chosen in the draw at any one point in time could be issues on which the House has already had some consideration. That would not be in the spirit of parliamentary reform or in the best interests of the House.

If the Member chose to participate in a later draw to give himself more time to change the content, that would certainly be in order. From our point of view procedurally, simply missing the deadline on occasion for good reason should not be a reason for withholding unanimous consent.

The other issue is perhaps the broader and more important. If the Member were to reconsider and request more time to redraft the Bill and place it in a future draw, the House would understand and appreciate that. But if the Hon. Member wishes the identical Bill to come forward into the draw, I can see that there might be some difficulty with that.

**Mr. Gauthier:** We on this side concur with the proposal that we revert back to that item in Routine Proceedings allowing the Hon. Member for Ottawa Centre (Mr. Cassidy) to table his Bill. The Parliamentary Secretary has made a valid and good argument that, if the Bill is in the same wording as was once dealt with by the House, and the House having pronounced itself, whether or not the debate ended with a vote is irrelevant. Having pronounced ourselves on a particular item and with the appropriate wording at that time, I can hardly see how one could retable the same Bill word for word and comma for comma and ask the House to again pronounce itself on the same Bill. I think there is a good argument to be made for redundancy. The House cannot be asked to pronounce itself on the same question twice in the same session.

I take the point made by the Hon. Parliamentary Secretary about the committee looking into the possibility of amending our orders. At this time, I do not see that that would impact on the question at hand, which is to revert back to Routine Proceedings allowing the Member to table his Bill. Perhaps he will see the committee and eventually modify the Bill to meet with the requirements of good parliamentary procedure, which is not to present the same question twice in the same session.

**Mr. Deputy Speaker:** Before we revert to Routine Proceedings, I would like to point out to Hon. Members Standing Order 42(2) which states:

> (2) The dropping of an item pursuant to section (1) of this Standing Order shall not be considered a decision of the House.

Therefore, in the case of the Bill of the Hon. Member, there was not a decision of the House on the first occasion. I gather there is unanimous consent to revert back to Introduction of Bills?

**Some Hon. Members:** Agreed.

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## ROUTINE PROCEEDINGS

[*English*]

### PUBLIC EMPLOYEES POLITICAL RIGHTS ACT

MEASURE TO ENACT

**Mr. Mike Cassidy (Ottawa Centre)** moved for leave to introduce Bill C-277, an Act to provide for the political rights of public employees.

**Mr. Deputy Speaker:** Shall the Hon. Member have leave to introduce the said Bill?

**Some Hon. Members:** Agreed.

**Mr. Cassidy:** Mr. Speaker, I wish to thank Hon. Members. Perhaps the points that have been raised can be looked at by the Standing Committee on Private Members' Business for a clearer indication of what might take place in the future.

The issue in my Bill is one I have been pursuing since I came to Parliament in 1984. It is to ensure that on as broad a base as possible members of the Public Service of Canada and of related Crown corporations, et cetera, should have the ability to form, to be involved in political Parties, and to be involved in campaigns without the types of fears that they now undergo because of a very ambiguous situation.

In my constituency it is not even clear whether a public servant who works as a truck driver, or a secretary, or in some other job, can put up a sign for an election candidate. I believe that this creates difficulties for all of the Ottawa area Members, and also people in many other parts of the country.

I believe as a matter of basic principle that the rights in the Charter of Rights and Freedoms should be granted, and that is the purpose of this Bill, which I hope will be considered favourably by the Standing Committee on Private Members' Business when it has the draw this afternoon.

Motion agreed to, Bill read the first time and ordered to be printed.

# GOVERNMENT ORDERS

[*English*]

## TRADE

### CANADA-U.S. FREE TRADE AGREEMENT

The House resumed consideration of the motion of Miss Carney that this House endorse, as being in the national interest, the Canada-United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987, and the amendment of Mr. Langdon (p. 11885).

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I am pleased to have an opportunity to speak on this resolution before the House concerning the Canada-U.S. trade deal. I had the opportunity to be with the standing committee during a number of the hearings in Ottawa and across western Canada. One theme that came through during the hearings across western Canada was that there was no text available, no one knew what was happening, and the general public did not have an opportunity to put forward its views. Although the committee put in a very onerous five days in five territories or provinces during that week, the general public did not have an opportunity.

Therefore, we find ourselves today dealing with the final text of this agreement here for the first time, which the committee did not have access to at its official hearings, and to which the public did not have access. We now have a three day debate in which to consider this matter, perhaps the most important trade agreement that Canada has ever proposed entering into.

It seems that we are on a fast track of three days in anticipation of the Prime Minister (Mr. Mulroney) signing the agreement on January 2, yet we are told that the United States Congress will not deal with the issue until June, 1988. It seems that ironically we have been put on a fast track, the United States is on a slow track, and the Canadian people generally are very upset and concerned about this.

I was interested to note that when the Minister of Consumer and Corporate Affairs (Mr. Andre) spoke this morning he did not mention two things. He did not mention that the Consumers' Association of Canada, which has historically been in favour of a free trade deal with the United States, has gradually, as it saw the details of the deal, reduced its support to practically nil.

• (1240)

I think it is also important to look at the deal from the consumers' point of view. I live in a border city in the Sault Ste. Marie—Algoma district where many consumers have been dramatically misled by the Minister for International Trade (Miss Carney) to believe that they would be able to go to the United States and bring back unlimited amounts of goods with no duty or tax. In fact, that is not true. Last week officials made clear that the same limit of $100 after a 48-hour visit would apply, that the same sales tax of 12 per cent would apply, and that there would be no reduction in the duties on goods brought into Canada from the United States which were manufactured in Japan, Malaysia, or some other country.

On average, 80 per cent of all goods going into the United States from Canada, and I assume vice versa, are duty-free. The amount of duty reduction is very low. The idea that Canadians will have unlimited access to the United States and that there will be no customs duties is incorrect. In fact, there will be even greater customs inspections because each item brought back from the U.S. would have to be identified to ensure that it was manufactured in the United States. It would be necessary to ensure that the goods on which duties will be reduced over a 10-year period are actually manufactured in the United States.

I want to talk for a moment about the agricultural side of the issue. When the external affairs committee was in Saskatchewan, Alberta, Manitoba, and British Columbia, we heard long and very concerned presentations from agricultural groups. Some groups like hog producers, beef producers, and Canadian cattlemen who essentially have free trade now are pleased to see that there will be free trade in the future. I understand that over the course of a five-year period there will be a reduction of one cent per pound on the amount of duty they will pay. That applies to red meat going in either direction across the border.

However, groups like the Canadian Federation of Agriculture have expressed concern. In its brief it said that the draft agreement did not fully meet the requirements set forth by the federation at the onset of the negotiations, and that Canada had not achieved the trade rules and dispute handling mechanisms which it sought. That comment was echoed and spelled out in graphic terms by B.C. wine producers, as well as tender fruit and fruit and vegetable associations in that province.

Similarly, the majority of members of the Saskatchewan pool voted against the trade deal. The Ontario Federation of Agriculture has turned it down in a strong and decisive manner. Maritime groups have turned it down, as has the UPA in Quebec. I understand that it will be having a press conference this afternoon in which it will further elaborate upon its concerns.

Just to show how insensitive the Minister of Regional Industrial Expansion (Mr. de Cotret) has been, he volunteered that the UPA in Quebec did not read the deal and did not know what was in it. They know exactly what is in the deal. They are very concerned about the arrangement under Article 710 and how it will be subservient to Article 703 which provides for the removal of all tariff barriers and quotas in the long haul. They are extremely concerned.

At a recent conference which they had in Quebec, it was interesting that they characterized the Prime Minister's side of the deal by holding up a little white rabbit in a cage and by indicating that the President of the United States was leading

a full draughthorse around to show who won and who lost in the agreement. It was also interesting that the junior Minister of Agriculture was presented with the little white rabbit in the cage to dramatize the loss of so much in the deal.

There is very grave concern among agricultural producers that the dispute handling mechanism will not change the rules of access to the U.S. market. For instance, the countervail duty on hogs today of 4.3 cents per pound or $10 per hog going into the U.S. is still there. If we are to get rid of all these countervail problems, why did we not get rid of that one?

Clearly the same laws are in place, as is the long rigmarole. The omnibus trade Bill which has many provisions relating to agriculture will probably be put in place. The trade agreement will not change that.

It is clear from our hearings across the country that no group will be hurt worse than the grape and wine industry. Some 20,000 jobs will be totally sacrificed. They will be going out of business. There are tremendous areas of Canada in the Niagara Peninsula and in the Okanagan Valley which are suitable for such crops, but they will be sacrificed in the deal. I think it is one of the most shameful acts that has ever taken place. We know that it was a personal deal between the Prime Minister and the President. The President has his rich friends in California and he ensured that the deal was carried out. Perhaps he can tip his hat to them, but it will certainly carry a very angry odour with it throughout history in those areas of the country.

Similarly, seasonal tariffs which are absolutely essential to the fruit and vegetable industry will be wiped out by the agreement. The snap back provision introduced by the Government is ineffective and will require that the industry contract or stay small. It will not be able to expand. It is unbelievable that that was given away.

It is also clear that the powers and prerogatives of the Canadian Wheat Board will be reduced by the deal. The two-price system, which has provided some $280 million of benefit to western farmers and some $30 million to Ontario farmers, will be wiped out. We are not clear whether there will be a compensation package. That is a weakness in the deal which was identified by the standing committee. Also, there is no industrial adjustment or compensation package for any group of producers which will be adversely affected by the deal.

One of the greatest concerns of the Canadian agricultural industry, especially in the West, is the Crow benefit in that some $750 million has been removed for shipments of Canola oil and Canola meal to the Pacific northwest. The Government has indicated that it is an export subsidy. We know that the United States will be going to the GATT negotiations determined to remove all export subsidies, and now the Government has admitted that this is an export subsidy. Furthermore, the Government is committed in the agreement to supporting the United States. They will go hand in hand to the GATT. What chance does the Crow benefit have of surviving the next GATT round of negotiations?

Canola is one of the exciting crops developed in Canada. It has been gaining markets in the Pacific northwest. It is interesting that the Government gave away a transportation subsidy which will amount, in the private sector if it has to be paid by producers from January 1, 1989, to some $23 per tonne in Alberta and over $30 per tonne at shipping points in Manitoba and Saskatchewan. That assistance stops January 1, 1989, but the tariff on Canola oil into the Pacific northwest which amounts to over $30 a tonne will be phased out over 10 years. It is a shameful act.

• (1250)

The chief negotiator for Canada said that the United States is like a Third World country in the way it negotiates and that they were snookered by Mr. Reisman. I ask on that Canola deal whether Mr. Reisman thinks that the Canadians really snookered the American negotiators. Clearly the Canadians did not. We lost tremendously.

If we destroy the Canadian Wheat Board, and the move in this deal is in that direction because there will be tremendous pressure on the Canadian Wheat Board, Canadian producers with a free flow of grain across the border will only be able to deliver to their milling operation or for export to the limit of their quota books. United States producers will have unlimited access to deliver in Canada. That, in the long haul will put pressure on the Canadian Wheat Board and will reduce its authority.

The chief negotiator on the American side we are told is Dan Amstutz who was the former chief executive officer of the Cargill organization, the largest private corporation in the world. He was there at the same time as an official from Cargill in Canada, seconded to the Minister of Agriculture's (Mr. Wise) office. Did we have the large private grain companies negotiating on both sides of this issue on agriculture? If we did you can bet that the Canadian farmer did not come off best in this agreement.

I want to turn briefly to supply management, marketing boards and the feather industry. Clearly we have given away the tariffs and increased the quota for the feather industry so that there will be massive increases in the amount of chicken, turkey and poultry coming into Canada, some 20 per cent over the previous quotas allowed.

Concerning eggs, some six million more dozen will be allowed into the country under this agreement. What did we get in return, Mr. Speaker? As far as I know we got nothing. There is no new access to the U.S. market. There will be tremendous pressure on Canadian producers because of the loss of the tariff.

The dairy farmers of Canada have indicated that they will oppose the deal because the Government has refused to put dairy products, like ice-cream, yogourt and fluid milk, on the import controlled list. We are not clear why the Government has refused to do that. We suspect the Government has refused

because the farmers have to show injury. Is any dairy processing plant going to show injury in that regard?

It is interesting the the Quebec Government and the UPA demanded that Article XI of GATT, which provides for quotas on supply management commodities, be in the final draft. It was in the final draft as Item 710, but the only problem with that is that Item 710 is subject to any other section in the agreement. If we look at Item 703 it says that the agreement is to remove all tariff and all import barriers. Article 710 is in the agreement but it is subject to Article 703 which is to remove barriers to trade and to the free flow of farm goods coming across the border, and we cannot be very assured. I think that is one of things the UPA will be arguing in its presentation today at a press conference in Quebec.

The Grocery Products Manufacturers of Canada, one of the largest employers in Canada, appeared before the committee. It employs over 200,000 Canadians and is the largest manufacturing sector in the country, doing some $40 billion worth of business. That association said that the agreement is clearly unworkable and it will put pressure—the Americans are doing so as well—on the Government to remove marketing boards and border controls. Agriculture is clearly under the gun. That is why groups like UPA and the Ontario Federation of Agriculture are strongly opposing this agreement. The grocery products manufactures say that they simply cannot operate in a situation where competition from the U.S. is not supply management.

It seems to me that that is one of the very great concerns of the whole supply management industry in Canada. The Government of Canada is going to GATT. The Government has put the marketing boards on the table for negotiation at GATT. The United States is opposing marketing boards. Practically all of the Cairns Group is opposing marketing boards. The Canadian Government has said we are going to the GATT hand in hand with the United States to remove subsidies. I think in the long run we will destroy our whole marketing board and supply management system in Canada because of the Government's position. Here the Government will start the ball rolling and in GATT the Government will, in my view, completely give away our marketing system which has served us well. It has cost less than subsidies and it has been especially effective. It not only applies to the dairy and the feather industry but also to the Canadian Wheat Board.

I think we are rushing into a trade deal where we are giving up a great deal and probably will give more in the GATT negotiations while getting very little in return. We have hitched our wagon to the United States saying this will be fortress North America. In fact, the United States is our competitor on most commodities around the world. We say we are going to support the Americans' position where often their position is not in our interest. There is a great deal of concern in the agricultural community. That is why so many farm groups across Canada are opposing this trade deal.



**Mr. Deputy Speaker:** We will proceed with the question and comment period after Question Period if the Hon. Member is in the House.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 12.59 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

## TAX REFORM

OPPOSITION TO TAXATION OF FOOD

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I have more than 150,000 signatures of people residing in Canada who object to the Government's decision to consider taxing food and food products as an option.

Last week in Toronto, the Minister of Finance (Mr. Wilson) announced he was withdrawing his proposal to tax food. Mr. Speaker, I don't think Canadians have any more reason to trust this Government than they did when it deindexed old age security pensions.

The Chairman of the Finance Committee, Mr. Blenkarn, is asking for $57,000 to go to New Zealand and look at how they tax food. Why didn't the Minister of Finance say fairly and squarely yesterday that the Government refused to tax food? Why did he say that certain essential products should not be taxed and will be exempt?

Mr. Speaker, I warn this Government that the Liberal Party will continue its opposition until it has the assurance that bread, milk, butter and other food products will not be taxed.

* * *

[*English*]

## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—POSITIONS OF NDP AND LIBERAL PARTIES

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, sometimes we lose sight of the fundamental precepts upon which the Government bases its policy and upon which opposition Parties base their criticisms. The debate over free trade is a case in point.

At the heart of the NDP's political agenda and its position on free trade is the tired old precept of greater government

control over the day-to-day lives of Canadians: more regulation, more taxes, more state ownership, more interference and more control over the decisions Canadians must take in their homes and in their businesses.

At the heart of the Liberal position on free trade is a confused, contradictory hodge-podge of principles sometimes called pragmatic but more actually called opportunistic. It is no wonder members of the NDP and the Liberal Party are frightened of free trade. It goes against everything they stand for. The concept of free trade is as foreign to the NDP and the Liberals as individual initiative, private business, and freedom from the heavy hand of state.

The bold initiative of the Government is based on the principle that Canadians deserve every opportunity to free themselves from dependence on the state. Free trade is based on the principle that Canadians have a right to as large a market as possible from which to reap the rewards of their ingenuity and hard work. Free trade is based on the same principles that guide the Government daily, bold, courageous, daring principles that the Liberals and the NDP cannot stomach. Fortunately, Canadians—

**Mr. Speaker:** I regret that the Hon. Member's time has expired.

* * *

## TAX REFORM

CRITICISM OF GOVERNMENT MEASURES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, yesterday's typical Tory tax reform is one more example of the Government's dishonesty. The Minister of Finance (Mr. Wilson) refuses to provide real tax fairness for Canadian families.

Average and low-income families will still be worse off after this so-called reform than they were before the Government came to power. Under the guise of tax reform they will now pay a sweeping new tax on virtually all goods and services after the next election.

Middle-income families will lose 60 per cent of their child benefits by 1991 while households with incomes of over $100,000 will get income tax cuts five times greater than families making $30,000.

While the Minister continually claims that his purpose is to help those most in need, poor families who should not have been paying taxes in the first place will continue to be fleeced and more will start paying taxes each year. Others are not eligible for the non-refundable child tax credit.

The Minister has partially deindexed the child tax credit and the family allowance and the new tax credits will not be indexed to inflation, ensuring that family benefits will be steadily eroded. Why does the Government not be honest with Canadians for once and admit that its vision is of a system which gives more to those who already have the most? Canadians have been handed an empty package of broken promises and political rhetoric for a merry Christmas and—

**Mr. Speaker:** I regret that the Hon. Member's time has expired.

* * *

## SOCIAL AFFAIRS

PLIGHT OF THE HOMELESS

**Mr. Bob Corbett (Fundy—Royal):** Mr. Speaker, the plight of many thousand homeless men, women and entire families in Canada was highlighted during 1987, the International Year of the Homeless. Canadians were made more aware of this despair, and Governments were encouraged to address and resolve these inadequacies. In two weeks, the year designated to accentuate this issue and find satisfactory solutions will be over but the crisis will not.

Throughout urban and rural centres, soup kitchens and emergency facilities have been established to offer sustenance and shelter. While these measures address the problem in the short term, they do not provide a stable base from which these people can reintegrate into the community. The problems of the homeless are chronic and appear to be getting worse. These people are falling through the cracks of our society.

I join my constituents of Fundy—Royal in calling upon the Government to ensure that the homeless and poorly lodged live in adequate and healthy housing and that these citizens are able to participate fully in Canadian life. Let us not allow the commitment of 1987 to become yesterday's concern in 1988.

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## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—GOVERNMENT'S LEGAL POSITION

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, in the face of considerable authority to the contrary, the Government notes that it has the right to implement the Mulroney-Reagan trade deal by passing legislation in areas of provincial control. Not only is the Government's position not supported by the weight of legal authority but the position is contradicted by Canada's Ambassador to the U.S., Allan Gotlieb, the author of a book on international treaties.

In his book published in 1968, Mr. Gotlieb wrote that the Parliament of Canada cannot, through making a treaty, legislate in fields of provincial legislative competence.

• (1405)

When pressed in the House to provide the legal opinions on which Canada based its position, the Minister of Justice (Mr. Hnatyshyn) offered only vague assurances about the trade and commerce power and the Constitution. Yet Ambassador Gotlieb points out in his book that the Canadian Constitution, unlike that of the U.S., does not allow Parliament, through implementation of a treaty, to change the distribution of legislative powers. If the Minister has any legal opinions to back up his position, he should produce them.

Apart from the legal arguments, the Conservative Government is making a power grab against well-established provincial powers which exceeds even the Conservative's own exaggerated allegations about the Trudeau Government.

* * *

## AGRICULTURE

ADDITIONAL GOVERNMENT FUNDING WELCOMED

**Mr. Walter Van De Walle (Pembina):** Mr. Speaker, I welcome this opportunity to applaud the new agricultural initiatives announced by the Prime Minister (Mr. Mulroney) on Wednesday. The Government's record in the agricultural sector is unparalleled. Never before have the needs of the nation's farmers been met with such innovative and timely programs. Since 1984 government spending in agriculture has increased nearly 400 per cent.

The grain and oilseed farmers of the Pembina riding, along with the producers of peas, beans, lentils, and processed alfalfa, were delighted to learn that the Special Canadian Grains Program has been extended to the 1987 crop year. This $1.1 billion program, coupled with the extension of the farm fuel tax rebate, will have a strong impact on their financial stability.

I commend the Government for its measures to instil new vitality into the Farm Credit Corporation. The deferred loan payment, together with the provision of $100 million to cover corporate losses, will enable the FCC to continue to reach out and help those farmers in financial difficulties.

**Mr. Speaker:** I am sorry but the Hon. Member's time has expired.

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## EXTERNAL AFFAIRS

ISRAELI AND PALESTINIAN RIGHTS—CALL FOR HOLDING OF PEACE CONFERENCE

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, the New Democratic Party has a tradition of commitment to the security of Israel within established and recognized borders. At the same time we have supported the right of the Palestinians to a recognized national homeland of their own.

We have also called on the Palestinians and the PLO to recognize unequivocally the right of Israel to exist, within secure and recognized borders. We have called for recognition of the PLO as an important voice of the Palestinian people, and for their participation in effective and meaningful negotiations.

We have criticized the fostering of state directed and financed Israeli settlements in the West Bank as an obvious obstacle to a solution of the problems in that area.

It is clear to us that the Israeli response to the current situation in the West Bank and Gaza is not helpful either. The use of live ammunition on crowds, and the increasingly routine resort to violence as a way of dealing with deep-rooted problems which require structural and political solutions, are disturbing and unacceptable. Neither terrorism nor military force is the answer. Years of bloodshed have hardened the hearts of too many in that area of the world.

The NDP supports the idea of a peace conference and calls on all who are involved to show new resolve in the search for peace—resolve for peace rather than resort to violence.

* * *

[*Translation*]

## FREE TRADE

TRIBUTE TO CERTAIN CANADIANS

**Mr. Marcel R. Tremblay (Quebec Est):** Mr. Speaker, by its attitude to free trade in the last few months, the Opposition has shown Canadians it is unworthy of aspiring to lead the Government of this country.

Only the Progressive Conservative Party, whose principles are based on respect for the freedom and growth of the individual and respect for law and order, has the qualifications to continue governing this country.

The Free Trade Agreement is based on these principles and urges Canadians to go the extra mile to be even more productive. It is an appeal for excellence, Mr. Speaker.

Today, I wish to pay special tribute to a large number of Quebecers who have decided to make the Free Trade Agreement their business.

I want to congratulate Laurent Beaudoin, Marcel Dutil, Gaëtan Mathieu and so many others who are responsible for establishing a coalition for free trade in the Province of Quebec and are attracting thousands of people to their cause.

That is a vote of confidence for Canada and its Prime Minister, the Right Hon. Brian Mulroney.

*S. O. 21*

[*English*]

## PESTICIDES

CALL FOR REVIEW OF REGULATIONS

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, through her book *Silent Spring*, Rachel Carson alerted the public to the dangers of chemical pesticides, particularly DDT. *Silent Spring* raised public awareness of environmental and health hazards that chemicals pose.

• (1410)

The just released Law Reform Commission study *Pesticides in Canada* notes that over the last two decades pesticide sales increased more than tenfold in Canada. Over the same period evidence has emerged of past and current pesticide related damage; fish and wildlife killings, farm worker deaths and poisonings, human health concerns in the general population, contamination of ground water, et cetera.

It is now urgent that the Government follow up on this timely review of the ineffective aspect of our laws in protecting human and environmental health from the hazards of pesticides which, by definition, are toxic and deliberately poisonous. Again we urge the Minister of Agriculture (Mr. Wise) to launch a full public review of the regulation of pesticides in Canada now.

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## TRADE

REMOVAL OF EXPORT TAX ON BRITISH COLUMBIA SOFTWOOD LUMBER

**Mrs. Mary Collins (Capilano):** Mr. Speaker, it must be getting to be Christmas because certainly a spirit of good will prevailed yesterday when the Minister for International Trade (Miss Carney) announced the successful negotiations with the U.S. and the termination of the 15 per cent export charge on British Columbia softwood lumber.

This tax, which had been put in place in response to a U.S. countervail action, was a continuing source of irritation to industry and government. It was to be an interim measure until such time as the provinces could put in place comparable replacement measures. This has now been accomplished in B.C. with the introduction of a new stumpage system, and the tax has been lifted.

The decision of the Government to seek a negotiated solution to the softwood lumber dispute has turned out to be the most appropriate course. The opposition Parties' course of action, to continue the fight, would have resulted in at least an additional year of uncertainty and the loss of over $300 million in revenues to the provinces.

Once again the Government has been decisive. We have acted on our decisions.

**Mr. Speaker:** I regret that the Hon. Member's time has expired.

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## AGRICULTURE

ONTARIO SOYBEAN FARMERS—LEVEL OF GOVERNMENT ASSISTANCE

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, in the spirit of Christmas the Prime Minister (Mr. Mulroney) announced a second round of support for grain farmers. Yet for much of Ontario the farm announcement represents a kick in the teeth for soybean farmers. Comparing the support, 44 cents per bushel is given for wheat, 29 cents per bushel is given for corn, and one cent per bushel is given to soybean producers. This is a ludicrous and ridiculous reflection of the very difficult position in which soybean producers find themselves.

I have received calls from four farmers this week alone who told me that they face bankruptcy and repossession this week. We have to respond quickly to these farmers. There must be a neutral review of these ludicrous and ridiculous levels which have been established in order that soybean farmers get their fair share.

* * *

[*Translation*]

## MINES AND MINING

IMPORTANCE OF FLOW-THROUGH SHARES

**Mr. Guy St-Julien (Abitibi):** Mr. Speaker, the Minister of Finance (Mr. Wilson) has decided to restore part of the tax advantages of flow-through shares. Personally however, I would have preferred to see him maintain the rate of 133 1/3 per cent for three years.

Nevertheless, this Government recognizes the importance of sustained resource development in certain regions, and it is worried that these activities will start to decline during downturns in the industry. The Finance Committee felt that tax incentives or Government grants might be necessary as temporary measures, during periods of falling prices or during an economic recession, to ensure the survival of exploration activity in Canada. Our Government agrees with this position and is prepared to consider the temporary assistance that might be necessary in this case.

The fact remains that flow-through shares will probably be one of the last tax shelters still in effect after 1987, so today I continue my fight for our Abitibi prospectors, and next Sunday, I will attend the big prospectors rally at Val-d'Or. Together, and with the help of the Government of Quebec, we must find new ways to maintain economic renewal in the mining industry.

## TAX REFORM

FAMILIES—GOVERNMENT POSITION

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, the Conservative Government has just announced new changes in relation with its tax reform which are regressive and unfair for Canadian families. The Government pretends that it is helping Canadian families and women. However, nothing so far supports this claim, quite the opposite! Families need an affordable child care program with universal access. The Government wants to spend a large amount of money by increasing deductions for child care services with proof of payment. This will benefit well-off families who already have spaces in daycare centres and who can afford such costly services, while refundable tax credits would have helped low-income and single parent families who do not have spaces in daycares and who cannot afford such services.

The Government had also promised to do everything in its power to change the spouse tax exemption into a refundable tax credit for spouses who stay at home, but the Minister of Finance (Mr. Wilson) has done nothing about it. He continues to ignore the important work of women at home and the personal independence which should be given to them. It is ridiculous, Mr. Speaker, for the Government to pretend that it is solving the problems of families for the 90s when it is applying measures which are more appropriate to the needs of the 50s.

* * *

• (1415)

[*English*]

## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—SUPPORT BY MANUFACTURERS

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, for over 100 years the political economy of Canada had, by a combination of tariffs and freight rates, furthered central Canada manufacturers at the expense of agricultural and resource interests in the Maritimes and West and consumers across the nation.

Today our manufacturers are to be congratulated as, without exception, they support the free trade initiative. This confirms their maturity and their ability to compete internationally and to create new sales opportunities and new jobs without stifling government intervention.

The only voices of reaction still wanting to exploit the consumer, the farmer, the miner, the logger and the fisherman, are the Opposition Leaders and Premier Peterson. When history comes to be written, these will suffer the same fate as the mammoth, the sabre-toothed tiger, and the dodo.

## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—EFFECT ON WORKERS

**Mr. Roland de Corneille (Eglinton—Lawrence):** Mr. Speaker, the proposed trade pact between Canada and the United States is causing grave concerns for Canadian workers. Bilateral free trade is being seen as a direct threat to their livelihood and way of life. For example, workers in labour intensive industries such as textiles, clothing, electrical products, leather products and toys, to name but a few, fear for the loss of their jobs.

Service workers, mostly women, are increasingly concerned about the potential threat to their jobs. Predictions estimate that Canadian women will lost tens of thousands of jobs and suffer severe deterioration in working conditions under the Mulroney trade agreement. Women will be major losers because their jobs are heavily concentrated in Canadian manufacturing and service industries. Over-all, more than 60 per cent of working Canadian women have jobs in the manufacturing industries. Many of these women who will face the prospect of future unemployment are middle-aged or immigrant women with poor prospects for job retraining.

There will be major American takeovers under this deal, and these absentee foreign owners will not protect Canadian jobs.

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# ORAL QUESTION

[*Translation*]

## TAX REFORM

GOVERNMENT'S PROMISE NOT TO INCREASE TAXES—REQUEST FOR EXPLANATION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, during the last election campaign, the Minister of Finance had promised not to increase taxes, and we now have a broken promise of $22 billion! Since the Conservatives have been in power, the Minister of Finance has increased the sales tax three times for a total of $8 billion. He has increased the tax on gasoline by $2 billion. He has increased income taxes by over $5 billion. He has imposed a $1 billion tax on long distance telephone calls. I repeat that the Minister of Finance had promised that the Conservative Government would not increase taxes, but that he has imposed $22 billion of new taxes on Canadians. Now, he is promising to give them back a mere $2 billion.

My question to the Minister of Finance is this, Mr. Speaker: Who is he trying to fool? And when will he refund the other $20 billion?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Leader of the Opposition likes to focus in on very narrow parts of the program. If the Hon. Member looks at the broad range of the government program as set out in the November,

1984, statement, he will see from there that the combination of that has resulted in 1,042,000 jobs being created. The unemployment rate has gone from 11.7 per cent down to 8.4 per cent. Mortgage payments of individuals, going on the average mortgage of about $50,000 or $60,000, have dropped in excess of $1,200 a year. So it is that broad economic program which is important, not individual items of it that the Leader of the Official Opposition would wish to pick out.

• (1420)

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I am using the over-all figures from the Minister's own Department.

ELECTION PROMISE

**Right Hon. John N. Turner (Leader of the Opposition):** The campaign promise of the Conservative Party, as set forth by the Minister of Finance during the 1984 election, was that they would not raise taxes. The bottom line is that the average Canadian family with an income of, say, $32,000 a year, pays $1,100 more in personal taxes every year than it did when the Conservative Government came to power.

**Mr. McDermid:** Who ran up the debt, John?

**Mr. Turner (Vancouver Quadra):** The Minister of Finance says he is returning $300 to these families, but this is going to be wiped out in a few weeks by a new tax on wallpaper, paint, toys, handicrafts and long distance phone calls. My question is very simple. Why has the Minister of Finance so gouged Canadian families with new taxes since his arrival in power when he promised during the election campaign that he was not going to raise taxes by a single cent?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I do not want to remind the hon. gentleman that he has also said he felt it was important to get the deficit down. I would ask him how he was going to get the deficit down if he were on this side of the House?

**Mr. Gauthier:** Answer the question.

**Mr. Wilson (Etobicoke Centre):** I think he would have his mouth very tightly shut because he wouldn't have a word to say.

Let me talk about some of the benefits. A single wage earner earning under $25,000 is going to find he has a tax cut of $590 a year. A couple with one wage earner in the family with two children under 18 years will receive a tax cut of $710. A couple with one wage earner and four children under 18 years will find there is a $945 tax saving as a result of tax reform.

We are delivering on tax reform. It is very, very clearly here in the papers which have been accepted by many people.

**Mr. Garneau:** How can you say that?

**Mr. Wilson (Etobicoke Centre):** I would say—

[*Translation*]

And I would say to the Hon. Member for Laval-des-Rapides that it is very important, important enough to make the headlines in the *Journal de Montréal* "Winners: Families." It is true!

**Mr. Garneau:** You are true professional jugglers!

[*English*]

**Mr. Turner (Vancouver Quadra):** I did not make the promise. The Minister made the promise to Canadians during the 1984 election campaign that he would not raise taxes by a single cent. He has taken $22 billion from the pockets of Canadians and now he is saying he is going to return $2 billion. Big deal! He said during the election campaign he would not raise taxes, but he has taken $1,100 per family since he became Minister of Finance, year by year, out of the pockets of Canadian taxpayers, and he is now going to return $300, and all of that is going to be wiped out in two or three weeks by new taxes. Big deal!

PARLIAMENTARY COMMITTEE RECOMMENDATIONS

**Right Hon. John N. Turner (Leader of the Opposition):** Let me turn to another area. We had a very interesting report from the House of Commons Finance Committee on tax reform. The Minister of Finance said he was going to listen to and follow that report. Yet he has rejected 85 per cent of the recommendations in the report of the committee which consisted of a majority of followers of the Government of which the Minister is a member. Why, in simple terms, has the Minister of Finance broken his word to Canadians both on taxes and on tax reform?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member, if he had taken the time to read the report, plus the response to the committee's report, would see that we have listened very carefully to the very good work that has been produced by the Finance Committee. As a result of the announcement that I made yesterday, 31 promises have been accepted in full or in part; 21 recommendations we said we either agree to in principle and need further work, or we feel that they should be studied further; 29 recommendations are not accepted. Some of those recommendations are grouped. I believe there is one that we could not accept, and it followed that four individual recommendations would not be accepted.

• (1425)

We have followed very closely what we said we would do with this report. As I stated yesterday, we appreciate very much the fine work that has been done by the members of the committee, led by my neighbour, the Hon.—

**Some Hon. Members:** Oh, oh!

**An Hon. Member:** Who is that guy?

ELECTION PROMISE—MINISTER'S POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, if I were the Minister of Finance I would not push my luck too far with the Member from Mississauga.

The Minister of Finance did not answer the question posed by the Right Hon. Leader of the Opposition.

Before the election the Minister of Finance promised, on behalf of his Party, that if elected the Conservative Party would not raise taxes. He made that very straightforward promise.

I wish to ask the Minister the same question, which he did not answer. Why has he broken this promise and increased taxes by billions of dollars, including the sales tax, the tax on gasoline, alcohol and tobacco, the deindexation of the personal income tax, the surtax on personal income tax, for a total of $22 billion? Why has he broken the solemn promise that he made in the House on March 6, 1984?

**Mr. McDermid:** You were not around here when the Liberals piled up the debt.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me say very clearly to the Hon. Member—he was not here before and he probably cannot be held culpable for that—we did not anticipate the huge mess that we got into when we opened the books after we were elected in September, 1984.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** Let me also correct a misstatement by the Hon. Member, as well as by his Leader, when they state that we have increased taxes by $22 billion. I reject that comment. I wish to say this to the Hon. Member. Yes, revenues have gone up. But 85 per cent of the reason for those revenues is the very healthy economy that we have seen over the course of the last three years.

When 1,042,000 more people are working, they pay taxes and generate personal tax revenues. That is why we have more revenues to date. We have one of the healthiest economies in the world today. That is why sales tax revenue increases are brought about. Yes, we have increased some taxes, I do not deny that. But don't ignore the healthy economy and the effect that that has on the revenues.

**Mr. Garneau:** What the Minister of Finance is telling me is that he taxed the economy back to progress.

[*Translation*]

REQUEST THAT MINISTER JUSTIFY MEASURES HE HAS TAKEN

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, it has been figured out. A while ago, I heard the comments made by the Minister responsible for Technology about families. We had a family with an annual income of $32,000 and we figured out what would have happened if the Government had kept its promises, if it had not deindexed tax schedules, if it had not increased the surtax and the income tax rates, if it had not changed the deindexation of family allowances; we found out that such a family earning $32,000 would have paid $1,100 less income tax. With tax reform, an amount of $300 will be refunded. There remains an increase of $800. How can the Minister say that he has helped the average family whose taxes are up $800 per year?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, again I say the same thing to the Hon. Member. He is looking at one part of the broad economic program of the Government of Canada. Part of that is tax reform, part of that is getting the deficit down, and part of that is getting interest rates down.

• (1430)

I remind the Hon. Member, as I just did his Leader, that payments on the average mortgage are down in excess of $1,200 per year. Surely that will have a tremendous impact on the health of the economy.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** I also remind the Hon. Member that if he looks carefully he will see that the net revenue for individuals, after taxes, is up.

[*Translation*]

SOCIAL JUSTICE—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Minister of Finance.

Will the Minister admit to the House that under this so-called reform of our tax system, the average family will pay $1,000 more income tax than it did in 1984 when the Conservative Government was elected, while 60,000 profitable corporations will not be paying a cent? Is that Conservative justice?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think any objective observer—and I exclude the Hon. Member when I say that—

**An Hon. Member:** Objective or intelligent.

**Mr. Wilson (Etobicoke Centre):** I am not saying that in a derogatory way.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** The Hon. Member is not objective, but any objective observer would say that we have made major strides in tax reform to bring non-taxpaying but profitable companies into a taxpaying position. That is very, very clear, and any of the experts will tell him that.

There are companies that are not paying taxes. These are companies which have had substantial real losses in previous periods, where there is a carry forward—

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** The Hon. Members over there are saying: "Oh, oh". They are laughing. I will tell them who those companies are.

**Mr. Rodriguez:** Who are they?

**Mr. Wilson (Etobicoke Centre):** The Hon. Member for Nickel Belt wants to know who these companies are. Many of them are mining companies which have their offices in his riding, where they have lost money and they are carrying—

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** Yes, $3.20 a pound.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member for Nickel Belt does not like to hear it because he knows that he will feel the heat when he goes home to his riding in Sudbury. He is going to have to explain why he wants to have the mining companies in his area that have lost money in previous years taxed today. If we did that, there would be job losses in those companies.

**Mr. Broadbent:** The Minister's stories are very touching. I would agree with him that any objective Bay Street lawyer would agree with him, that there is tax reform. Any fair-minded Canadian knows that the so-called reform is completely phoney.

## U.S. MINIMUM CORPORATE TAX

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I saw the Minister on television last night—

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** —saying that the Government had to be concerned, and I would agree with it, about the competitive position our tax system is in compared with that of other countries.

Would he be prepared to admit to his Bay Street colleagues that in the United States today there is a 20 per cent minimum tax on corporations if they make profits; even, I say to the Minister, in the United States? If we had that minimum 20 per cent corporate tax here on the 60,000 corporations which do not pay, we would have $2 billion in additional revenue and we could then reduce taxes, for example, on average and low-income Canadians. That would be real reform.

**Mr. Shields:** Anti-American and anti-business.

**Mr. Crosbie:** Pro Shirley Carr.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me reply to the Hon. Member in a serious way. We recognize that there are—and I think the Hon. Member's number is right—60,000 companies that are not paying tax and will be making profits. However, I pointed out in my speech yesterday that those companies belong to two categories. First, they are companies in cyclical industries which have lost money in a substantial way in previous years and have a loss carried forward. If he is suggesting that we change tax policy to tax, in effect, companies that have made losses, I would welcome that because then I would point out which companies are hurt by that. The other category is basically companies in the Atlantic provinces and parts of Quebec which have very minimal levels of earnings but take advantage of things like regional investment tax credits. Is the Hon. Member saying that we should hit those companies?

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** These are the difficult decisions which must be made in tax reform. It is easy for the Hon. Member on the other side of the House to make these allegations but, if he has to live with the decisions, he is going to hurt a lot of Canadians by doing so.

**Mr. Broadbent:** I say to the Minister that the average Canadian, and the average business person too, believes that if they are making profits they should pay taxes. Poor people pay taxes, and every company which makes money in this country should be paying taxes too. If he wants to campaign on this, we will go into every region of the country and take him on.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

## MINIMUM TAX—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, how does the Minister think the Republican Party in the United States is able to have a 20 per cent minimum tax and to get revenue there, and the Conservative Government up here can ignore $2 billion in revenue which could be used for the poor people of the country? Explain that.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker—

**Some Hon. Members:** Oh, oh!

**Mr. Riis:** The Hon. Member for the Royal Bank.

**Mr. Wilson (Etobicoke Centre):** Now, Ed, watch your language. What I would have to acknowledge is that if we did have a minimum tax in this country it might pick up political contributions that are funnelled through NDP organizations and passed on to municipal candidates.

**Mr. Broadbent:** Join the rest of the sleaze over there, Michael.

**Mr. Wilson (Etobicoke Centre):** I am just telling you some of the things which might be picked up in a minimum tax.

The fundamental reason, as I said to his colleague from Nickel Belt, is that companies in Sudbury are not paying taxes today—

**Mr. Riis:** Like Royal Trust.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member for Nickel Belt, just a year or two ago, was saying that times were tough in Sudbury, and we know that they were tough. Those companies have losses that they are carrying forward into this year, and some of them won't be paying tax this year. If he wants to put a minimum corporate tax on, that is the sort of—

**Mr. Broadbent:** We will do it and we will explain it.

**Mr. Wilson (Etobicoke Centre):** —company that he is going to hit. There will be lay-offs, and he is going to have to answer to his colleague from Nickel Belt why Ed is causing lay-offs in Sudbury with his minimum tax.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** We will have an election on that.

AMOUNT OF TAX COLLECTED BY GOVERNMENT

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is also for the Minister of Finance. In view of the fact that since the Conservative Government came to power personal income taxes, sales taxes, and excise taxes have been increased by a total of $22 billion, will the Minister explain to the House if he really thinks it is honest to tell Canadians that they are getting a good deal now because he proposes to return $2 billion in 1988?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, *The Toronto Star*, another objective observer of the scene, also said: "Nine out of ten households to get $490 break under tax reforms".

**Mr. Garneau:** You know it is a joke to say that.

**Mr. Wilson (Etobicoke Centre):** In the books here, as I have said, a $25,000 single earner under age 65 will get a tax reduction of $590 as a result of tax reform. A one-earner couple with two children under age 18 will get a savings of $710. Those are meaningful amounts.

The Hon. Member says: "What is the other half of the question?" The other half of the question is that the $22 billion figure is a fictitious figure. What I am saying, and what I have said before to other questioners from the Liberal Party, is that we have had the strongest economy of the seven largest industrialized countries in the last three years. The result of that is a substantial increase in personal income taxes because 1,042,000 more people are working today and they are paying taxes. They are not drawing down unemployment insurance. This is the positive approach that the Government is taking, and it is paying off.

• (1440)

WHITE PAPER SALES TAX PROJECTION

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I think 22 to 2 is the Minister's own Catch-22 proposal—

**Some Hon. Members:** Hear, hear!

**Miss Nicholson:** —in which the consumer is caught. The Minister said my figures were fictitious. My figures come from his own Department and are published.

I would like to quote another figure which the Minister may call fictitious which comes from the economic and fiscal outlook in his White Paper, page 47. According to that, the sales taxes paid by Canadian consumers, the people caught in this Catch-22, will be $17 billion by 1990 as opposed to $7 billion in 1984-85.

The Minister knows, despite what he said in response to a question put by the Leader of the New Democratic Party, that he will not get the corporate taxes that he is anticipating because he has left every loophole in place which is used to shelter income. Therefore, how much does the Minister really expect to get from sales taxes to balance his budget? Is the $17 billion figure also an underestimate and, if so, is the sky the limit?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Member for Trinity has a reputation for asking straight questions.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** She is alone in her caucus.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Hon. Minister.

**Mr. Wilson (Etobicoke Centre):** The Member has just said that we have left every loophole in place. I know she does not believe that. I know she knows that is not true. If she is going to get back on track with her questioning she should withdraw that statement because most, as I said previously, objective observers will say that we have done a major job, not just in tax reform but in a major way throughout our term of office, eliminating a number of the tax preferences, the scientific research tax credit of, the carve-outs and "the Little Egypt bump", all of which we inherited from the previous Government. We have systematically taken them out of the tax system to ensure that profitable corporations do pay their fair share of taxes. That will be the result of tax reform.

FINANCIAL INSTITUTIONS—MINIMUM TAX RECOMMENDATIONS

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my question is addressed to the Minister of Finance. Yesterday he

rejected outright a key recommendation of the Finance Committee to levy a minimum tax on the banks and other financial institutions. Instead, the Minister merely extended an existing capital tax and made it refundable on future taxes, a move his own Department confirmed to us this morning will, and I quote "not raise revenue over the long term".

Is the Minister prepared to stand in the House this afternoon and admit that his capital tax on banks and financial institutions is nothing but a sham?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I reject what the Hon. Member has said in a major way. A minimum tax, such as the one we have imposed on the banks, by its nature is designed to produce a minimum amount of money, as was the minimum margin proposed by the Finance Committee. But the purpose of tax reform is to get regular corporate tax in place so that that regular corporate tax will raise far more in corporate tax revenues than a minimum tax would. That would have been the effect of tax reform on the AMMT as proposed by the committee. That will be the effect of this.

We are trying to get more money out of the banks, the insurance companies and the trust companies, than a minimum tax would. That is what tax reform will do.

REQUEST THAT MINISTER CONSIDER INTRODUCING MINIMUM TAX

**Mr. Simon de Jong (Regina East):** Mr. Speaker, the reason that the finance committee recommended a minimum tax was, and I quote his Conservative colleague, the Hon. Member for York—Scarborough, who said: "Only by means of a minimum tax will the Government be in a position to demonstrate taxes will be paid with certainty".

The Finance Committee found that the only way of collecting taxes from the banks and financial institutions was through a minimum tax. Every time the Finance Department in the past has tried to collect taxes, the banks have ended up paying even less than before the attempt.

Again, will the Minister give serious consideration to introducing a genuine minimum tax on the banks and financial institutions?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I can say with certainty that taxes will be collected from the banks. That is the result, that is the effect of the capital tax, the form of minimum tax that we have imposed on the chartered banks.

**Mr. de Jong:** And it is refundable.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member has been on the Finance Committee from time to time. I would remind him that the Finance Committee itself has made recommendations on how to ensure that we collect taxes from the banks. We have adopted a number of those proposals. The point I want to make to him is that we have analyzed carefully each and every way by which the banks, the life insurance companies and the trust companies have been able to avoid paying taxes in the past. We have plugged each of those loopholes and we have made absolutely sure that that will result in them paying, as I said yesterday, up to $4 billion in taxes.

We have also said in response to the Finance Committee's report that we are not going to sit still there. We will monitor, and look at various mechanisms, including the AMMT, to see whether they are necessary to achieve the goal. If we are not successful with the way we have chosen now, we will follow the other route as well.

* * *

## LABOUR RELATIONS

PRINCE RUPERT GRAIN HANDLERS' STRIKE

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, my question through you is for the Minister of Labour. It concerns the grain handlers' strike at Prince Rupert. The Minister will be aware that Canada's reputation internationally as a reliable supplier of high quality wheat may be at stake. Not only are farm communities inconvenienced by this labour-management dispute, the families of those who have been laid off, such as 70 CN rail employees, are facing a very bleak Christmas.

With this in mind, can the Minister advise the House and the western Canadian grain farmers if there has been any progress in the dispute as a result of the initiatives taken by his Department?

**Hon. Pierre H. Cadieux (Minister of Labour):** Mr. Speaker, as the Hon. Member knows, I instructed the mediator in that particular dispute on Tuesday to reconvene the parties in order to work toward a settlement.

I am informed the parties are meeting with the mediator tomorrow in Vancouver at two o'clock. I do hope that the parties, in view of the circumstances and in view of the effect of this particular work stoppage on the Canadian economy, and the effect on their own economy at this time of the year, will come to a settlement.

* * *

## FISHERIES

EXPORT OF CLAMS—ISSUANCE OF PERMITS

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Two companies have been exporting clams to the United States from the north shore of the St. Lawrence River and these shellfish, clams in particular, have come from rivers that have been officially classified as contaminated by Ottawa.

Can the Minister of Fisheries and Oceans explain to this House why permits were issued to export these clams in violation of a 1948 inspection treaty signed by the two countries? Can he also explain why his Government is now contemplating reissuing the permits, from waters that have not been tested in the last 10 years?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, without commenting on the specifics of the issue that has been raised, we have an effective system of control on all products, clams, quahogs, oysters and mussels harvested in Atlantic Canada which does not allow the harvesting, processing or sale of these products until the completion of the work by the operations centre established to co-ordinate all government activities related to the alert on these products.

The operations centre is now working very diligently to restore consumer confidence in all of these products and to ensure that the interests of the industry are served in this way.

• (1450)

GOVERNMENT POSITION

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I would now like an answer to the question. I specifically asked why the Government had agreed to issue export permits to two companies to export clams to the United States despite the fact that these clams were found in waters that were called contaminated by Ottawa.

Can the Minister explain to the House why the Government is now contemplating reissuing permits to those companies to export clams to the United States when in fact some of these waters have not been tested in 10 years, a violation of an international treaty signed in 1948? Please answer that question.

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the second part of the question is entirely hypothetical. The Hon. Member speaks of contemplating. I do not know what he knows that I do not know.

The first part of the question is a specific question that could be addressed to me by way of a letter, but I am not prepared to comment on some hypothetical situation that the Hon. Member has thrown across the aisle of the House of Commons without notice.

* * *

## HEALTH

TOXIC MUSSELS CONSUMED IN ONTARIO

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is for the Minister of National Health and Welfare. I have in my hand a chronology of events prepared by the Government of Ontario which is actually a damning indictment of this Minister's handling of the whole question of toxic mussels.

For example, on December 2, after the Minister had issued a public warning, his own officials told the Government of Ontario that no action on recalls had to be taken within the Province of Ontario because, to the knowledge of the Department, no P.E.I. mussels had been sent to Ontario. In fact we know that in the city of Toronto one man passed away and several are ill. Obviously the information provided by his Department after he issued the public warning was patently absurd.

How can the Minister expect the Canadian public to have any confidence in his health warning process if his own Department is unable to track the toxic mussel link or to track the toxic mussels that are being sent out across the country?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I also have in my hand the statement of the Hon. Elinor Caplan that she made yesterday in Queen's Park—excuse me, not yesterday, December 7. I also have here a chronology in respect of the manner in which the health alert was sent to Ontario and I will read from it, and I want to make sure which day we are talking about. We are talking about the health alert of December 1. What happened on December 1 was this:

> The Minister's public alert was distributed by the wire services during the evening of December 1, 1987.
>
> It is obvious from the above chronology—

—which I have here—

> —of events that officers of the Toronto Public Health Unit were aware of the alert which stimulated their call of 8:10 a.m., December 2, 1987. They were further briefed that morning by an officer of the Health Protection Branch.

So, Mr. Speaker, not only can I—if you give me a little more time—what I can show as well to the House is that when a message is given by Health and Welfare Canada to the provincial Ministries of Health who have the responsibility for public health in their provinces, it is very interesting to note that chronology that in fact that message from Ontario did not go to certain health units even in Toronto until the Department of Health and Welfare in fact got it to them directly.

STATEMENT ATTRIBUTED TO FEDERAL OFFICIAL

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, is the Minister aware of the fact that his own health alert was sent to an employee of the provincial Government who had retired two months before this incident? His mailing list was two months out of date.

The federal official, a Mr. Blackwood, the chief of food inspection, HPB Ontario Region, told the people of the Province of Ontario on December 2 that he was unaware of P.E.I. mussels being sent to Ontario and said that no further action was indicated at that time. Mr. Blackwood told the Province of Ontario not to take action, but we know now that

toxic mussels were available in Ontario, were being consumed in Ontario, and in fact a man in Ontario died.

How can the Minister expect the public to have any confidence in him when his own officials give out erroneous information which continues to place the health of Canadians at risk even after he issued the public health alert?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, on December 1, 1987, as I have already stated, respecting the mussel situation in Prince Edward Island—

**Mr. Tobin:** Answer the question.

**Mr. Epp (Provencher):** Oh, I will answer the question. Just give me the time. I would love to answer the question.

I have given the details of how the message was sent to Ontario. It is interesting that at 8.10 a.m. on December 2, the following happened:

> —that morning Messrs. Boehnke and Flaherty, two officials of the Toronto Public Health Unit had spoken with Mr. Saarkoppel, a supervisor at Scarborough H.P.B. who advised them that he would obtain details and call them back. Later that morning, Mr. Saarkoppel advised both Messrs. Boehnke and Flaherty of the Toronto Public Health Unit that the Minister of National Health and Welfare had issued a release to the public to advise against the consumption of cultured P.E.I. mussels and that H.P.B. was in the process of receiving from Fisheries and Oceans Canada a list of retail and restaurants where the product could be found.

What is then interesting is the following:

> Our current agreement with the Ontario Ministry of Health is that they are responsible for the distribution of hard copy to all Health Units in Ontario. When by 1:30 p.m. on Thursday, December 3, 1987 it became clear that hard copy from the Ontario Ministry of Health was to be sent by mail, H.P.B. decided immediately to deliver by hand, to all Public Health Units in the greater Metropolitan Toronto area, . . . a hard copy of the list of retailers, distributors and restaurants where mussels were likely to be found and this was done.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** I wonder if all Hon. Members would consider for a moment not only themselves but the public are watching this extremely difficult and very important issue. The Opposition has not only a right but a duty to ask questions. The Government has a right and a duty to answer them. Given all that has happened, it seems to me that it would fit the dignity of this place if questions were to be asked and answers given without a lot of interruption from other Hon. Members who are not recognized.

[*Translation*]

TOXIC MUSSELS AFFAIR—OPPORTUNITY FOR GOVERNMENT TO OFFER COMPENSATION TO VICTIMS

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the Conservatives are laughing and clapping, but this morning Mr. Donat Gagnon added his name to the lengthening list of persons who died after eating mussels.

Yesterday, despite the mistakes made by two Ministers, the Government was still refusing to offer compensation to the victims of the credible errors made by this Government. Six people are still in hospital in Montreal. Three are in intensive care and one person is in very serious condition.

I want to ask the Prime Minister why the Government keeps refusing to offer compensation to the victims' families and to the fisheries that have been affected.

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, first of all I do not think anyone in the House is laughing about this serious issue or about the illnesses that have occurred or the deaths that have occurred. I say to the Hon. Member that he should have in his hand and, if not, it should have been delivered to his office further to what I said in the House yesterday that we would give a further update today from the operations centre. It is an operations centre update dated today. There are details in it, relating to the present situation, under three titles, and that is all I have time for right now. One is intensive analysis to create the conditions enabling resumption of the fishery. The order of re-entry. And a joint Government-industry approach.

• (1500)

Keeping in mind that that plan is being worked on very carefully, there is one overriding consideration in the entire plan. That is the health conditions, the health priority and its rigorous application, will be applied.

I suggest to the Hon. Member, while he has raised this question a number of times, and I know what he is saying, that it is important to use this plan rather than get into some of the other questions because the health issue has to be paramount for all of us in this House and beyond.

[*Translation*]

WHY ARE TWO MINISTERS WAITING TO TENDER RESIGNATIONS

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, when he waited four days before alerting Canadians the Minister of National Health and Welfare gambled with the lives of Canadians, and he knows that. As to the Minister of Fisheries and Oceans, by including shellfish with other molluscs when he sounded the alarm on November 11 he too goofed, and he knows it. And now clam fishing permits are being issued in zones which Environment Canada has said to be contaminated, again endangering the lives of Canadians. Mr. Speaker, what are these two Ministers waiting for before they get out of their shell and hand in their resignation? That is the only move which will restore the confidence of Canadians!

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, again the Hon. Member in his preamble made a statement or an allegation which is not true. There was not a

delay of the health alert and there was not knowledge by this Minister—

**Some Hon. Members:** Oh, oh!

**Mr. Epp (Provencher):** Let me finish. There was not a change of the dates. For the two weeks that I have been asked questions in this House and the media, those dates and that information, time after time, has been affirmed and confirmed. That is the first point that has to be made.

**Ms. Copps:** That's false.

**Some Hon. Members:** Oh, oh!

**Mr. Epp (Provencher):** The second—I would think that Hon. Member should heed the warnings that were given.

Second, I say to the Hon. Member, with respect to the health alert, his own Leader said that health was a priority and the only priority. The Hon. Member is still questioning today after the events and the facts and I take it that he does not think the health alert should be sent. That is how I have to interpret his question. I say to him that the plan is in place, we are following the plan, and I am not going to change the plan because of his partisan priorities or partisan words.

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## FISHERIES

EXPORT OF CLAMS—ISSUANCE OF LICENCES

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans and deals with the question posed earlier by my colleague from Yorkton—Melville.

**Some Hon. Members:** Same question!

**Mr. McCurdy:** In 1948 a treaty called the Clam Zone Inspection Treaty was signed with the United States. According to that treaty clams taken from polluted areas, that is areas found to contain evidence of human fecal pollution, should not be allowed for export to the U.S.

Why were licences issued to two companies to take clams from Rivière Blanche, in the riding of the Prime Minister—

**Some Hon. Members:** Oh, oh!

**Mr. McCurdy:** —from Sector N4.3 and Papinachois Sector N5.2.1, which are areas which have shown evidence of coliform contamination? Why were licences issued which would allow shipment of contaminated clams to the United States when this is prohibited under the treaty?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, again, as is so common with members of the Opposition these days, the Hon. Member is over-simplifying. The general treaty provides for notice and closures as proclaimed by the Government of Canada to take precedence over any desire to export a product. Because of Red Tide, the closing of shellfish areas is a common practice, in place for decades, to ensure that at times of the year when particular areas are contaminated product is not harvested from those areas. Those procedures are followed with the opening and closing of various areas from time to time.

I can assure the Hon. Member that both the environmental protection service and the Department of Fisheries and Oceans ensure that whenever a shellfish area is open for the harvesting of clams and other mollusks it is in accordance with all the health standards required by the Health Protection Branch and the Department of Fisheries and Oceans.

REASON FOR ISSUING EXPORT LICENCES

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, quite frankly, I have to tell you that if that is the kind of ignorance motivating policies in fisheries, then we are in serious trouble. We are not talking about Red Tide. We are talking about the requirement that there be no evidence of human fecal pollution in clams shipped to the U.S.

I want to know why licences were issued for taking of clams in two known contaminated areas and why licences were issued to take clams from 30 areas that have not been tested in 10 years?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, now we are getting down to the heart of the situation. I am well aware of the situation that prevails in Baie de la Rivière Blanche and I can assure the Hon. Member that we do not open areas in which the levels of contamination exceed safe health standards. I can assure the Hon. Member that when this particular area of the Rivière Blanche was open in the winter of 1986, it was on the basis of water quality tests carried out on December 2, 1986, by the environmental protection service and those tests indicated there was no contamination and that the water quality standards were met.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** I regret to advise Hon. Members that the time for Question Period has expired.

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## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, while Members of the House are completing private conversations, leaving the Chamber, arranging their papers and engaging in other parliamentary matters, I wonder—

*Message from the Senate*

**Mr. Speaker:** Order, please. The Hon. Member for Windsor West (Mr. Gray) has of course *en passant* noted that his intervention to question the Government this afternoon as to House business are being interrupted by conversations by Hon. Members. I ask Hon. Members standing in the Chamber carrying on conversations to please move beyond the curtain. I ask other Hon. Members to co-operate. I thank Hon. Members.

**Mr. Gray (Windsor West):** Mr. Speaker, I appreciate your intervention although I would have had no objection to the conversations continuing. I would have been happy to use my weekly exchange with the Deputy Government House Leader as a period of time in which Members could settle down so the House can resume its normal placid but important atmosphere.

**Mr. Turner (Vancouver Quadra):** Don't go overboard.

**Mr. Gray (Windsor West):** In any event, I want to ask the Deputy Government House Leader to give a statement of government business. Perhaps under the circumstances, he can tell us whether the Government can outline its program for the forthcoming winter semester, including generally when the Budget might be expected, what priority will be given to the official languages Bill, and when the Government will bring forward its long promised but as yet unpresented ethics in government legislation?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I agree with my hon. friend, I thought everyone hung on our every word every Thursday.

This afternoon we will complete Bill S-14 in all stages and then proceed to the free trade debate. If that debate is not completed this afternoon, we will continue it tomorrow. If it is not completed tomorrow, we will possibly continue the debate on January 18, 1988, if the House agrees with the Adjournment Motion on the Order Paper. Thanks to the co-operation of the Opposition, at times, and to the diligence of the Government, at all times, we completed quite a bit of legislation this past fall. We will have a full agenda when we return on January 18.

• (1510)

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, we know that today and tomorrow are the last days that Parliament will be sitting to debate the free trade issue prior to rising. We also know that the Government will be signing the free trade agreement on January 2. That means that these two days will be the last opportunity for debate prior to the signing. Does the Prime Minister of Canada (Mr. Mulroney) plan to speak on this issue before the signing of the agreement on January 2, which means either later today or tomorrow?

**Mr. Lewis:** Mr. Speaker, I will take this up with the Prime Minister (Mr. Mulroney) to learn whether his agenda permits him to enter the debate either this afternoon or tomorrow.

There have been discussions among the Parties, Mr. Speaker, and I would like to thank my colleagues in the Opposition in advance for their indulgence. I think you would find consent to call Bill S-14, a Bill from the other House, presently standing on the Order Paper in the name of the Hon. Member for Témiscamingue (Mr. Desjardins), which I would move on his behalf. I think you would find consent to deal with that Bill in all stages without debate.

You will also find that it has been agreed that at five o'clock the House shall proceed directly to the adjournment debate.

**Mr. Deputy Speaker:** Is that agreed?

**Some Hon. Members:** Agreed.

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## GOVERNMENT ORDERS

[*Translation*]

### COOPERANTS, MUTUAL LIFE INSURANCE SOCIETY

MEASURE TO ENACT

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)) (for Mr. Desjardins)** moved that Bill S-14, an Act to authorize Cooperants, Mutual Life Insurance Society to be continued as a corporation under the laws of the Province of Quebec, be now read the second time and with unanimous consent referred to a committee of the whole.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the Chair.

Clauses 1 to 3 inclusively agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

[*English*]

### MESSAGE FROM THE SENATE

**Mr. Deputy Speaker:** I have the honour to inform the House that messages have been received from the Senate informing this House that the Senate has passed the following bills without amendment: Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to

provide for other related matters and to amend or repeal certain Acts in consequence thereof; Bill C-88, an Act to amend the Judges Act; Bill C-94, an Act to bring into force the Revised Statutes of Canada, 1985; Bill C-97, an Act to amend the Canada Labour Code; Bill C-98, an Act to amend an Act respecting the Hudson Bay Mining and Smelting Co., Limited; and Bill C-101, an Act to amend the Excise Tax Act.

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[*Translation*]

## THE ROYAL ASSENT

**Mr. Deputy Speaker:** I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

December 17, 1987

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 17th day of December, 1986, at 4 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Anthony P. Smyth
Deputy Secretary,
Policy and Program Branch

# GOVERNMENT ORDERS

[*Translation*]

## TRADE

CANADA—U.S. FREE TRADE AGREEMENT

The House resumed consideration of the motion of Miss Carney that this House endorse, as being in the national interest, the Canada—United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987, and of the amendment of Mr. Langdon (p. 11885).

**Mr. Deputy Speaker:** When the House rose at 1 o'clock, there remained ten minutes for questions and comments following the speech of the Hon. Member for Algoma (Mr. Foster).

[*English*]

**Mr. McDermid:** Mr. Speaker, I listened with great interest to the Hon. Member's speech earlier today. I know that he is very interested in Canadian agriculture, is very concerned for the consumer, and is interested in the service sector as well because he was a doctor of some reknown in the practice of veterinary medicine.

*Free Trade*

I would like to read three brief quotes and ask the Member to comment on them. The first is from Jalynn Bennett of the Canadian Life and Health Insurance Association who says:

> The free trade agreement is, on balance, a significant and positive achievement for the Canadian economy. The primary and highly important—benefit to the financial services sector is this: secure and improved access to each others markets over the long term. The Canadian industry—and its customers—will be well served by the agreement.

Sally Hall of the Consumers' Association of Canada says:

> Barriers to trade are always paid for by consumers, while producers are the main beneficiary of them. Free trade produces choice and competition, and gives consumers real power in the marketplace. Signing the deal will provide positive economic gains for Canada, the deal deserves some support from consumers.

There are some mining interests in the Hon. Member's constituency. George Miller of the Mining Association of Canada says:

> The Canadian Mining Industry lives by trade. The free trade agreement will help secure access to our most important market by limiting protectionist harassment. We are convinced that the binational dispute settlement mechanism will introduce real discipline in the trade remedy area.

Those are three areas which constituents of the Hon. Member are very interested in and very concerned about. With that kind of endorsation and support how can the Hon. Member, in all sincerity, stand up and oppose this very excellent U.S.-Canada trade agreement which was reached between our two Governments?

• (1520)

**Mr. Foster:** Mr. Speaker, I am glad the Parliamentary Secretary to the Minister for International Trade (Mr. McDermid) has posed these questions. I had the opportunity to travel with the External Affairs and International Trade Committee to Yellowknife in the Northwest Territories where The Consumers' Association certainly watered down and practically disowned this agreement between Canada and the United States. While they are in favour of freer trade with all countries because it will help consumers, when they looked at this deal and all of the publications since, they practically gave up all support for the deal.

I am also interested to know why it seems the whole approach to this deal is to avoid further processing of our own resources, such as the mineral resources of this country. According to this agreement, we have to give up the policy we established many years ago to further upgrade our uranium in Canada. The federal Government has spent about $180 million building refinery facilities in Blind River and Port Hope. Now, however, besides giving unlimited access to all our energy resources under this agreement, including natural gas and oil—

**Mr. McDermid:** That is not true.

**Mr. Foster:** —we have given up the right to upgrade our mineral resources like uranium.

**Mr. McDermid:** Start telling the truth.

**Mr. Foster:** I also want to ask the Parliamentary Secretary, who perhaps sees the Minister for International Trade (Miss Carney) from time to time, to tell her to stop deceiving Canadians about how they will be able to bring consumer goods from the United States. She has been leaving the impression throughout the country that Canadians will be able to cross the border and import back into Canada unlimited amounts of consumer goods from the United States. That is very important to an area like Algoma which is immediately adjacent to Sault Ste Marie, Michigan.

The fact is that her own officials have corrected her and said that consumers will only be able to bring $100 worth of goods back to Canada after 48 hours. They will have to pay the sales tax of 12.5 per cent. If the product is manufactured in Japan, Malaysia, or some other country, they will pay full duty. If the product is manufactured in the United States, the duty will be gradually reduced, if there is a duty, because 85 per cent of our trade with the United States is duty-free.

I hope the Parliamentary Secretary will ask the Minister to stop misleading Canadians about the amount they can bring in from the United States. It is $100 after 48 hours, not the malarkey she has been spreading.

**Mr. McDermid:** Mr. Speaker, I must be careful about what words I use. The Hon. Member is not giving the full story. The Minister said very clearly that any goods produced in the United States would be duty-free after the 10-year period. There will be no duties on them. In the next breath she said that by the time that happens, the limits that are set by either government for products being brought back will apply.

The Member should finish the Minister's quote. If he is quoting from a newspaper story he should give the whole story because he is being very unfair. He is attributing something to the Minister that is not accurate. He did not finish the whole story.

The Hon. Member talks about goods from Taiwan and Singapore. This is a trade agreement regarding American made goods and Canadian made goods. It is all about creating jobs in Canada, not in Taiwan or China.

I suggest the Hon. Member is being intellectually dishonest with the House by telling us that malarkey.

**Mr. Foster:** Mr. Speaker, I want to quote from an article in the *Ottawa Citizen* on December 10, with the headline "Duty-free limits unchanged in free-trade pact with U.S.". It states:

> Canadian consumers who think a free-trade deal will mean they can head to the U.S. for unrestricted shopping sprees are in for an expensive shock at Canada Customs.
>
> Federal officials say the final trade agreement, to be made public Friday, makes no changes to the current duty-free limits and other restrictions on what Canadian travellers can bring home with them from trips south of the border.

It goes on to say that the trade Minister:

> ... has been spreading the idea that free trade will allow Canadian shoppers to cash in on cheap American goods without having to face Canada Customs on the way home.

**Mr. McDermid:** Who said that? Is there a quote?

**Mr. Foster:** Yes, I will quote the Minister's speech. The article went on:

> During a recent speech, Carney said she had been asked 'if free trade meant you could bring anything you wanted back from the U.S. without paying duty. The answer was, yes'.

That impression she has been leaving with the country is patently false and the Parliamentary Secretary knows that. I am simply asking him to have the Minister come clean and tell Canadians if the limit will still be $100 after a two-day visit.

For instance, the officials in the Parliamentary Secretary's own department gave the following example. One year after the trade agreement has been in effect, the reduction on a $600 stereo made in the United States is $5. The consumer who buys a stereo in the United States and thinks he will bring it back without paying any duty, sales tax and no limit on importation amounts, will be in for a rude awakening. He will only save $5 after the first year of this agreement with the duty reduction in effect.

I know the Hon. Parliamentary Secretary does not want to mislead Canadians. Perhaps he could tell the Minister to come clean with Canadians, especially those who live along the St. Lawrence River and in places like Sault Ste Marie which are near the border, and tell them that the limits are just the same and the duty will be gradually reduced over 10 years. The sales tax will be the same.

**Mr. McDermid:** Read the quote again. It says duty.

**Mr. Foster:** The Customs agent will have to check them more carefully because the duty reduction applies if the goods are made in America but does not apply if they are made in Taiwan or some other country.

**Mr. Althouse:** Mr. Speaker, the Hon. Member for Algoma (Mr. Foster) referred briefly to the effect of the deal on dairy producers and processors. Would he care to comment on some recent events which I noticed in the business pages. Peter Pocklington has just become the owner of Palm Dairies. I also know from reading the agreement that the import duties, the protection we had on dairy products of 15 per cent against American ice cream and yogurt and other mixed products from that side of the border, are going to drop, leaving the fear among some producers in this country that the value of raw milk will be forced down.

• (1530)

Mr. Pocklington was quoted in the article with respect to his acquisition of Palm Dairies as saying he made the acquisition thanks to the trade deal, which he understands will cause the price of raw products in this country to go down, and he feels these would be a great opportunity in the dairy business as a result. I wonder if the Hon. Member for Algoma (Mr. Foster) could comment and give us his assessment of how accurate the statement of Mr. Pocklington is?

**Mr. Foster:** Mr. Speaker, I must say I am extremely concerned about this statement because Mr. Pocklington was instrumental in seeing the Prime Minister (Mr. Mulroney) become the Leader of the Tory Party and is probably privy to exactly what is going to happen in that regard. Clearly, in the final text there is a contradiction because the Government has mentioned in Article 710 that Section 11 of the GATT applies, but it also states that Section 10 is subject to any other section. That is where the trouble starts. Article 703 provides for the removal of all barriers. That is the concern. Even though Section 11 of the GATT is mentioned in Article 710, it is subject to the overriding provision.

Today the UPA in Quebec has issued a press release and has expressed deep concern that the Government has introduced this new overriding section, which will seemingly move towards the removal of all barriers. That is what the Undersecretary for Agriculture of the United States said they were going to get during the negotiations, and that appears what they have gotten.

The UPA has expressed its deep concern with respect to that section and to the fact that the Government has refused to implement import controls and put ice cream, yogurt and fluid milk on that import control list. I think that Mr. Pocklington bought up Palm Dairies because he knows the whole supply-management system is going to be ruined by this agreement, plus the Government putting the whole supply-management system on the table at the GATT. He knows something that the rest of us do not. He knows when to get in and take advantage of a business opportunity. Obviously, that is the direction in which the Government is going.

• (1540)

[*Translation*]

**Mr. Deputy Speaker:** Order. Resuming debate. The Minister of State (Agriculture).

**Hon. Pierre Blais (Minister of State (Agriculture)):** Mr. Speaker, I welcome this opportunity to speak this afternoon in the free trade debate. I listened carefully, especially to what was said by the Hon. Member for Algoma (Mr. Foster) just now and this morning with respect to free trade. What surprised me again—I would not call it ignorance—was the failure to understand the facts and circumstances of the historic Free Trade Agreement concluded by Canada and the United States. To hear the Hon. Member, the majority of Canadians and Canadian farm groups are opposed to the Free Trade Agreement, although the opposite is closer to the truth.

Only forty-eight hours ago, at a meeting on Canadian farm perspectives held across the street, I heard the President of the Canadian Pork Council when he spoke to the Prime Minister (Mr. Mulroney), right after the latter's announcement that our Government would inject about $3 billion into Canadian agriculture. The President of the Canadian Pork Council said how delighted he was with the Free Trade Agreement concluded by this Government and the United States.

A person would have to be blind not to realize the obvious benefits arising from this Agreement for Canadian agriculture. When we realize that the market for pork alone, which only a few years ago was worth $300 million, is now worth over $630 million, it is clear this market is important to Canadian farmers and to the Canadian economy. If we add the cattle sector, we find that as cattle breeders told us the other day, more than $1 billion in this particular sector crosses the border into the United States. It is an important and profitable market for Canadians. I noticed that when making his quotes, the Hon. Member overlooked a number of statements made by the president of the cattle breeders association. So it is not just pork but beef as well.

The Hon. Member had some concerns about marketing boards. Mr. Speaker, as of March 16 this year, we made a commitment here in the House to protect marketing boards for agricultural products. We made that commitment in the knowledge that over the years, Canadians have developed a structure that is uniquely adapted to their needs. In fact, to a certain extent it is also unique by world standards. By dint of hard work and discipline, Canadians over the years have developed for certain industries, and I am thinking of the dairy industry, a very special structure that monitors supply—there is no pressure—and exports to countries with which we do business, including the United States, the Common Market and other countries as well.

This special structure, as the Hon. Member is aware, is such that it is protected under the General Agreement on Tariffs and Trade. One would have to be foolishly partisan or blind not to acknowledge that in recent years, this structure has proven its worth and we are thus committed to preserving it. Furthermore, in the realization that it might be necessary to include an additional caveat in the final text we tabled last week, we inserted Section 11 of GATT which closes the gap and specifically mentions the protection afforded by GATT, which already had an umbrella like function.

In negotiating this Agreement with the Americans, Canada has always been careful to observe the basic principles of international trade, especially in the agricultural sector. We have always been a dynamic participant in the GATT talks, and we will remain so, Mr. Speaker, because we believe this is important.

From the outset, the Prime Minister and his Government have notified other world economic powers and other countries that export agricultural products.

Over the years, we have seen a subsidy war develop which was altogether unacceptable. To that end, we have also presented these past few weeks during the GATT negotiations in Geneva a position which is quite consistent with this policy. These past few weeks, Mr. Speaker, members of the Opposition and some extremist farm groups have tried to convince Canadians that we had made a mess of the farm industry and that we did not want to make any particular effort to protect this industry. This is not true, Mr. Speaker! We have taken

concrete measures both under this free trade deal and the position which the Minister of International Trade (Mrs. Carney) has indicated to the House. We have not tabled the text of the negotiations, but our general position was quite consistent with Section 11 of the GATT and the fact that, until further notice, we still operate under a quota and supply management system which is to the liking of the Canadian people, which puts no pressure on foreign markets and which could be argued for before this international court in front of 94 other countries with which we will negotiate in good faith over the next few months.

This being said, Mr. Speaker, I think this was the main point on which we had made a commitment last March. However, we had also made a firm commitment, not out of the blue but as a result of this absolutely frustrating wave of American protectionism. I think that we had no choice, we could not just sit and wait while American protectionist measures blocked our exports, in every area: hogs, raspberries, cut flowers, and many more, Mr. Speaker.

We had to act. We simply had too, because we are aware that Canada is a country much smaller, population wise, than the United States. There are only twenty five million of us as opposed to a market of 235 million people south of the border. As a Canadian I do not like this sort of reaction which I would describe as somewhat abnormal emphasizing the fact that "We are a small country". We are small and to keep from being swallowed up, to prevent others from capturing our markets, we are to erect barriers all around us—as if the way, Mr. Speaker, to develop aggressive marketing structures was to sit down, to try and keep other countries from invading our markets by putting up barriers, while trying to step over the barriers put up by other countries. That is a childish and backward attitude, Mr. Speaker, that would take us back to the 19th century, if not to the 18th century, as shown by the Opposition. This does not represent Canadians as they are. This does not represent Canadians who have been building this country for the past 200 years, who built it specifically on a trading basis.

Canada has always been a country whose economy was largely based on trade, and I think it was legitimate and normal for Canadians and their Government to strike an attitude that would mean: I am not afraid. I can sit down. I am not small. I am big country and I am capable of negotiating with others on equal terms. This is what Canada is all about, Mr. Speaker. And all through the debate about the trade negotiations, that might be the problem. That might be the problem with those who are against free trade. Maybe they are small in their own minds. They cannot exercice vision, they cannot show Canadians everywhere what it is like to have vision, what it is like to look up to the future for ourselves and for our children.

Over these last few weeks I have been assessing the various reactions and spinoffs for this country.

Mr. Speaker, in the face of increasing protectionism we decided to sit down and conclude a historic agreement. It will not solve everything because we are not perfect, and neither are the Americans. It would seem that perfection can be found only in a small corner on the other side of the House.

**An Hon. Member:** You are laying it on a bit thick!

**Mr. Blais:** As to the rest of us, Mr. Speaker, we have not quite reached perfection. We may not be perfect but we do work and come up with final texts which respond to the needs of Canadians. People do not expect us to be perfect, they simply want us to work in the best interests of all Canadians.

We negotiated a dispute settlement mechanism which, as may be recalled, was singled out by two independent firms barely a few weeks ago as being the first time such an avant-garde mechanism is available to settle disputes between two countries. That was not easy either. A lot has been said about sovereignty, about the danger that we might just lose our sovereignty in an agreement of this kind. I heard that many, many times. But it was not any easier for the Americans to relinquish part of their responsibilities to a tribunal having binational jurisdiction. It takes a fair amount of maturity for a country to feel strong enough, Mr. Speaker. One has to be strong enough to be able to say: I am not afraid to sit down at a table with my neighbour on an equal-to-equal basis to deal with our diverging views like adults and settle our problems.

Over a five-year period—we did give ourselves some time—this mechanism will enable us to weigh the various issues which might be a source of trouble in future. It stands to reason that other problems will crop up eventually, and we are all aware of that. There will be other problems in other sectors, not only in the agricultural sector. But are we going to wait until these problems land in our lap before trying to draft legislation, make speeches in the House, and try to do away with trade and tariff barriers? No, I do not think that was the secret. Rather the secret was in the approach, an open approach, a dispute-settling approach. Most Canadian leaders in all sectors are telling us that already we can see that the Americans have a new attitude with respect to trade discussions of whatever nature. I think we can do the same thing.

Mr. Speaker, a few weeks ago during the conference of First Ministers we heard . . . and I thought it was rather strange to see the British Columbia premier talking to his Ontario colleague and telling him he did not understand why he was against it, he did not understand why a province which does practically 90 per cent of its business with a neighbour would be against free trade, particularly since he in British Columbia did no more than about 40 per cent yet was quite prepared to open his markets to the Americans. We will need answers and explanations with respect to the question which, as I see it, is of some importance.

Just before the Quebec premier got to speak, his Saskatchewan counterpart was saying just about the same thing to the Ontario premier. Will Canadians in the rest of Canada have to

spring to the defence of Ontario which is being threatened by the American monster? I should think that, after listening to so many arguments and expressions, one can appreciate why a number of Canadians find it difficult to understand why the Government of Ontario is against the agreement. And right after that the Quebec premier told his Ontario colleague: We have been trying to diversify our markets for 30 years and in spite of 30 years' work to diversify our markets world-wide we are still doing more than 75 per cent of our business with our American neighbours.

Why, then, leave that market for other uncertain markets with which we are not familiar and about which we have not been given any sure indications. We have not stopped looking for markets. We now trade with 30 or 40 countries in the agricultural sector alone. In the last four years, the Minister in charge of the Canadian Wheat Board and the Minister of Agriculture have made every effort to increase these markets. However, it still remains that, before thinking about any potential markets, we have a duty to think about the products which we now have to sell in spite of generally depressed prices on the market. Mr. Speaker, I believe that we have delivered the goods in this regard, but we have not solved all the problems. The purpose of these negotiations was not to solve all problems for the next 50 years, but to find a new approach for a Canadian Government which is not afraid to stand up, which does not hide behind the curtains and which has confidence in the population and businesses of Canada.

As recently as two days ago, Mr. Speaker, and the same is happening throughout Canada, a group of business people in the industrial and agricultural sectors, including the president of the Farming Corporation of my region in Quebec, came here to support the free trade initiative and to show Canadians that, in small plants located throughout Canada, thanks to the entrepreneurship of Canadians and the positive effects of a regional development policy which we are now applying to all Canadian regions and which is consistent with national and regional policies in Canada . . . When we implement a regional development policy in the Maritimes, it has not been developed by people in office towers, here, in Ottawa, but by local people in the Maritimes, in co-operation with the Governments involved. The same happens in Western Canada, in Ontario and in Quebec. This is how, Mr. Speaker, we have developed in all our regions an economic and manufacturing infrastructure which is not afraid of facing the American market. In all Canadian regions, and this did not start last week, but many months and even two or three years ago, small companies which had 15, 20 or 30 employees now have 50, 80 or 100 employees, and every day, they produce quality products which they send to the American market.

What we see are people like the Hon. Member for Oshawa (Mr. Broadbent) where workers are paid three times as much as others in some regions of Quebec, but they are rolling up their sleeves, and people in Oshawa are getting $2 billion in investments from companies which are in favour of free trade. Yet those people are against free trade. My little girl is 12 years old, she watches television, but she cannot understand the position of those people. It will be necessary that the kind of fraud we have been witnessing over the past year, the kind of philosophical opposition to a historic treaty, to a historic approach for Canadians . . . the situation is getting clearer because Canadians everywhere are saying: "It is good for us, our markets are there, and so are our jobs." We must support the Government in this endeavour. They do not understand why people living in better-off regions should object, as if they were afraid to lose whatever advantage they may have.

Mr. Speaker, in agriculture as in any other sector, this agreement is a resounding success. It is a historic agreement. I think an ever increasing number of Canadians will agree with us in the coming weeks. They said they agree, and I am convinced that we will make the transition into the 21st century as only Canadians can do, standing up, not on our knees.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart)—Unemployment Insurance—Rights of early retirees/Request for explanation; The Hon. Member for York East (Mr. Redway)—Public Service—Employment of visible minorities; The Hon. Member for Western Arctic (Mr. Nickerson)—Sovereignty—Northwest passage—Canadian jurisdiction.

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• (1550)

## GOVERNMENT ORDERS

[*English*]

### TRADE

CANADA-U.S. FREE TRADE AGREEMENT

The House resumed consideration of the motion of Miss Carney that this House endorse, as being in the national interest, the Canada-United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987, and the amendment of Mr. Langdon (p. 11885).

**Mr. Deputy Speaker:** On questions or comments, the Hon. Member for Algoma.

**Mr. Foster:** Mr. Speaker, I noticed the "loud" applause of the half dozen Tories in the House this afternoon; it was because the Minister's arguments were weak.

The Hon. junior Minister might be able to help his own cause in Quebec if he could answer some of the questions posed today by the UPA. For instance, at its press conference this afternoon it wanted to know why nobody in the Department of Trade has been able to clarify the reason that Article 710, which mentions that Section 11 of the GATT agreement provides for import control lists, has been made subject to Article 703 in the agreement, which provides that barriers to trade between Canada and the United States will be reduced in whatever way possible, whether it be by the removal of tariffs or by the removal of quotas.

Also in its press conference this afternoon the UPA wanted to know why ice-cream, yogurt, and liquid milk were not on the import control list as was demanded by Mr. Pagé, the Minister of Agriculture in Quebec, and as was promised by the Minister when he spoke to the UPA a couple of weeks ago.

I will not get into the details of that speaking engagement, because it was incredibly embarrassing for the Hon. Minister.

Another concern of the UPA is why there are increased quotas for poultry and meat, an increase of some 31 million kilos to some 37 million kilos of meat per year, and an increase of 6 million dozen eggs.

At the conclusion of the press conference, the President of the UPA said that the free trade agreement raises many legal and technical problems and puts a number of problems before Quebec agricultural producers.

Could the Hon. Minister clarify these points, especially for dairy and poultry producers in the Province of Quebec?

**Mr. Blais:** Mr. Speaker, I would like to give the answer of a junior Minister to a senior back-bencher.

Everyone knows that we can include yogurt and ice-cream in the agreement. It is an internal question about addressing the national market. It is not really a question about free trade. Two or three weeks ago the Minister of Agriculture (Mr. Wise) said that we had asked the Minister for International Trade (Miss Carney) to try to put yogurt and ice-cream on the import quota list. We are working on it now. We have said that we will check all the details of that question to find out if it is appropriate to do it. We are working on it now.

Anyway, it will not be necessary a year and a half beforehand because yogurt and ice-cream imports have decreased from 250,000 kilos to 50,000 kilos over the last two or three years.

[*Translation*]

In fact, to be more specific, in the last two or three years these imports declined to one-fifth of what they were previously. We are working on this right now. We have had several meetings about supply management with national representatives, including the Canadian Dairy Farmers and provincial organizations, especially in Quebec. These people did not take the slightly hysterical attitude we saw among some leaders in Quebec. Their approach was far more pragmatic, in that they asked for specific questions to be dealt with. There was the issue of imitations. This comes under provincial jurisdiction. We discussed this with our provincial counterparts, including the Quebec Minister of Agriculture.

You mentioned an increase in chicken quotas. There is no increase. We have maintained import quotas at the same level, which is the average level for the past five years. Total imports for last year were lower than in 1984. Furthermore, and the Hon. Member forgot to mention this, production in the poultry sector increased 8 per cent last year in Canada. It is expected to increase by 4 per cent next year. Is there any other economic sector, any other farm sector in Canada that can say it increased production by about 13 per cent over two years, Mr. Speaker? This particular sector is in very good shape. We have no problems here. There is a production increase.

I am sure that those people . . . a few minutes ago, I saw a press release issued by the *Union des producteurs agricoles du Québec*, which said they were glad to see GATT Section 11 had been recognized in the final agreement. They raised a number of other problems we will look into. I received this only a few minutes ago, Mr. Speaker. This was a press conference held in Montreal, to which I was not invited, and I intend to continue our dialogue with agricultural groups in Canada, wherever they happen to be. I am sure that as soon as the Opposition Parties and the people who for philosophical reasons are opposed to free trade have changed their tune and told the Canadian people and farm producers exactly what the situation is, people will understand it is in their interests to support this Agreement and see it ratified.

• (1600)

[*English*]

**Mr. Riis:** Mr. Speaker, I want to remind my hon. friend that the newspapers today as a result of extensive polling, tell us that six out of 10 Canadians are against the free trade deal which the Mulroney Government has signed with the United States.

The Prime Minister of Canada (Mr. Mulroney) is on record as opposing the free trade deal with the United States because of loss of Canadian sovereignty, the present Minister of Finance (Mr. Wilson) is on record as opposing a free trade deal, the Secretary of State for External Affairs (Mr. Clark) is on the record as opposing the free trade deal, and the former Secretary of State is on record as opposing the deal. Every single candidate for the leadership of the Progressive Conservative Party is on record as opposing this free trade deal with the United States because of what it will do to Canada. There was one exception, Peter Pocklington. He was the only one in favour of free trade.

The Prime Minister himself and the leading Cabinet Ministers of Canada are on the record as opposing free trade prior to the election. They then were given a mandate by the people of Canada, but the issue of free trade was never raised during the entire eight week federal election campaign. The

Prime Minister is now going to sign the agreement into effect on January 2 without any mandate from the people of Canada. The Premiers themselves who are supporting the deal have no mandate from their electorate because they never campaigned on the issue of free trade. What right does the Government of Canada have to lock Canadians into a free trade deal with the United States that will have profound implications for generations to come—

**Mr. McDermid:** Positive implications.

**Mr. Riis:** —without having any mandate from the people of Canada? Could he explain why it is that the Government is signing this deal before the people of Canada have had a chance to look at the final agreement? We have had it for only three or four days, and I would guess that 99.99 per cent of Canadians have not seen the agreement, let alone studied it. Does he think this is the way a Government should do business in a democratic society?

[*Translation*]

**Mr. Blais:** Mr. Speaker, I think the mandate we got was to give Canadians economic prosperity. That was the mandate we received, and clearly this is what we have been delivering over these last three years. A government that can pride itself on creating more than a million jobs over the same period of time has no lessons in economy to learn from an Opposition that fought against the Auto Pact some 20 years ago and that is now fighting like a tiger because those people fear that the system we put in place during the 1960's might under a freer trade system be extended to the Canadian economy as a whole. I think we have no lessons to learn from that side, Mr. Speaker.

And if they feel like being honest, they will admit that the protectionist moves we have been facing up to very recently were not there in 1983 and 1984. Those moves came over the years, they came with the really stupendous increase in the American trade deficit, which was still at $17 billion last month. Clearly the Americans had a gut reaction when they found themselves being swamped with goods coming in from all over the world—the European Economic Community, Japan, Asia, Canada. They had a protectionist reaction. And as I explained earlier—whether the Ottawa Member listened to my speech or not—that reaction indeed was what came after 1984, the protectionist one. We had to react. Should we have adopted a wait and see attitude, and must we now have an election every three months, whenever a problem arises? We reacted, Mr. Speaker, the way a government should. We created jobs. We developed a regional development policy that is the pride of all Canadians, and when the time comes, Mr. Speaker, Canadians will pass judgement on us in the polls. I have no fear of that, Mr. Speaker.

[*English*]

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, before I begin, I understand that we are expecting a messenger from the Senate, which means that my speech will probably be interrupted, as it has been before in this House, by this ridiculous procedure that should have been abolished a long time ago, something which the McGrath commission recommended. Because the Government has not chosen to implement that particular recommendation of the McGrath report, I suppose we will have to suffer this absurdity at least one more time.

I am very happy to speak this afternoon. I hope that this agreement will not go through. We know that if there is an election between now and the time it is to be implemented, it will not be because we know the Government will be defeated. If, however, by some tragic turn of events it is implemented, I am glad that I will be counted for historical purposes as one of those who stood up to defend my country. I hope my grandchildren or my great-grandchildren, whoever has the misfortune of having to read through *Hansard* on the great free trade debate, will be able to say that their ancestors were on the side of Canada. When they are groping through the congressional library in Washington looking for records of the free trade debate that took place in that country called Canada back in 1987 they will see it there too.

I listened to the argument made by the Minister of State for Agriculture (Mr. Blais). Instead of answering the question about process he said that this agreement will bring great prosperity to Canada. Even if that were true, and I do not believe it is true, the end does not justify the means. I thought that there might be some recognition of that ethical principle by Conservative Members, but apparently, in order to foist this agreement upon the country, they have cast away any ethical norms they ever held on parliamentary process and democratic principle. The end justifies the means, and so we are to be put in the ridiculous position of debating an agreement which the Prime Minister (Mr. Mulroney) proposes to sign on January 2 although the Parliament of Canada has only had an opportunity to look at the official text of it for a couple of weeks and the people of Canada themselves will not have had any opportunity to study it.

• (1610)

One of the enduring dishonesties of this debate has been the contention of the Government that this is just a commercial arrangement, an economic matter, nothing we should take too seriously. Canadians are asked to believe that this agreement is an ordinary agreement, that countries are in the habit of doing this sort of thing, and that opposition Members really ought not to make such a big deal of it.

Chapter One of the text of the agreement itself, the chapter entitled Objectives and Scope, says:

> The objectives make clear the extent to which the Canada-United States Trade Agreement moves beyond other free-trade agreements negotiated under the GATT.

The next paragraph says:

> The new Canada-United States Agreement is broader in scope as it provides for liberalization in all sectors of the economy, including agriculture. No other trade agreement includes binding commitments on trade in services, business

travel or investment. No other agreement provides a basis for developing new rules—

And it goes on and on. The point is that this agreement is quite different from any other free trade agreement, but the Government wants us to believe that we are doing something quite ordinary here.

In fact, we are doing something with the united states that no other country has ever done before. no other country, regardless of its political make-up, has ever had so little self-respect that it would even contemplate entering into an agreement like this with its neighbour or with any other country for that matter. when the minister for international trade (Miss Carney) tries to pass this agreement off as just another commercial arrangement, she is engaging in one of the most fundamentally misleading descriptions of what the government is asking canadians to do that i can imagine.

The funny thing about this free trade agreement is that it is both more than free trade and less than free trade. where it is free trade, it is either about the kind of free trade that we have had all along, or it is about the kind of free trade that we would have achieved anyway through the continuing liberalization of trade or reduction of tariffs. on all three counts, it must be described quite differently from how the government describes it.

Why is the agreement less than free trade? We do not get the secure access to American markets that the Prime Minister (Mr. Mulroney) said was the bottom line of the negotiations entered into with the United States. We will still be subject to American trade law, countervail and anti-dumping. Our exporters will still have to go through all the hassles involved in being charged under American law.

Yes, there will be a binational panel, but after the panel, there will be an appeal to a panel of judges, and if the panel of judges decides that the circumstances warrant it, it is referred back to a new binational panel. Throughout, the guidelines as to fairness will be American trade law, the very law the Prime Minister and the Minister for International Trade said they wanted to get out from under all along.

However, in my judgment, the more serious problem is where this agreement is about more than free trade. It includes concessions in the energy sector, the investment sector and the financial sector that cumulatively amount to a giving up of Canadian control over our own economy. The Parliamentary Secretary is making funny noises. That is not unusual. The fact is that we are giving up control over our energy, investment and financial services policies to the market-place.

Conservative Members say that that is a good thing. That fact is not lost on me. I do not think they are doing this unconsciously, although sometimes they look unconscious. They are doing this quite consciously, and that is what makes it even more reprehensible. They are quite consciously trying to lock their view of how the Canadian economy should run—

**Mr. McDermid:** And you are not?

**Mr. Blaikie:** —into this free trade agreement. The Parliamentary Secretary asks if I am not. No, I am not. If I were in government or elsewhere, I would not propose to enshrine the NDP view of Canada in a way that would it beyond the reach of democracy and beyond the reach of other Parliaments. We will save that for the Soviet Union or for the Conservative Government, which has so little respect for democracy and pluralism that it wants to entrench its ideas in a free trade agreement.

**Mr. McDermid:** What are you worried about? You can get out of it in six months.

**Mr. Blaikie:** The Parliamentary Secretary says that we can get out of it in six months. I hope we will never even get into it. The Parliamentary Secretary knows that if by some tragic circumstance we do get into it, it will not be all that easy to get out of it. Things will have happened and we will be in a very difficult position if a future Government wanted to get out of this agreement. We hope that we can get out of it in 1988 through the election of a new Government that will not have anything to do with this agreement. For that matter, 1989 will do, any time within the constitutional limitation of this Government. In either 1988 or 1989, we will tear up the agreement, but tear it up we will. Should the worst possible thing happen and, by some quirk of ugly fate, this gang of bandits over here were re-elected, that is what I mean when I talk about the difficulty of getting out of the agreement in the future.

I said that the agreement is about less than free trade and more than free trade. Where it is about free trade, it is about the kind of thing that would have happened anyway the kind of thing we did not have to give up our sovereignty to get. Tariffs have been going down since 1945, and 80 per cent of our trade with the United States is tariff-free now. What is left would probably have been reduced over time in any event.

What was the big deal? The big deal was that these people over here were spooked, were made scared and by the protectionist mood in the U.S. Congress. Instead of trying to find long-term solutions and counteract U.S. protectionism in other ways, the Government, "Said we cannot do it. If we cannot beat them, let us join them". It did not even try to beat them. It gave up on the global process. It gave up on the multilateral process. It said, "Let us get in under those American skirts and hope we will be looked after. Let us see if we can get a sweetheart arrangement". That is what the Government did, and Members opposite have the nerve to get up and talk about confidence.

• (1620)

**Mr. McDermid:** You are not telling the truth again.

**Mr. Blaikie:** They have absolutely no confidence in Canada. The only confidence the Tories have in Canada is the confidence that somehow we can become as much like the Americans as we have to in order to be competitive. That is not a

surprise. What we have among the Tory back-benchers is a lot of neo-Americans anyway.

**Mr. McDermid:** A lot of what?

**Mr. Blaikie:** Neo-Americans. Almost as bad as neo-Conservatives. People who spent their childhood singing for the American company president when he came to town every once in a while to check on his empire.

**Mr. McDermid:** Neo-communist and the NDP, same thing.

**Mr. Blaikie:** Whatever happened to the Tory view of Canada? Sir John A. Macdonald and John George Diefenbaker must be spinning in their graves.

**Mr. McDermid:** Listen to who the socialists are quoting!

**Mr. Blaikie:** I do not mind quoting real Tories because from time to time they were on to something about the nature of this country, especially historically.

**Mr. McDermid:** The best thing that happened to us was when you left the Tory Party.

**Mr. Blaikie:** John Diefenbaker had a northern vision of Canada. What have we got over there? Dallas! A southern vision of Canada, a Canada more like Alabama than the Canada we have come to know and which most Canadians, except for Tories, have come to value.

If you check the record, all the things jeopardized by this agreement are things the Conservatives never liked in the first place. Social programs. Who have New Democrats had to fight over the years to put in place the social programs threatened by this agreement?

**Mr. McDermid:** People do not believe that, Bill.

**Mr. Blaikie:** Conservatives. Who have New Democrats had to fight over the years to get controls on foreign investment? Conservatives. Who have New Democrats had to fight in order to have a sane policy energy and not just sell off everything as fast as we can? Conservatives. It is no coincidence that when we look at what this agreement puts in jeopardy, it is being put in place by a Conservative Government.

I also have a word to say about what this agreement means in light of some of the things that have been said in the last few weeks about the federal Government's alleged ability to impose this agreement without provincial consent, or about co-operative federalism. I remember the Tories in 1981 and 1982. Oh, how they sung the praises of co-operative federalism. Oh, how they vilified any Government that would consider changing the Constitution of Canada without substantial, or even at that time unanimous, provincial consent. Yet what do they propose to do now? By President Reagan's own admission, they propose to change the economic constitution of this country. The Government proposes to change the economic constitution of Canada without seeking a mandate, without a consensus, and without the kind of unanimity we voted for not too long ago on constitutional matters when we voted for the Meech Lake Accord.

Oh, was that not a day for federal-provincial reconciliation? Nothing would be done without unanimity. The rhetoric flowed about what a wonderful achievement that was for federalism and co-operation and harmony. Frankly, I feel as though I have been had. I tried as best I could to believe all that stuff when I voted for the Meech Lake Accord. I feel as though I have been had by the Prime Minister when he gets up and talks about what he will do and to hell with the provinces.

I feel as though I have been had by the Premier of Quebec, too, because I got up and voted for Quebec's right to a distinct society. I thought that was a great victory for Quebec and Canada. Frankly, I feel stabbed in the back by the Premier of Quebec who has now said to the rest of Canada, through his support for this free trade agreement, that our distinct non-Quebec Canadian society is not worth fighting for as far as he is concerned. That can be sacrificed to his convictions about the alleged economic benefits of this agreement.

I feel double-crossed with respect to the question of a distinct society. As a non-Quebec Canadian I feel that Canada as a whole is entitled to economic structures and relationships which enable us to preserve and enhance our distinct society. I hope the Premier of Quebec will reconsider his support for this agreement on that basis.

Now we come to the question of whether the Government has a mandate for this agreement. By now Canadians who are listening and Members of Parliament have heard time and time again about how the Conservatives ran in 1984 on the basis that they would not enter into a free trade agreement.

**Mr. Belsher:** We ran on jobs.

**Mr. Blaikie:** The Hon. Member says they ran on jobs. Who did not run on jobs? Give me a break. We all ran on jobs and what we argue about is what will create jobs—

**Mr. McDermid:** And what has created jobs.

**Mr. Blaikie:** —and what jobs will be created and all that sort of thing. To run on jobs is not a mandate to enter into this kind of agreement. In fact, the free trade agreement the Prime Minister wants to sign on January 2 is much more threatening than the kind of free trade that he rejected when he said the issue had been settled in 1911. The free trade that was debated in 1911 was a question of tariffs. It was actually a trade agreement because it had only to do with tariffs.

If the Prime Minister thought in 1983 that the kind of trade agreement contemplated in 1911 threatened Canadian sovereignty, why in heaven's name would he propose to sign an agreement on January 2 that goes way beyond the concept he found so threatening in 1983? Why? You want to know what I think? It is because this kind of agreement with Canada was on the American agenda. This is something the Americans wanted Canada to enter into. It is no coincidence that before

American Ambassador Robinson left Canada he set this in motion. It just so happened that along came Brian, the perfect sucker for this kind of an agreement. Since Confederation Canada has become a significantly just and peaceful country. In a very short time, historically speaking, it is to be bargained away in the interests of entrenching neo-Conservative view of Canada.

• (1630)

It would be a tragedy beyond all proportion if this should ever pass. However, I have enough confidence in Canadians to know that, if given the chance in a general election, they will tell the Prime Minister that they want to keep Canada and trade him.

**Mr. Foster:** Mr. Speaker, with the committee I had an opportunity to travel in western Canada with the Hon. Member from Winnipeg. We heard from groups such as the Canadian Egg Marketing Agency. Representatives of that organization expressed concern about increased quotas for eggs and poultry while not getting new access to American markets because of the differences between our systems. We have a supply management system with government controls, although that system will be sorely tested. Article 701.3 of the agreement reads:

> Neither Party, including any public entity that it establishes or maintains, shall sell agricultural goods for export to the territory of the other Party at a price below the acquisition price of the goods plus any storage, handling or other costs incurred by it with respect to those goods.

That causes an incredible problem for supply management agencies such as CEMA which produces eggs on an administered price basis. When there are surpluses, they break the eggs and use them as processed egg products. Some of that is disposed of in the United States because there is not an adequate market for it here. That may seem like a relatively small item in the over-all context of an agency the size of CEMA, and perhaps it is, but it points out the danger of proceeding hell-bent for leather on this agreement. The committee reported last Thursday night and the final text came out on Friday. We are debating it for three short days this week and the Prime Minister (Mr. Mulroney) will sign the deal on January 2.

According to the legal advice which this agency has received, they will have to sell this agricultural commodity at the same price for which they bought it in Canada plus handling costs, even though it is a surplus commodity which cannot possibly be disposed of at that price. That is the danger of such a rushed agreement which contains unworkable clauses.

I do not know what will happen to this agency. This issue may have to be negotiated if the agreement is ever implemented. However, it is certainly not a workable agreement. I hope that the Parliamentary Secretary or someone else will be able to respond to the concerns of agricultural groups like CEMA.

**Mr. Blaikie:** Mr. Speaker, the point of the Hon. Member for Algoma (Mr. Foster) is well made. He mentioned that we spent time together travelling with the committee listening to a balanced representation of Canadians making submissions on the free trade agreement.

Although over-all the committee was a farce, given that we did not have the agreement and were only able to report after the final negotiations were complete, certain witnesses who were supporters of the agreement were more honest about the agreement than the Government has ever been. We were, therefore, able to learn various things about the agreement from its supporters.

With respect to marketing boards, we learned from the Grocery Products Manufacturing Association—hardly a cell of the socialist conspiracy—that marketing boards would be at risk under this agreement. A lowering of tariffs and the continued existence of our supply management system as it is now constituted would be incompatible. We have been saying that all along, but when we said it it was NDP fear-mongering. Now the Grocery Products Manufacturing Association has said that.

We have said for some time that this agreement would infringe on the right of provinces to control energy prices. Every time we tried to get the Minister for International Trade (Miss Carney) to say that in the House, we failed. She would say that it was another NDP tactic. Former Premier Peter Lougheed of Alberta came before the committee and said that that is what the agreement means. I suppose he is part of the socialist conspiracy too, distorting the meaning of this agreement. He said that the provinces would no longer have the power to set a domestic price for, in Alberta's case, natural gas and oil. That was okay with him. It is not okay with me, but at least he was honest about the agreement.

We have said that this agreement will eventually mean the end of the Crow benefit and the current economic structure of western Canada, and we were dismissed. However, the Western Wheat Growers came before us—again hardly an arm of the NDP—and said that over time this will mean the end of the Crow benefit, which may have to be replaced with payments to producers, which is something a lot of Tories are in favour of anyway. At least the Western Wheat Growers were honest with the committee, in a way the Government has not been, about the effect of this agreement.

We have said that our social programs are put in jeopardy by this agreement because they be taken into account when judging which country may have a competitive advantage over the other. They said we were being hysterical when we said that. However, representatives of the business community in Vancouver and National Sea in Halifax came before us and said that some companies invest in Canada because our social programs are a competitive advantage for them.

That may be good, but in the next five to seven years when we are negotiating what it means to have a level playing field,

social programs will be included in calculations for competitive advantage.

• (1640)

It could come through Canadians arguing that the tax burden they must bear in order to continue to fund our programs makes them uncompetitive, or the Americans could argue that our programs are an unfair advantage to companies which locate here in Canada. In either case, the unassailable point that I believe we are making is that social programs will become part and parcel of the negotiations when we talk about competitive advantage. That was admitted by people who supported the agreement.

Although the over-all committee process was a farce, it had bright moments. Those bright moments were not only when opponents of the agreement came before the committee and articulated why this agreement is a sell-out of Canada and its future, but when supporters of the agreement appeared before the committee and were more forthcoming about the true consequences of this agreement than the Government has ever had the parliamentary or moral decency to be with us or with the Canadian people.

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, I think we must emphasize over and over again that in this debate we are not discussing theoretical free trade. We are not discussing the pros and cons of textbook free trade, we are debating and discussing a very specific trade agreement between the United States and Canada which was concluded on October 4, 1987. It is that deal we are examining.

I say this because in listening to the discussion across the country and in this House one gets the impression that individuals are debating free trade as they learned it at university.

## THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Deputy Speaker with the House went up to the Senate Chamber.

And being returned:

[*Translation*]

And being returned:

*Royal Assent*

**Mr. Deputy Speaker:** I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

> Bill C-46, an Act to amend the Royal Canadian Mint Act and the Currency Act—Chapter No. 43.
>
> Bill C-90, an Act to amend the Unemployment Insurance Act, 1971—Chapter No. 44.
>
> Bill C-100, an Act to amend the Pension Act, the War Veterans Allowance Act, to repeal the Compensation for Former Prisonners of War Act and to amend another Act in relation thereto—Chapter No. 45.
>
> Bill C-64, an Act to amend the Income Tax Act, a related Act, the Canada Pension Plan and the Unemployment Insurance Act, 1971—Chapter No. 46.
>
> Bill C-88, an Act to amend the Judges Act—Chapter No. 47
>
> Bill C-94, an Act to bring into force the Revised Statutes of Canada—Chapter No. 48.
>
> Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof—Chapter No. 49.
>
> Bill C-101, an Act to amend the Excise Tax Act—Chapter No. 50.
>
> Bill C-97, an Act to amend the Canada Labour Code—Chapter No. 51.
>
> Bill C-98, an Act to amend An Act respecting the Hudson Bay Mining and Smelting Co., Limited—Chapter No. 52
>
> Bill C-254, An Act to amend the Citizenship Act (period of residence)—Chapter No. 53.
>
> Bill S-14, an Act to authorize Cooperants, Mutual Life Insurance Society to be continued as a corporation under the laws of the Province of Quebec.
>
> Bill C-95, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1988—Chapter No. 54.

• (1650)

[*English*]

**Mr. Nickerson:** Mr. Speaker, it might well be that certain Members of this House and the other place have left early for Christmas. However, it might be meet to point out for the public record that during the part of the ceremony that has just taken place in the Senate Chamber, with the attendance of Senator Willie Adams, the Hon. Member for Nunatsiaq (Mr. Suluk), and your humble servant, there was 100 per cent attendance from the Northwest Territories.

**Some Hon. Members:** Hear, hear!

• (1700)

**Mr. Deputy Speaker:** Shall we call it five o'clock? The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) was given the floor, and I presume that he will continue tomorrow.

*Adjournment Debate*

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

PUBLIC SERVICE—EMPLOYMENT OF VISIBLE MINORITIES

**Mr. Alan Redway (York East):** Mr. Speaker, I appreciate the opportunity to speak first in the adjournment debate this evening. I was expecting to speak second.

I want to tell you a story, Mr. Speaker, about a friend of mine. This particular friend is a black Canadian woman. I have known her for a number of years. She was born in Canada, and understandably she becomes very upset when people ask her where she comes from. This friend of mine is a widow, but she was married to a black Canadian who was also born in this country. They have two children. My friend tells me this story that I wish to share with you tonight, Mr. Speaker, of the day when one of her daughters came home from school. Both of her daughters attend schools in my constituency. One day one of her daughters came home from school and told her mother that she was going to paint herself white. She said that because of the remarks that had been made to her by her friends and her schoolmates, remarks that obviously caused her a great deal of upset and concern. That story had a deep impact on me.

There is no way that myself, you, Mr. Speaker, and the Parliamentary Secretary, for that matter, could possibly understand the things that went through the mind of that young black Canadian girl, her father, and her mother on that particular occasion. To me it was a very touching story.

It made me think back to the days when I joined the Progressive Conservative Party of Canada in 1956. I did it because I believed at that time, and I truly believe today, that the Progressive Conservative Party stands for equality; equality of opportunity and equality of the person regardless of race, colour, or creed. That is what the Progressive Conservative Party is all about to me, and that is what Canada is all about to me. It is because of that I have been so happy and pleased that the current Government, the Government that I was elected to support and do support, was the very first Government in this country to introduce employment equity legislation for women, native people, the disabled, and visible minorities.

I was also pleased when the Government, for the very first time ever in this country, introduced an affirmative action program in the Public Service of Canada for visible minorities. I was especially pleased to hear the Deputy Prime Minister, President of the Privy Council and President of the Treasury Board (Mr. Mazankowski) earlier this fall stand up in the House and indicate in answer to one of my questions that the Government and the Treasury Board had instituted targets for visible minorities in the Public Service, targets that had never been in place before.

Against this background, Mr. Speaker, you can imagine how disappointed I was to start receiving calls from people in the Public Service indicating that the affirmative action program put in place was not working. I might not have been particularly concerned if it had come from only one or two sources, but I have had those concerns raised to me by people who work in the Department of Justice, people who work in the Department of Supply and Services, people who work in the Department of Fisheries and Oceans, people who work in the Department of Energy, Mines and Resources, people who work in Treasury Board itself, people who work in the Department of Employment and Immigration, people who work in the Department of Labour, people who work in the Department of the Environment, and people who work for the Public Service Commission of Canada, which is supposed to be there to make sure that everybody receives equal treatment.

• (1705)

These people tell me that the programs which have been put in place are not working. In fact, they say that instead of actually increasing the number of visible minorities in the Public Service, they are actually decreasing because of retirements and lay-offs. They say that instead of getting promotions they are standing still. After years of the former Liberal Government doing nothing about seeing that visible minorities in the Public Service were promoted to management and senior management positions, they had hoped that with this Government there would be a change. However, they are not seeing that change, and those are the concerns which they are conveying to me.

This is why I want to raise this question with the Parliamentary Secretary tonight. I want him to consider it and answer it very carefully.

Personally, I want to be part of a Government which is colour blind, part of a Government which promotes people on merit, part of a Government where everyone is considered equal, and part of a Government where people do not have to think about going home and painting themselves white in order to be treated fairly.

With that in mind, I ask the Parliamentary Secretary what the Government will do about it. Will it follow through with an effective affirmative action program, one which has specific targets, not only globally for the whole Public Service but department by department and position by position? What will the Government do about it? I want to hear from him that he will ensure that the program is put into effect and that he is prepared to put his own position as a Parliamentary Secretary, and that of the Minister's, on the line if that does not occur.

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, I thank the Hon. Member for raising this very important issue. I recall that Mr. Diefenbaker used to speak about hyphenated

Canadians and how insulted he was at the concept of having to be registered as a hyphenated Canadian. I recall in 1945 when I had to register under the National Selective Service Act that I could not register as a Canadian in those days. I had to register as a German Mennonite. I am glad that those days have passed, yet it requires continual vigilance to ensure that all of us see each other as Canadians and not as foreign nationals.

I assure the Hon. Member that the Government is committed to addressing the employment concerns of visible minorities and has taken many positive steps to entrench employment equity principles and practices in the federal Public Service.

In 1985 visible minorities were designated as an employment equity target group, and a 14-member advisory committee to the President of the Treasury Board on the employment of visible minorities was established.

Since then the following initiatives have been undertaken: preparation of a report on the availability of qualified members of visible minority groups; creation of special training modules for Public Service managers on visible minorities and employment equity; design of a special orientation module for newly recruited visible minorities in the Public Service; revision of the application for employment form so that visible minorities can self-identify; initiation of a survey to obtain current figures on the numbers of public servants in each target group; and establishment of an automated system to track visible minority employees through the recruitment and staffing process.

In June, 1986 a special program was designed specifically to meet the needs of visible minorities. This program consists of $10.5 million and 300 person-years to be allocated over a three-year period between 1986 and 1989, an office of services for visible minority groups within the Public Service Commission to provide over-all program co-ordination and evaluation, and a network of regional visible minority co-ordinators across Canada.

As recently as August, 1987 we further demonstrated our commitment to this group by approving the establishment of numerical targets for visible minority groups, and I am sure that the Hon. Member is looking for that. This decision was made in response to the recommendations of the president's advisory committee, which is sensitive to the concerns of target group members. The numerical targets will be established by Departments for a three year period beginning April 1, 1988. Now visible minority groups are on an equal footing with the other target groups in the Public Service, women, disabled persons and aboriginal peoples, who have had numerical objectives since 1985-86.

• (1710)

To set these targets, Departments are being asked to compare the number of visible minority employees to the availability of members of these groups in the Canadian labour force. According to the 1981 census data, this figure is slightly more than 4 per cent. The visible minority population of the Public Service was identified as 1.7 per cent by a 1985 survey, which is the latest data available.

I am pleased to say that our Government is responding positively by addressing the employment concerns of visible minorities. We are determined to eliminate inequities in the workplace so that all Canadians are able to obtain their fair share of employment opportunities in the Public Service.

[*Translation*]

UNEMPLOYMENT INSURANCE—RIGHTS OF EARLY RETIREES—REQUEST FOR EXPLANATION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I would like to go back to a an issue of utmost importance for Members of this House and the general public. This is the time of the year when we wish one another a Merry Christmas and a Happy New Year. It reminds me that in December of 1985, the Government chose to make a very special gift to older workers who were on UI benefits and where looking for a job.

On January 5, 1986, everybody suddenly realized that from then on, people who had lost their job and were entitled to benefits of an employer-sponsored pension plan would have their UI benefits reduced by the same amount. After 17 months of struggle by older workers, people from the Quebec City area, the Montreal area and from all parts of Canada, we succeeded. The Government backed down and 46,000 persons were reimbursed the equivalent of $10,000. Unfortunately, other people also took an early retirement or lost their job on December 31. Just imagine. It is December 31 and 1000 people at Quebec Hydro . . . There are 2000 people in this same predicament in Canada. The workers finished working on December 31 and that was it, the plant was closed. They are entitled to their severance pay and their unused sick leave. On January 1, the employment centers are closed. So, these people went to manpower centres on January 4 to ask for their unemployment insurance benefits. They were told by officials: You must first use up your benefits for your two weeks vacation and sick leave and then come back. These people went back at the end of that period, following the advice given by Members of Parliament, by the Minister of Employment and Immigration, by officials at the Department of Employment; these people went back to ask for their benefits on the date when they were to become eligible, around January 15. However, they suddenly discovered that the legislation . . . there are 2,000 people in Canada who find themselves in that situation today, they had to go in early retirement before January 5, 1986, as the Government requested, in order to be reimbursed, but because they made that request after, the request was rejected and the person is penalized. So, I submit that this measure is unfair. It is a fact that in the Laurentian region, for instance, when people appealed this decision, their appeal was upheld and they are getting a refund from the Unemployment Insurance Commission. In the Montreal region, on the other hand, the decision was maintained. In the Quebec region, it was the other way around.

Mr. Speaker, I think it would be important to see some justice here. I think it would be appropriate, just before the holiday season, for the Government to examine its conscience and pay for its sins with a little generosity. It should give refunds to those 2,000 people.

There is another side as well. An unfortunate one, and I hope the Government and the Minister of State (Senior Citizens) (Mr. Hees) will manage to rectify this. I am referring to the fact that from now on, every person, every older worker—and that is discrimination—who loses his job and has to withdraw his pension benefits—a number of businesses in Montreal are closing, including Coleco—while that person is looking for a new job, and after withdrawing the pension benefits he paid for, the contributions he is now entitled to put in his pocket, including the employer's contribution for which he opted in lieu of a pay increase—now these people can kiss their unemployment insurance cheque goodbye.

On the other hand, if that same person withdrew the same amount, say $500, from a registered retirement savings plan, he would be entitled to the full amount of his cheque. We cannot tolerate the Government maintaining this kind of discrimination and injustice in its treatment of older workers.

Mr. Speaker, I wish the Parliamentary Secretary would provide more details on what the Government has decided to do.

First of all, will the Minister, since it is the season to be generous, say: Okay, we have 2,000 people in this gray area, and now all those who have a job termination certificate, who left their jobs but were looking for a new job before January 5, 1986, will receive a refund because it wasn't their fault they couldn't come and apply for unemployment insurance benefits? Those 2,000 people should get an immediate refund of the money the Government owes them.

Subsequently, in the next Speech from the Throne or the next Budget or by issuing instructions the way they did in 1985 when Cabinet decided to pick on older workers, perhaps he could change the system and rectify his mistake by removing any hint of discrimination and letting anyone, whatever their source of income—the way it was before—be entitled to the full amount of his unemployment insurance benefits, provided he can prove he is still looking for work.

When a young person is out of work, he goes to the unemployment insurance office, and they don't ask him: Do you have other income? If he is forty or fifty years old, they don't ask: Do you have rental income? Do you have investment income? Are you getting any income from an RRSP? They say: You have paid so many weeks worth of unemployment insurance benefits so you are eligible for that number of weeks. Here is the money. As soon as you start working again, as soon as you start receiving employment-related earnings, let us know and we will stop your benefits, and so forth.

Today, however, only a person who has a registered employee/employer pension plan has his unemployment insurance payments reduced or completely cut off.

I hope that in this holiday season, at a time when we should be generous to these older workers, the Parliamentary Secretary will stop to consider that these are people who worked for twenty, thirty or forty years by the sweat of their brow and were able to save a little money. We have to remember that these people paid every penny of their unemployment insurance contributions. They were never on unemployment insurance, and now if the plant closes down, they lose their jobs, and they file for unemployment insurance while they are looking for a job, they are penalized. That is injustice, pure and simple.

So in this holiday season, I hope the Parliamentary Secretary will say the Government is going to give a refund to those 2,000 people and that he will make the requisite changes for the coming year to amend the unemployment insurance system.

• (1715)

[*English*]

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, I would agree with the Hon. Member that the issues of unemployment and unemployment insurance are very important and in no way would we minimize them. I hope he would agree with me, though, that the best gift we have given to the people of Montreal and Quebec is the creation in the last three years of over a million jobs. Jobs are ever so much better than unemployment or unemployment insurance. I think the thousands of people in Montreal who are now working as a result of the policies of this Government will recognize that.

I would like to answer the Hon. Member's question of March 20. He will recall that Bill C-50 became effective on April 5, 1987. While maintaining the principle that persons who have retired should not use UI as supplementary income, Bill C-50 ensured that workers who take other employment after their retirement and then work long enough to re-qualify for UI benefits will receive those benefits without any deduction of the previous pension income.

The Bill permitted the retroactive re qualification back to January 5, 1986. As well, the Government amended the pension regulations to permit re-qualification as of April 5, 1987. These changes to the pension legislation are consistent with the Government's belief that persons who have retired from the labour market should not look to unemployment insurance as a supplementary source of income.

As well, Bill C-50 draws a clear and simple line to ensure that there is fairness in the transition provisions. The rule is simply this. Those who applied for unemployment insurance prior to January 5, 1986, that is to say those who applied under the previous rules, have had their entitlement to benefits determined under the previous rules. Equally straightforward,

those who applied for benefits on or after January 5, 1986, are governed by the new rules.

• (1720)

In respect of the alleged discrimination between Registered Retirement Savings Plans and employment-generated pensions, it should be noted that RRSPs are a form of personal savings much like investments in long-term securities which eventually provide an annuity. Investment income derived from personal savings has long been regarded as having no relation to income arising from employment and therefore as non-earnings for unemployment insurance purposes. There is no intention of changing this position.

On the other hand, both UI and employment-generated pensions have as a general intention to compensate a person upon becoming unemployed. To avoid double indemnification it is therefore a sound principle to treat retirement pensions as earnings. Bill C-50 and related regulatory amendments provide adequate relief to older workers. For those who work long enough after the start of their pension income to establish a new claim for benefit, the pension income will cease to be regarded as earnings for UI purposes.

I hope the Hon. Member will agree that those individuals who have saved money and invested it in an RRSP should not be penalized for their foresight and planning. This Government is not embarrassed at all about the fact it rewards and encourages those people who save for the hard times that could lie ahead.

## SOVEREIGNTY—NORTHWEST PASSAGE—CANADIAN JURISDICTION.

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, it was on September 10, 1985, a bit over two years ago, that the Secretary of State for External Affairs (Mr. Clark) gave his historic speech to this House on the subject of Arctic sovereignty, something that had been neglected for many, many years by the previous Government. At that time he announced a number of initiatives, many of which are now on the way. Those include additional sovereignty overflights in the Arctic, better defence systems, construction of a *Polar 8* ice-breaker, and others.

There are two initiatives that I want to address this afternoon. One was his statement that there would be an immediate adoption of a Canadian Laws Offshore Application Act. Second, that there would immediately commence talks with the U.S. on co-operation in Arctic waters on the basis of full respect for Canadian sovereignty.

In the Minister's announcement there is no connection between the two. One was not dependent on the other. In fact, shortly after the statement, Bill C-104, the Canadian Laws Offshore Application Act, was introduced in the House. It never got very far and died on the Order Paper shortly thereafter.

Those of who have a suspicious frame of mind might think there is some connection between the two and the Government is reluctant to introduce the Act until the talks with the U.S. have been brought to a conclusion. That is despite assurances to the contrary by government spokesmen. If that in fact is not the case, why has the Government not reintroduced that Act? That was my question to the Minister on October 6, 1987. That is not the first time I asked that question and it was not the first time I received the same answer, "Soon". That is a very popular answer with the Government.

• (1725)

This is an important issue at this time because there has just been released to the press—and I know not how because it was supposed to have been confidential—an initial draft of the Arctic co-operation agreement, which is taking a lot longer to negotiate than did the free trade agreement. We have had some inclinations from the press as to what it might contain. The Secretary of State for External Affairs has said that such an agreement will be signed in the future. What we know of it leaves a number of outstanding questions.

We still do not know whether the U.S. will recognize our claims to certain offshore areas or whether the agreement will only be an agreement to disagree, as is the present case. We know that permission will have to be granted, or at least sought, if the United States wants to send an ice-breaker through the Northwest Passage. Is this only if they want to go through the Prince of Wales Strait, which is less than 24 miles wide? If they intend to go through the M'Clure Strait, which is blocked with ice most of the time, would they still request Canadian permission?

Unanswered questions exist with respect to U.S. naval operations in the Arctic, which we understand is not to be included in this agreement. Canadians have a right to know whether there exists any agreement with the United States concerning their notification of us or request for permission from us if they want to engage in naval operations in the waters claimed by Canada.

When we ask those questions of the Government we get a rather equivocating answer. The Government will not tell us whether such an agreement exists or whether the U.S. tells the Government if they are there. Canadians really want to have these questions answered.

This afternoon I urge that the Canadian Laws OffShore Application Act be reintroduced as soon as possible and then be proceeded with through second and third readings. I would like to have the whole question completed. I look forward to the day when there will be navigation through the Northwest Passage, when it becomes a waterway open to vessels of all nations for commercial purposes, so long as they keep to the rules which Canada ought to and has every right to apply to vessels navigating in those waters.

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, I want to

commend the Member for Western Arctic (Mr. Nickerson) for the work he has done in representing his constituency, especially on the question he has just raised, which impinges on his constituency probably more than on any other. He has shown his usual consistency in representing his constituents to Parliament and to the Government.

Following the 1985 voyage of the U.S. Coastguard ice-breaker *Polar Sea*, the Secretary of State for External Affairs (Mr. Clark) made a statement in the House concerning Canadian sovereignty, particularly in the Arctic. Among the measures that he announced on behalf of the Government was immediate talks with the United States on co-operation in Arctic waters on the basis of full respect for Canadian sovereignty.

Since then the two sides have exchanged draft texts and progress was achieved on practical arrangements that might govern shipping activity in the Canadian Arctic archipelago and off the coast of Alaska. The matter was also raised at ministerial level on several occasions and between the Prime Minister (Mr. Mulroney) and President Reagan at the Washington Summit in March, 1986, and the Ottawa Summit in April, 1987.

The Prime Minister and President Reagan agreed at the Ottawa Summit to inject new impetus to the discussions already under-way and pledged their determination to find a solution based on mutual respect for sovereignty and our security and other interests.

• (1730)

With respect to the details of the discussion, we are seeking a practical arrangement that would require Canada's prior consent each and every time the United States wishes to send a U.S. government-owned or government-operated ice-breaker, like the *Polar Sea*, through the Northwest Passage.

With respect to the Canadian Laws Offshore Application Act, the Government considers that this is an important Bill and is committed to bringing it before the House shortly. I know the Member for Western Arctic will be very closely involved in the passage of that legislation.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.31 p.m.

# HOUSE OF COMMONS

**Friday, December 18, 1987**

The House met at 10 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*English*]

### TRADE

CANADA-U.S. FREE TRADE AGREEMENT

The House resumed from Thursday, December 17, consideration of the motion of Miss Carney that this House endorse, as being in the national interest, the Canada-United States Free Trade Agreement, the legal text of which was tabled in the House of Commons on Friday, December 11, 1987, and the amendment of Mr. Langdon (p. 11885).

**Mr. Gray (Windsor West):** Mr. Speaker, I rise on a point of order. There have been some consultations with respect to the order of speakers. It is my understanding that the Prime Minister (Mr. Mulroney) wants to speak this morning, and we would be happy to hear him.

I would like to propose that it be understood that the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) complete his speech, then the Prime Minister would be recognized, followed by the Leader of the Official Opposition who would then be followed by the Leader of the New Democratic Party. Of course, Question Period would begin at the usual time, as would Routine Proceedings.

What I have in mind is that this would mean it would be likely that the Prime Minister, if he wished to do so, would conclude his remarks at 11 o'clock. We would then go into the rest of the Routine Proceedings and Question Period. Following Question Period the Leader of the Opposition would be heard, and then the Leader of the New Democratic Party.

**Mr. Lewis:** Mr. Speaker, we are content with that arrangement which is being made in order to give the Leader of the Official Opposition (Mr. Turner) an opportunity to make his speech in total at one time. We are content with the arrangements, with the proviso that should the remarks of the Prime Minister (Mr. Mulroney) impinge somewhat, not extensively, on the 11 o'clock start for Statements by Members that the Chair would not see the clock in order to allow the Prime Minister to complete his remarks.

**Mr. Gray (Windsor West):** I would be happy to agree to that, provided this means that time would not be taken from the Statements by Members or Question Period.

**Mr. Speaker:** In view of this morning's events, it has been suggested that the Prime Minister (Mr. Mulroney) be given every opportunity to continue his remarks, even if they go beyond 11 o'clock. There seems to be agreement. Is there agreement?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** On the condition, of course, that that would not take away from the usual time for Statements by Members and Question Period. Is that agreed?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** So ordered.

• (1010)

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, as I stated yesterday when I started my speech, we must repeat over and over again that in this debate we are not discussing theoretical free trade. We are not debating the pros and cons of textbook free trade as we learned it at university. Unfortunately, that is what some individuals in this debate are doing. They are asking us to discuss theoretical free trade, and ask how anybody can be against it.

No, we are not discussing theoretical free trade, but we are discussing this very particular agreement signed between Canada and the United States and announced to the House on October 5, the full text of which we only received last week, on December 11. That is what we have to put our attention to. We must ask whether or not this very particular deal is good for Canada, if on balance it is good for Canada. We in this Party have come to the conclusion that it is not good for Canada, that we gave up too much for what we got.

By the way, it is very interesting to note what the Prime Minister (Mr. Mulroney) and certain Ministers said about free trade in general before the election of 1984. Let us refer to an article in *Maclean's* magazine of 1983. The Prime Minister and several other present day Ministers were asked what they thought about free trade, because at that time they were involved in a leadership campaign for the Conservative Party. Here is what the Prime Minister said in 1983, and I quote:

> Canadians rejected free trade with the United States in 1911. They would do so again in 1983. Canada must increase its share of total world trade which has dropped by 33 per cent in the past two decades.

The Minister of Finance (Mr. Wilson) said:

> Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally.

The Secretary of State (Mr. Crombie) said:

> It's silly. Canada must improve relations in trade with the United States, of course. But our national destiny is to become a global leader, not America's weak sister.

I could go on. This is what leading Tories said in 1983 before the election of 1984 when, by the way, they never sought a mandate to go ahead with this kind of arrangement.

I said that we must examine this very particular deal in detail and ask Canadians whether the deal is good or bad for Canada. We must invite Canadians to examine this deal with us. We must ask ourselves, "Did we get more out of this deal than we gave up?" I would like to examine that.

By the way, this is not an easy thing to do in the short time given to us. I said a few minutes ago that we only received the complete text of this trade deal last Friday, on December 11, and this week we are being given three days to debate what the Government says is a most important measure; perhaps in its opinion one of the most important measures to be put before the country since the Second World War if we consider its economic implications.

After this short debate the Prime Minister will sign this treaty with the President of the United States on January 2. When we have raised this issue time and time again, the Government has said, "If you think it should be debated at greater length, we are prepared to sit next week", during the few days before Christmas. The debate we are carrying on in the House is not just for Hon. Members, it is for the Canadian people. A debate in Parliament is meant to be an interaction with the Canadian public so that public opinion can come back and forth and respond to what we are saying here. A debate in Parliament is an attempt to inform the public about the issues. To add two or three days next week will not meet that demand or need on behalf of Canadians.

As a member of the foreign trade committee which spent two weeks travelling in the country, let me say that a large number of witnesses to the committee said that they did not have enough information on which to make a decision in respect of this particular deal. They wanted more time. They wanted to hear a prolonged debate. In any case, this is the timetable with which we are faced, a timetable which was set, by the way, by the American Congress, not by us.

In examining the deal in detail, what did we get? The Government promised and still says that we got secure access to the American market for our goods and services. That is not true. We got an agreement that all tariffs would be eliminated over a 10-year period. That we got; both sides agreed to that. However, we did not get total access to the American market because countervail and anti-dumping laws of the United States still remain and will still impact on trade between the two countries. The barriers of countervail and anti-dumping are the ones that are most serious for Canadian business and Canadian products. They are the ones which have been used to harass Canadian businessmen time and time again, and nothing has been done about them. We got an agreement to reduce tariffs or to eliminate tariffs on both sides. That is the gain which Canada got.

What did we give up? In respect of tariffs, I want to quote from the brief which the Hon. Eric Kierans gave before the parliamentary committee in Halifax. He said in his submission:

> There can be little objection to the elimination of most of our remaining tariffs over the suggested 10-year period. We will become more efficient and the standard of living can only benefit but not to the degree that some envisage.

He went on to say:

> This agreement can never be justified. By giving up sovereignty and jurisdiction over vital areas of our economy, we have reduced our status as a nation to that of an American colony.

That is what the Hon. Eric Kierans said, a man who was a successful businessman, a man who was President of the Montreal Stock Exchange, a man who served as Minister in the Province of Quebec and at the federal level in Ottawa, and a man who later became the head of the Business School at McGill University.

**Mr. Crosbie:** What did Gerry Regan say?

**Mr. Allmand:** The Minister can quote Gerry Regan. I am quoting—

**Mr. Crosbie:** He is your colleague.

**Mr. Allmand:** He was my colleague. He is your colleague now, I believe. Mr. Speaker, we will find mavericks on both sides of this issue, and God knows that there is a lot of them on the other side.

**Mr. Crosbie:** Poor Gerry is a maverick now.

**Mr. Allmand:** In any case, this kind of remark from the government side shows that they are embarrassed by the statements of Mr. Kierans. They cannot sit and listen to that sort of thing because it upsets them and tears holes in their argument.

In addition to reducing our tariffs to zero over a 10-year period—and the United States is reducing its tariffs to zero—what else did we give up, and why was it necessary? With respect to the energy provisions—and I have to read from the elements of the agreement of October 5 because if I try to read from the detailed legal text of December 11 it would take me a whole afternoon—this is what they said in the agreement:

> There is broad agreement to assure . . . non-discriminatory access for the United States to Canadian energy supplies—

I think Canadians should examine that statement in detail. They go on to say in the agreement:

> Both sides have agreed to prohibit restrictions on imports or exports, including quantitative restrictions, taxes, minimum import or export price

requirements or any other equivalent measure, subject to very limited exceptions:

• (1020)

That is providing the United States with very wide access to our energy resources.

One must ask why was this necessary in what is described as a free trade agreement. Generally in a free trade agreement both sides reduce tariffs or eliminate them. It might have been sufficient if we eliminated our tariffs over a 10-year period and they eliminated theirs over a 10-year period. But no, Mr. Speaker, not only did we have to agree to eliminate our tariffs so that they would eliminate theirs, we had to throw in unrestricted access to our energy resources, as I just quoted the deal.

Is that appropriate in a so-called free trade agreement? Why was it necessary to put that in? We submit that it was not necessary. It indicates poor bargaining strength on the part of the Government and an inability to negotiate from strength.

What else did we give up? Let us look at the provisions with respect to investment. Again to quote from the elements of the agreement it says that the Parties have agreed to provide each other's investors national treatment with respect to the establishment of new businesses, the acquisition of existing businesses and the conduct, operation and sale of established businesses. What does that mean? It means that Canada has agreed to treat American investors and American companies operating in Canada just as Canadian companies. We have given up the right to screen foreign investment from the United States and control how U.S. investors operate in Canada. We have given up our right to legislate on that as we see fit in the best interests of this country.

Again one must ask why was this necessary if we had already agreed to eliminate all our tariffs. Again we gave up something that we should not have given up and something that was not necessary.

Let us look at the provisions with respect to financial services, banks and financial institutions. Once again we gave up a long standing tradition of control over our banks and financial institutions which has existed in this country for years and years.

With respect to the Auto Pact we have weakened it. We have given up the safeguards that made the Auto Pact effective in bringing investment and jobs to this country.

Concerning agriculture, we have put Canadian farmers in competition with American farmers despite the fact that Canada has a shorter growing season. Our farmers must deal with harsh winters and all the expenses that that entails. In general, Canadian farmers are farther from mass markets compared to American farm producers. Despite all of those things the Government has thrown our Canadian farmers into the same market-place as the larger American corporate farmers from California, Florida and Arizona where there are very long growing seasons and lower costs.

These are some of the things that we gave up in the deal in addition to reducing our tariffs to zero. I have to repeat again and again that usually one would expect in a free trade agreement that a country, in this case the United States, would reduce or eliminate its tariffs and we would eliminate ours and there would be no tariffs on either side. That is what one would expect. But no, this Government, this weak-kneed Government decided to give access to our energy supplies and agreed to give up the right to control investment in American business operating in Canada, and we have given up our traditional control over financial institutions, banks and so on. The Government has thrown our agricultural communities into what I consider to be unfair competition with American producers and the safeguards in the Auto Pact have been given up. All those things are written right into the agreement.

What about those things we have given up that are not written in the agreement which, by the way, Conservative Members pretend do not exist. Here I am referring to the way in which this agreement undermines our regional development programs, our social programs, our labour programs and our environmental programs.

With respect to our regional development programs, they will still be subject to countervail from the United States. They have been countervailed before. In addition, they will be subject to the pressures of harmonization as a result of competition between Canadian firms and U.S. firms. I say that our regional development programs will still be subject to countervail despite this deal with the United States.

Let us look at what the United States Department of Commerce has already said about some of our regional development programs. For example, because we have a fishing vessel assistance program that is a sort of unfair subsidy to fishermen and, therefore, subject to countervail. They have said that our agricultural and rural development programs were countervailable and they imposed countervailing duties because of those programs. I could go on. I have a list of 12 regional development programs which the American Department of Commerce consider to be countervailable and imposed duties as a result. Nothing has been done in this deal to modify or moderate this ability by the American Government to countervail against our regional development programs.

What about our social programs, our labour standards, and our environmental laws? What about such things as medicare, family allowance, day care programs, minimum wages, unemployment insurance, health and safety standards, affirmative action programs and so on? Because these things are not written specifically into the deal the Government said they are not touched by this and that they are protected.

You do not have to be very intelligent to know that if a Canadian firm, subject to all these laws and standards that I have referred to, is in competition with an American firm, that

has complete and total access to Canada, it will lose out to the American firm that will have lower costs. In many States of the U.S., and in its federal Government, there are not the same high standards of unemployment insurance, minimum wages or affirmative action as we have here in Canada. The Canadian firm will be subject to higher costs because of those things. The American firm will have total access to Canadian markets to sell its goods and services.

I would like to refer to a statement made about 10 days ago at a symposium on this so-called free trade agreement in Montreal. Manfred Meier-Preschany, former chief of world-wide loans for the Dresdner Bank in West Germany said:

> Without a free trade deal Europeans are almost forced to invest in Canada to reach the Canadian market. But free trade would allow them to serve Canada from plants in the United States.
>
> If large European firms are given the option of locating a manufacturing plant in either Canada or the United States, they will, "almost by definition use the United States". That is because of such factors as transportation costs, taxation rates, market size and labour laws.

This deal will not bring jobs or investment to Canada. It will weaken our standards, weaken our programs and bring down our costs so Canadian firms can compete with American firms and thereby the pressure to harmonize with the lower standards in the United States will have to take effect. Either that or sooner or later firms will move to the United States where they will have lower costs, lower standards but still sell into Canada, thus having the best of both worlds.

Who wins in that deal, Mr. Speaker? Of course the Canadian firms. That is why business is in favour of this deal. Canadian firms can move to the United States. They are free to invest there but the workers who live in this country are not as free to move. They are not like capital.

In conclusion, we have to ask Canadians what kind of a country they want. Do they want one that becomes, as a result of this deal, a quasi-colony of the United States, an appendage of the United States? Do they want a free and independent country that will be able to act in its best interests whenever it sees fit to do so?

• (1030)

It is very interesting to note that we terminated our last colonial link with the United Kingdom with the Constitution of 1982. When we brought the Constitution home and established our own amending formula, the Constitution became completely Canadian. That long process started with the Battle of Vimy Ridge in the First World War when Canadians fought as an individual nation. We proceeded through the Statute of Westminster, the abolition of appeals to the Privy Council and the establishment of a Canadian Governor General. It went on and on, and in 1982 we became a fully independent country. It has only lasted for five years. Now this Government has sent us in the other direction. We will become a colony of the United States unless Canadians can stop this Government in a general election.

I ask Canadians, people beyond the House of Commons, to think seriously about this issue and to think about what kind of country they want. Do they want one that is part of the United States empire or one that is a free and independent country?

**Mr. Axworthy:** Mr. Speaker, I have a very short question for the Hon. Member. The Hon. Member has spent the last three years as a distinguished critic of employment programs, and goodness knows, that has kept him very busy because there has been a lot to be critical about.

We in this House have been told that any proposed adjustment could be handled by existing programs. We find that to be somewhat surprising since all the existing programs for job training have been cut back by several hundreds of millions of dollars in the last three years.

I wonder if the Hon. Member would care to comment on the real requirement for not only effective job-training programs but for programs to deal with the massive dislocation that will take place, as we heard by way of testimony before the Commons committee, in the food processing, the data processing, the printing, the agriculture and the garment and apparel industries. We are talking about some of the most significant and broad-ranging industries in Canada. There will be major job losses in those industries. What will be the requirements and the costs for a massive new adjustment program to respond to those problems?

**Mr. Allmand:** Mr. Speaker, it is more than laughable for the Government to suggest that the present retraining programs are adequate to deal with the consequences of this trade agreement with the United States. Let us be very clear, the Government has cut retraining programs by 32 per cent from 1984 to 1987. In 1984, the budget for retraining was $2.2 billion. Now it is $1.6 billion. When we ask questions in the House of Commons, the Government pretends to the Canadian people that this cut-back program will be adequate to deal with the massive readjustment resulting from this agreement.

The onus is on the Government to tell Canadians which and how many jobs will be lost and which and how many jobs will be gained. That it has not done. Studies have been done by various bodies from the Economic Council of Canada through to the Department of Regional Industrial Expansion and different estimates have been made. Many of those estimates were made before this particular agreement was announced. They were made on theoretical models and then readjusted after because they found that the actual deal was not quite the model on which they had based their studies.

Everyone on all sides of the House agrees that there will be massive readjustments. Even those on the government side agree with that because the Prime Minister (Mr. Mulroney) said so in a speech he made on October 6. He said that massive readjustment programs would be necessary. He backtracked after that but he told the truth on that night.

We do not know to what extent the number of jobs will increase or decrease, but we know that there will be a massive

loss of jobs and no doubt there will be new jobs created. We know that. However, Canadians who now have jobs that they have held for 20 or 30 years will lose those jobs. Some of those jobs are high-paying, good jobs, not like the jobs that are being produced now, jobs at minimum wage with no benefits, no labour standards and no unions. Canadians will lose those good jobs. Maybe there will be new jobs created in other parts of the country or in other kinds of industries, but Canadians have no assurance yet from the Government that there will be an adjustment program to retrain them or relocate them. The Government has not made that commitment and it should. The parliamentary committee strongly recommended that, before the Prime Minister signs this agreement, he should announce such a program.

**Mr. Crosbie:** Mr. Speaker, it is interesting to hear the hon. gentleman. Since we have a precedent of asking questions despite the occasion, I would like to ask the Hon. Member a question.

I would like to know what he thinks of the submission by Gerald A. Regan to the Committee of the House of Commons on trade negotiations of December 3. At page 9 of his submission, he said:

> I regard arguments to the effect that Canada will lose its culture, its sovereignty, or its social welfare system as a consequence of this kind of a pact as downright silly.

That is the opinion of a former Liberal International Trade Minister under former Prime Minister—what was his name—Trudeau. He is a man who attempted to negotiate free trade with the United States on a sectoral basis, sector by sector, and got nowhere under the last Liberal administration. He has called the suggestion of the Hon. Member "downright silly".

On the same page of his remarks, Mr. Regan pointed out the following:

> That increasing dependence on the U.S. market has not eroded our social security system—indeed, during those years it has been enhanced by expansion of the U.I. system and the barring of extra billing for medical services as well as other improvements.

I would like to ask the Hon. Member's opinion of what was said on page 12 by Gerry Regan, a former Premier of Nova Scotia, not a neophyte, not some minor member of the Liberal Party of Canada as the hon. gentleman might be considered to be. He said this:

> The greatest assurance of protection of our sovereignty and our culture is the maintenance of a strong economy. Free trade, with the greatest market on earth, gives us an opportunity to strengthen our economy that any other country on earth would give their eye teeth to have.

That was said by the former International Trade Minister. There is a lot of good material in here, but I will go right on to page 15. The same prominent Liberal about whom the Hon. Member has said is a maverick and is now being described as a maverick by the front-benchers in the Hon. Leader of the maverick's Party, said this about Nova Scotia:

> With barriers removed, we can enter a new era of economic development in this province.

That was said by a man who was Premier of Nova Scotia for eight years, not some little turkey jerky from some remote corner of the Liberal Party of Canada, and God knows they have more turkeys there. Perhaps the turkeys in the Liberal Party are endangered by this agreement.

Mr. Regan also said:

> A good free trade agreement can be the most effective regional development plan this country could have and could move us toward the time when transfer payments will no longer be necessary.

Did the Hon. Member get that? He said that it can be the most effective regional development plan this country could have.

**Some Hon. Members:** Hear, hear!

**Mr. Crosbie:** Finally, will the Hon. Member comment on the conclusion of Mr. Regan's address to the House of Commons Committee in which he said:

> I have sought to stress the removal of tariffs does not threaten culture or sovereignty and that free trade would be golden opportunity for this part of the country.

What will the Hon. Member say to Gerry Regan's part of the country when he goes there to explain that he is against this golden opportunity that Gerry Regan wants for his part of the country, Nova Scotia? What about that?

**Mr. Allmand:** Mr. Speaker, I had the opportunity to be with the committee in Halifax when Mr. Regan made that statement. The Hon. Member asked me what I thought about it, and I must tell him, not very much. Of course, Mr. Regan is a delightful fellow. We love him. He is a former Liberal Minister, but at the same time I referred to the statement of the Hon. Eric Kierans who, in my opinion, has higher qualifications—

• (1040)

**Some Hon. Members:** Oh, oh!

**Mr. Allmand:** Well, that is what Canadians will have to judge. Let me tell the Hon. Member this. Following the remarks of the Hon. Gerry Regan he was asked a question by the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—I think that is his riding.

**Some Hon. Members:** Oh, oh!

**Mr. Holtmann:** He is a member of your Party.

**Mr. Allmand:** They consider that funny. I approached this subject in a serious way this morning but the other side is not interested.

The Hon. Member asked Mr. Regan this question: "You are the former Premier of this province. You were a leading Minister from Nova Scotia. Did you examine the implications of this agreement for regional development programs as they would affect this province?" Mr. Regan's answer was: "No, I have not done this".

How can anyone give any credibility to a statement made before a committee of this House by someone who has not even examined the implications on regional development in a province which has benefited for a long time from the use of those programs?

Mr. Regan did exactly what I was talking about at the beginning of my remarks. He was debating this issue as if we were talking about theoretical free trade and what he learned in Nova Scotia schools when he was a kid.

**Mr. Turner (Vancouver Quadra):** Joseph Howe.

**Mr. Allmand:** He was discussing free trade in pure theory. He was not discussing this agreement. He admitted himself that he had not even examined the implications for regional development for Nova Scotia. So much for Mr. Regan.

[*Translation*]

**Mr. Deputy Speaker:** We shall continue the debate with the Right Hon. Prime Minister (Mr. Mulroney).

[*English*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, may I begin simply by saying to my friend, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) that Gerry Regan has been accused of being a lot of things but a political theorist is not one of them. He has been known as a very successful, down-to-earth Premier of Nova Scotia, and an extremely successful Minister for International Trade in the Liberal Government who represented Canada with great distinction. When he says that the free trade agreement is good, presents a golden opportunity for Nova Scotia and Atlantic Canada, I can tell you that I will accept his view before I will accept that of the Hon. Member for Notre-Dame-de-Grâce—Lachine East.

**Some Hon. Members:** Hear, hear!

**Mr. Allmand:** What about your old buddy Eric Kierans?

**Mr. Mulroney:** My hon. friend invokes Eric Kierans. He is also a very distinguished Canadian. That is why I was surprised at the bitter reaction in the Liberal Party against Mr. Kierans when I invoked his statement in support of Meech Lake. Members of the Liberal Party said Eric Kierans does not count. He is a nobody. I said Eric Kierans is a very distinguished Canadian. When he spoke out in support of Meech Lake—I did not say the Hon. Member for Notre-Dame-de-Grâce—Lachine East, I said members of the Liberal Party.

**Mr. Turner (Vancouver Quadra):** We came down here to listen to you, Brian.

**Mr. Mulroney:** The Right Hon. Leader of the Opposition (Mr. Turner) says he would like to listen to me. I thank him for that courtesy. If he wants to get home for the weekend, I will be brief.

Some four years ago, Mr. Speaker, in my main address to this House, I had the occasion to refer to Canada and Canadians as a land of promise and people of hope. Today I want to speak about our country and our people in exactly those same terms. I want to speak about promise for Canada. I want to speak about hope for Canadians. I want to speak about the Canada-U.S. trade agreement, the promise it holds for our economy, the difficulties and challenges it can present, and the hope it holds for all Canadians, particularly for the youth of Canada.

[*Translation*]

Because, Mr. Speaker, it is the future of our youth which is at stake here today. The free trade agreement we have reached with the United States is a gateway to that future. Thanks to this agreement, our products and services will have free access to the biggest market in the world. This will mean thousands of new jobs and a future for our youth. And whether we are speaking of young Canadians in Quebec, Alberta or British Columbia, their message to us is clear: Give us this marvelous opportunity, create jobs, and we, young Canadians, shall build a stronger and a more united Canada.

[*English*]

I support the main resolution and my colleagues support the agreement, as finalized last week and tabled in this House on Friday, for reasons we have set forward and are happy to discuss again. I congratulate in a special way the Minister for International Trade (Miss Carney) and our negotiating team for a job very well done. It has not been easy for any Government or any group of Ministers to undertake a complex international negotiation. There were moments of great difficulty, moments of concern, but the Minister and her colleagues held firm. They represented the Canadian national interest with great conviction and great skill, and on behalf of all Members of the House, irrespective of political Party, I congratulate the Minister for International Trade, Ambassador Reisman, and their group for a job well done on behalf of Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** We have secured an agreement which is good for Canada, very much in the national interest, which protects our national and cultural sovereignty, our social programs, our unique linguistic character, and our regional development initiatives. As I told the House of Commons at the outset of these considerations and debates on September 26, 1985, these attributes of our nationhood are not at all negotiable. We never wavered under any circumstances from that commitment from beginning to end of the negotiations.

The lines of the debate are very clearly drawn. There can be no mistaking where the Parties in this House stand. On our side the Progressive Conservative Government undertook this initiative, negotiated the agreement, and now presents it to the House for consideration of Hon. Members. On the other side the Liberals and the NDP oppose the agreement completely

and unalterably. We know now, Canadians now know, what the Liberals and the NDP are against. Canadians have yet to find out what the Liberals and the NDP are for.

I think in the fullness of time, notwithstanding understandable partisan comments from time to time, the country hopes for and will achieve a rational debate. I think Canadians expect that of us and we owe them nothing less.

I believe this agreement presents Canadians with new opportunities for prosperity and new challenges to make our economy more competitive. The free trade agreement does not mean that we can sit back and watch the world come to us, because it is not going to happen. We are not going to sell our products because of the colour of our eyes or the cut of our jibs. We are going to sell them because they are high quality and internationally competitive. That has been the strength of Canada in the past and that is what is going to happen to us in the future.

We have to go out and aggressively seek and conquer new markets. This is a call to collective excellence. We are saying to Canadians let us dare to be the best. There is no doubt in my mind about the answer of Canadians. Our people do not shrink from challenges. This very country was built by pioneers right out of the wilderness. They rolled back frontiers decade after decade. We are now confronted with a similar challenge and we are going to roll back the frontier of technological innovation and excellence into the 21st century where Canadians will be major players, not only in the growth of their country but in the growth of the trading world.

**Some Hon. Members:** Hear, hear!

• (1050)

**Mr. Mulroney:** Permit me to quote briefly from the preamble to the text as follows:

> The Government of Canada and the Government of the United States of America, resolved to strengthen the unique and enduring friendship between their two nations, have agreed to establish a free trade area.

The objectives of this agreement are to eliminate the barriers to trade in goods and services between our two countries, facilitate fair competition, liberalize conditions for investments, establish effective procedures for the resolution of trade disputes, and lay the foundation for further co-operation to expand and enhance the benefits of the agreement.

There it is, Mr. Speaker. Those are the elements, an important, mutually advantageous commercial transaction; nothing more, nothing less. This is not the kind of integrated economic union brought about by the Common Market in the United Kingdom with France. If anybody for a second thinks that—

[*Translation*]

—General de Gaulle, as President of the French Republic, would have allowed France to accept trading conditions which might have weakened French sovereignty, he is misjudging the General. In spite of 25 years of much closer economic co-operation than is provided by this agreement, France has preserved its integrity, its independence, the purity of its language and its literature.

[*English*]

If anybody thinks that Margaret Thatcher would, for one second, agree to an economic apparatus that would diminish the integrity of Great Britain or the soul of the English language or literature, they know nothing about Margaret Thatcher. I can tell you, Mr. Speaker, that this commercial transaction will do nothing except make Canada more prosperous and that prosperity will allow Canadians to enjoy a stronger and richer culture.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I will list very briefly some of the things that we have achieved for Canada. First, we have achieved a more certain framework for our most vital trading relationship. I think few people would quarrel with the desirability of that. Interdependence requires co-operation, but co-operation based on rules impartially applied, not at the whim of the Party in power.

Second, the elimination of tariffs, which is the most powerful element of the agreement, removes barriers to manufacturing and processing in Canada and expands tremendous markets for exports of these resources and agri-fish products.

Third, we will enjoy a more certain climate for investment. Investment means more jobs. Investment means more income for Canadians. May I say, with respect for my hon. friend from Oshawa, that his constituency, of which I am proud, represents, I suppose, the ideal for the other 281 constituencies in Canada. Everyone is proud of the tremendous foreign investment and the low unemployment which has been brought about in Oshawa. We wish that kind of richness and prosperity for all Canadians.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** That's what happens when you vote NDP.

**Mr. Mulroney:** My hon. friend knows that I say that with affection and respect with regard to the kinds of things which we can bring about on a progressive basis for all Canadians.

Fourth, the agreement will provide better choice and better prices for consumers. The leading spokespeople of consumers' associations have indicated that consumer goods will cost less, which is of great benefit to the ordinary Canadian.

Fifth, the Auto Pact is maintained, improved, and made more secure as part of the broader package. The Member for Oshawa (Mr. Broadbent) seems to chuckle. He should not chuckle because he knows that Mr. Peapples, the Chairman of General Motors, is a very serious man whose company has invested billions of dollars in southern Ontario and billions of

dollars in his own constituency. Mr. Peapples and the chairman of the two other leading car manufacturers, experts in the automobile business, say that the free trade agreement with the United States has preserved and enhanced the Auto Pact, it means more jobs and greater security of access. Mr. Peapples said that it is good for Oshawa, it is good for Ontario, and it is good for Canada. I would have thought the Leader of the NDP would stand up and celebrate that fact.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Sixth, we have achieved a better market for energy products which means more investment in energy projects in western Canada which is so vital for the well-being of that great region of our country, for Hibernia, the offshore of Newfoundland and Labrador, and possibly for Nova Scotia. This is another great attraction as a result of a free trade arrangement.

[*Translation*]

Mr. Speaker, Quebecers are especially aware of the opportunities our free trade agreement opens up for electricity exports. The American market is crucial if Quebec is to develop this key natural resource. Hydro power is no more immune to American protectionist measures than oil or other products. It was threatened just like all other products. And protectionism is a risk we cannot afford to run if we want electrical energy to remain the powerful instrument of growth it has been for Quebec. And I can tell you that all or practically all Quebec spokesmen, the Premier of Quebec, the leader—the former Minister of Finance, Mr. Parizeau, the former Minister of Finance, Mr. Landry, the leaders at all levels of society are now saying that the future of Canada and Quebec rests squarely on the free trade agreement. It is an instrument which will bring back a degree of unusual prosperity to Quebec, and Quebecers simply want Canada to sign this free trade agreement. I fully expect the leader of the Liberal Party and the NDP to help us promote the economic interests of Quebec within a renewed confederation.

[*English*]

Seventh, we wanted to maintain agricultural marketing boards, and they have been maintained.

[*Translation*]

Preservation of our supply management system and marketing boards is especially important for Quebec, where the Dairy Product and Egg Marketing Boards regulate 60 per cent of farm produce.

This Agreement also complies with Article 11 of the GATT, in line with the wishes of the Government of Quebec and several UPA leaders. It is thanks to the Minister of Agriculture, to Mr. Pagé, the Quebec Minister and Premier Bourassa, and Mr. Blais, the Minister of State for Agriculture, that the final text contains this reference to Article 11 of the GATT, as desired by the UPA, and this represents a considerable gain for Quebec producers.

[*English*]

Regional development programs and cultural policies are preserved along with our capacity to assist cultural industries. Social programs were never at issue.

Eighth, more certain economic growth will bolster institutions and programs which anchor Canadian values and identity. I have mentioned before that this trade agreement is neither a miracle nor a mirage. It is an instrument for growth, a pragmatic undertaking conditioned by lessons of geography, experience, and common sense. It is born of confidence—confidence in who we are as Canadians and what we are capable of achieving. Above all, we will have a fair chance to compete, to excel in trade internationally—not only with the United States but in the GATT—and to enrich Canada in the process.

For Quebec, as I have mentioned, the agreement means new opportunities for hydroelectric exports and new export outlets for small and medium-sized enterprises.

[*Translation*]

For example, Mr. Speaker, I am thinking of Quebec's new generation of business men and women, who have already made breakthroughs outside the province and outside the country. The days of a well-meaning elite preaching introversion, and making a virtue of economic faint-heartedness, are history. Quebecers used to complain about having their economy dominated by others. Today, throughout Quebec, we see men and women who have taken their future into their own hands, and astonished both their fellow Canadians and our neighbours to the south with their dynamic, creative and daring spirit. Today's modern, prosperous and self-confident Quebec is an example for the rest of Canada. Entrepreneurs from Quebec, businessmen and women from Quebec are saying to the Federal Parliament: Give us this instrument for economic expansion and national unity. Give us, as Quebeckers, an opportunity to compete with the best in the world and we will succeed. And in the process, we will bring back a degree of prosperity to Quebec and to Canada.

• (1100)

[*English*]

For Ontario, clearly the assessment of everyone, including the Government of Ontario if I read the most recent report of the Treasurer of Ontario correctly, is that it offers new opportunities for greater prosperity. I suppose one could quibble about the degree, but there is no doubt about the fact that even the Government of Ontario, which I understand is officially opposed to the transaction, produces numbers and studies which confirm that Ontario will benefit from this deal. Everyone knew that before.

The only degree of difference is the extent to which Ontario will benefit. It is our hope that Ontario will benefit greatly from this transaction because Ontario has become, in Canada, a great industrial heartland, a great symbol and instrument of growth and prosperity. This Government has initiated policies

that have enhanced that and contributed to it. We want to make sure that that great strength of Ontario is maintained for future decades. This treaty with the United States will clearly contribute to the prosperity of Ontario and, in the process, the prosperity of Canada.

In the West there will be gains for forestry workers in British Columbia, for ranchers and oil workers in Alberta, for uranium producers in Saskatchewan, for electricity exports from Manitoba. In the Atlantic there will be benefits for the fishery, for exports of agricultural products, for minerals, and for manufacturing. The potential benefits span the breadth of this country and will stimulate more balanced development in the years ahead.

To those who say our industry will go into decline without the protection of tariff walls, I say, have confidence in the quality and competitiveness of Canadian products. After all, the same concern was expressed when the Auto Pact was negotiated by the Government of Canada 23 years ago. Remember that, at the time, that great commercial treaty was negotiated by the same fellow who did it again, Simon Reisman. The Leader of the New Democratic Party chuckles. Twenty-three years ago Simon Reisman negotiated the Auto Pact on behalf of Canada. Many people, including some of the Members of the socialist party, were opposed. The fact of the matter is that the Auto Pact, far from being a difficulty, has been a bonanza for Ontario and for Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I say with respect and affection, of course, that I would advise my hon. friend, the Leader of the NDP—

**Mr. Turner (Ottawa—Carleton):** And Shirley Carr.

**Mr. Mulroney:** Shirley Carr too. After all, it is Christmas. I would advise my hon. friend to be very prudent in the severe judgments that he makes in forecasting. I say with all the Christian charity that I can summon at Christmas time, his record as a forecaster on the floor of the House of Commons is, to understate the case, poor indeed.

For those who said that the Auto Pact would be a disaster, I remind them that nearly 100,000 jobs have been created in the automobile and auto parts industry. There has been $10 billion in direct new investment in that industry in the 1980s alone. It has become the great motor of industrial renewal in Ontario, yet some Members were predicting a disaster. In the same way that the Leader of the NDP is predicting disaster with the free trade agreement, which I hope is recorded in *Hansard*, let me tell him that he was wrong 23 years ago and he will be wrong again today.

To those who say that our cultural sovereignty will be diminished, I simply say, look around you. I suggest that we examine this emotional argument in the light of some empirical evidence. Let us consider the experience of Ontario and the Auto Pact, because it is very sensitive and important. The numbers are there. One can consider them or disregard them. I believe the figures are an important consideration.

In 1966, the first year after the Auto Pact came into force, 72 per cent of Ontario's foreign trade went to the United States. Last year, 90 per cent of Ontario's foreign trade went to the United States, and two-thirds of that 90 per cent of foreign trade came from the automotive product business. In other words, 90 per cent of all the goods and services produced in Ontario that were exported went to the United States. No other province has that kind of trade balance with the United States.

When the Auto Pact was signed, Ontario's foreign trade in this area was $2.6 billion in 1966. It has risen to $54.6 billion, last year, which raises the following question. Has Ontario and Canada's culture been adversely affected by this closeness or new prosperity?

Let us look at Toronto, southern Ontario and Ontario. In the last 20 years new newspapers have been born, new magazines have been published, new books have been written, new symphonies performed, new plays staged, new concert halls have been built, new television networks have been launched. All of that has enhanced and enriched the great cultural personality of Canada. That is because new prosperity has meant greater investment in arts and culture. It has always been thus. Rich societies do that and we want to make sure that is maintained.

**Mr. Nunziata:** The Auto Pact did all that.

**Mr. Mulroney:** Well, one of my hon. friends from Toronto is chuckling at the fact that the Auto Pact did all that. The Auto Pact contributed greatly, and there are other areas of the country that seek only an equality of opportunity to have that kind of prosperity. They do not want to detract from Ontario's prosperity. They are proud of it. They are only asking you to please open your mind so that British Columbia and Newfoundland can have the same equality of opportunity.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** When in Venice in last June at the Economic Summit, I was struck again that the city itself is one of the world's great treasures which has contributed greatly to the cultural life of Italy and all of mankind. What is Venice in history if not a trading city? What are Venetians, from Marco Polo's time, if not traders?

What is Canada, if not a great trading nation? What are Canadians, if not great traders? Trade is the lifeblood of our nation. Thirty per cent of everything we produce is for export. This compares with some 20 per cent for Japan and 10 per cent for the United States of America, another great trading partner.

In the final text of the agreement we have clarified and consolidated the gains we have achieved for Canada from the October agreement in principle. We also believe that our

agreement with the United States will be a catalyst for the GATT negotiations, and the underlying objective of all trading nations. These are not mutually exclusive. We have not done anything to the detriment of the other. We have negotiated bilaterally with our great trading partner, the United States of America, but we have intensified our negotiations on the GATT.

The Minister for International Trade and the Secretary of State for External Affairs (Mr. Clark) have provided leadership on a sustained basis. They have brought agriculture, services and other items to the forefront of the agenda of the GATT.

Canada is a great trading nation, and not just exclusively with the United States, although we value that greatly. Our trading strategy is for Canada to excel across the world. We will fight for markets everywhere, and everywhere we can find a new trading opportunity we will take it, because that means jobs back at home.

• (1110)

So the exclusion is not something that we believe in. We believe that we can and should promote a proper bilateral relationship with the United States, and at the same time intensify and expand our trading opportunities around the world, because in that manner greater prosperity is ensured and greater fairness for all Canadians.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** We all know full well, Mr. Speaker, that protectionism breeds stagnation; that trade liberalization is the time-tested promise of sustained economic growth. If this is a time for confidence, and I believe it is, it is also a period in our history that demands vision, vision to build a more united and a stronger Canada.

I invite Members to consider some of the implications of a question posed recently in *The Ottawa Citizen* by Mr. Spicer. I leave the question with my hon. friends. Mr. Spicer observed:

> There lurks in the minds of many of these professional patriots . . . a veritable Disneyland of neuroses about Canada: fear over hope; protectionism over risk-taking; a preference for the small, safe homeland over the scary grand stage of North America; pessimism over optimism; a love of hiding over seeking; a taste for tribe over individual.

Mr. Spicer asked, is it not time for Canadians to stop being afraid. I say to Mr. Spicer, not only was his question right, the answer is that Canadians have stopped being afraid and will move proudly into the 21st century in large measure because of this courageous action in respect of bilateral trade.

**Some Hon. Members:** Hear, hear!

[*Translation*]

The newspaper *Le Droit* wrote on Tuesday:

> The shortsightedness and the too few arguments used by those who oppose free trade between Canada and the U.S. contrast sharply with the strength of the rational arguments used by those who favor the deal.

In an a major editorial published on Monday in the daily newspaper *Le Devoir*, which is quite important in Quebec, the editorialist wrote, and I quote:

> Canada needs the free trade deal simply because there is no other alternative.

That is a major statement made in the name of all Quebecers.

[*English*]

Legitimate concerns have been expressed about the implications of the omnibus trade Bill which is under consideration in the United States. The fundamental nature of this concern illustrates the concern we had about protectionism, a primary motivator in the efforts that brought about this historic trade agreement. That is why we sought, as a first priority, greater security of access to the United States market, and we succeeded in that objective.

We have agreed to a unique binding dispute settlement provision, one which others envy, which will ensure impartial, fair application of trade remedy rules. This is intended simply to guarantee the rule of law—the rule of law over the whim of political power. We have preserved our access against changes to existing trade remedy law. We have concluded a standstill provision restricting either party from taking trade action which will run counter to the spirit of the free trade agreement before that takes effect.

The United States administration and the Congress know our concerns about what might be included in the omnibus Bill. They know full well what the implications would be, if measures are approved in the omnibus Bill which undermine all of those important matters that have been negotiated.

So, Mr. Speaker, a legitimate question, and one that I have heard in this House and elsewhere is, how did we do in the negotiations. I can only hope, and I express the serious hope, that we do not have to have the United States Congress reject the agreement in order to convince some Canadians that we actually did pretty well.

What we have negotiated is a balance. It is not perfection, but it is a balance; a net gain based on the best judgments available on what the result would generate for Canada, and on what the political process in both countries would accommodate.

Just consider what some others are saying and doing. In a major article in the *Washington Post* on November 8, headed "Other nations vie for U.S. trade pacts. Canadian agreement includes coveted points". In a major analysis, Stuart Auerbach said the following:

> While opposition mounts in Canada to a recently completed free trade agreement with the United States, other countries are asking the Reagan administration for a chance to conclude similar pacts.
>
> Among major U.S. trading partners that have expressed interest in negotiating free trade pacts with the United States are Japan, South Korea, Taiwan and . . . especially Singapore. In addition, Israel now wants its two year old free trade agreement upgraded to match some of the provisions in the Canadian pact . . .

Because they are so beneficial.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** An important American Congressman, John LaFalce, who is chairman of an important congressional subcommittee, was more pointed in his assessment. He is not someone who is hostile to Canada. He is not someone who, to the best of my knowledge, has expressed anything other than fairly reasoned judgments on major issues in the past. I do not know him personally but I am acquainted with his record of service in the Congress of the United States. I suppose, like all of us, he is an ordinary Congressman trying to exercise value judgments on important matters that come before the Congress. Clearly his interests are the American interests. My interests are Canadian interests. But take a look at his judgment. He recently stated:

> The Canadians were extremely successful in their negotiations on this agreement. The Canadians said we ought not to have provision within the agreement that refers to stabilization of our exchange rates. There are a great many industries which we believe to be primarily commercial that should have been included within the embrace of the agreement.
>
> The Canadians said, these commercial industries are basically cultural industries and "we won't even talk about our cultural industries".

He went on to state, " . . . and the United States gave in to the Canadians". "The same thing," he said, "is true about the Auto Pact". He concludes by stating:

> Most of the members of the United States Congress think that in the free trade agreement the Canadians got a much better deal.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I, personally, Mr. Speaker, have never put forward that view, for a very good reason. I believe that the only kind of deal that is of any value is a good deal for both sides. For this deal to have any life or any value, like any other mutually beneficial contract, it must be an undertaking that provides benefits for both sides. This is a win-win situation.

No one gets rich on the back of somebody else. We are saying that by liberalizing our trading instruments we will create more wealth—more wealth for the United States, more wealth for Canada. This is genuinely the proven track record of liberalized trade in Europe, now a market of 320 million people which was cringing and crumbling after the war which; with visionary leadership it knocked down trade barriers, got rid of the impediments to trade, and allowed people to compete in a larger market.

This is exactly what we are doing. This is a call to excellence, and we believe that the United States and Canada will emerge with stronger, more powerful economies, providing greater economic opportunities for the young people of both countries.

It is for these reasons that I say as Prime Minister of Canada that I support wholeheartedly this resolution and intend on January 2 to sign this agreement with the United States of America.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** This will represent a major step towards the conclusion, but there will still remain a great deal of time for debate as we move in the new year to put forward the required enabling legislation. We are debating this issue in all parts of the country, and we welcome the response. We are gratified by the growing support from Premiers, the growing support from all regions of the country from Canadians who share the vision of a mature and confident Canada.

[*Translation*]

This is due mainly to the new spirit of tolerance and generosity uniting us all. Canadians have decided to turn their backs on the disagreements and pointless arguments of the past, and face with determination the challenge of the new century ahead. Strengthened by their rediscovered unity, Canadians want to build an even more prosperous country equal to our collective aspirations and our national destiny.

• (1120)

[*English*]

Canada has done very well in this agreement, very well indeed. The agreement has achieved some broad support across the Canadian spectrum. By way of rapid illustration this morning, financial writer, Mr. Belanger, commented that this deal was historic, probably the most important we have ever signed since Confederation. He said, for too long Canada has cut bait. Now is the time for the country to go for it.

Bob Blair from Alberta, one of our most distinguished entrepreneurs and risk-takers, said in our business we would prefer to fight than be protected. We in Alberta are ready to compete with anyone.

[*Translation*]

Robert Campeau, who is one our greatest Canadian entrepreneurs, said:

[*English*]

Free trade is the most significant economic political act in this century in Canada.

Gordon Cummings talked of the Atlantic possibilities. The Minister of Transport (Mr. Crosbie) raised them this morning and quoted the distinguished Liberal Premier of Nova Scotia. here is another distinguished Nova Scotian, Gordon Cummings from National Sea Products, who says the most important aspect to us was the dispute settlement mechanism and we got that. It is a hell of a gain for Canada.

[*Translation*]

Philippe de Gaspé Beaubien, president of Télémédia, said that this deal is the key to our future strenght and prosperity as a country. Alain Dubuc wrote in *La Presse* that Quebec hit the jackpot with this deal and Mr. Dubuc is right. Quebec hit the jackpot and so has the rest of Canada with this free trade agreement.

**Some Hon. Members:** Hear, hear.

[*English*]

Even John Kenneth Galbraith says Canada clearly has a trading advantage under this deal and much wider access to the United States.

Sally Hall of the Consumers' Association of Canada said that free trade produces choice and competition and gives consumers real power in the market-place.

The Hon. Donald Macdonald said, this deal will be the envy of every other nation in the world.

[*Translation*]

Michel Roy wrote in *La Presse*: We must therefore conclude unequivocally that *La Presse* can welcome quite favorably this agreement as a major step towards a new economic, commercial and financial system between Canada and the United States.

As to the Cattlemen's Association . . . Laurent Beaudoin, president of Bombardier, stated: This agreement gives Canada more security and opportunity for Canada.

[*English*]

The Vice-President of Polysar, in a very important area of Ontario, in Sarnia, Mr. Bentley, said, it is going to enhance an already growing area. We got in the free trade agreement 100 per cent of what we asked for in Canada.

The C. D. Howe Institute said that women in the service sector in particular would see their employment prospects vastly improved.

Robert Nixon, Treasurer of the Government of Ontario, put out a report "Economic Outlook and Fiscal Review" which indicated that marginally lower prices for imported goods should lower consumer prices and modestly increase real incomes in Canada. The effect of this is to boost aggregate demand and stimulate industry in general. The net effects of mutual tariff reduction will be small but marginally positive. This is the Treasurer of Ontario, a Government against the free trade agreement, who says that it will bring greater prosperity for Ontario. We should all be so lucky!

I want to quote the friend of my hon. friend, the Hon. Member for Oshawa (Mr. Broadbent). He clearly has not heard this, so I want to be the first to bring him the good news. This brings such great advantages to his riding and to Bob White that they will probably be on the bandwagon by the time the bells ring this afternoon. George Peapples, Chairman and Chief Executive Office of GM and Chairman of the Motor Vehicle Manufacturers Association of Canada in Oshawa, Ontario, said:

> The free trade agreement preserves the Auto Pact and its benefits and recognizes the contributions to the economy which Auto Pact producers have made in this country for many years. It cements and strengthens the automotive partnership which provides Canada and the U.S. with benefits they have long enjoyed and provides a secure basis for Canadian parts manufacturers—

**Mr. Broadbent:** He is pausing.

**Mr. Mulroney:** I want to make sure the Hon. Member hears this. He continues:

> —to compete for business throughout North America, expanding and strengthening Canada's economic infrastructure.

Mr. Peapples says:

> Our ability to serve that market in future will have a direct impact on our long-term prosperity and the job security of our employees. This is true for the auto industry and also for many other sectors. The free trade agreement, in our view, provides the framework we need to get on with the job.

I think these people are recognized as very distinguished Canadians with no axes to grind of which I am aware.

The Leader of the Opposition is chuckling. Let me give him another one.

**Mr. Fulton:** Let's have a quote from Walt Disney.

**Mr. Mulroney:** No, but I will give a quote from Dr. John Polanyi, the Canadian Nobel Laureate in Chemistry, who said:

> Free trade is the way of the future. In science there is no duty level in ideas and we compete internationally. It is a logical extension that business which depends on ideas competes internationally.

Yesterday I met with the Premiers on this specific issue for the tenth time. Some of the meetings lasted eight, nine, and ten hours. I briefed them fully on the legal draft. At the ministerial and the official level no fewer than 20 official meetings were conducted. There have also been dozens and dozens of meetings of our sectoral advisory groups on international trade in 15 different important sectors of the economy, bringing together people from all walks of life, from every province, from every region, for two years of intensive input and consultation. Our international trade advisory committee, in which the public and private sector were also represented, has consulted absolutely fully.

I think I can say in fairness that at no time in the history of federal-provincial relations in Canada, on one issue, have officials, politicians, business leaders, and academics been invited to devote so much time, invited into the decision-making process, in exchanging views and providing counsel to the country and advice to the Government. If you want to put it into some perspective, when important matters—

**Mr. Tobin:** Please do.

**Mr. Mulroney:** I will. You could compare that with the manner in which a previous Government at the end of one afternoon brought in the National Energy Program without the slightest consultation with any of the provinces and devastated part of the economy of western Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Gauthier:** And you rang the bells for two weeks.

**Mr. Mulroney:** I will compare it as well with the Auto Pact which was negotiated without so much as a "by your leave" to

the Government of Ontario. I want my friend to check the record. He is asking for debate and consultation and saying, don't do this before it is signed. The Auto Pact was debated in the House of Commons one and a half years after it was signed—

**Mr. Broadbent:** What did the Conservatives say at that time?

**Mr. Mulroney:** —and the Conservatives spoke on the Canada—U.S. Columbia River Treaty which was debated in Parliament under a previous Government three years after it was signed. Look at the difference, a Government that believes in Parliament and even believes in you, a Government that believes in the Premiers and the consultative process. That is why this free trade agreement is receiving growing support across the country.

The free trade agreement is very much about economic renewal. Recently I had the opportunity to review some of the events of the last six months, from June 3 to December 3, six months in the life of our country. Here is what our Government and this Parliament were called upon to consider: from June 3 to December 3, six months exactly, the Meech Lake Accord, the White Paper on National Defence, tax reform, the Atlantic Canada Opportunities Agency, the Western Canadian Diversification Initiative, the debate and vote on capital punishment, Sommet de la francophonie, the hosting of the British Commonwealth of Nations in Vancouver, the royal tour that Her Majesty made at the invitation of this Government, her first official tour into the Province of Quebec in 23 years, the free trade agreement and a national child care program. All of that was done in six months. Those are questions that speak to unity, to prosperity and to the sovereignty of Canada. I think that represents a record and a commitment with few parallels in the life of this House.

• (1130)

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** It is also worth noting that during that same period StatsCanada put out its report which indicated that during the three years of the life of this Government a million new jobs were created. It is even perhaps more important to point to the kinds of jobs, the quality of jobs, reversing completely previous trends. Yes, unemployment dropped from 12.7 to 8.2 per cent. Almost 90 per cent of the new jobs that were created were full time. No less importantly and for the first time, almost 60 per cent of those new jobs went to the women of Canada. Even with these results we still have one million people unemployed even though youth unemployment has dropped by over 5 per cent in the three years that we have been in office.

Trade is about jobs for our youth, economic prospects for Newfoundland and Labrador right through to the interior of British Columbia. Canada has done well. In the last three years unemployment has come down dramatically. The OECD figures indicate that our employment growth is the highest rate of growth of the 24 industrialized nations of the world. It is good, but it is not good enough. We cannot say it is appropriate and adequate to have a million people unemployed and to have young people come on the job market, young men and women, without the kinds of prospects to which a generous, able and rich country should entitle them. That is what this resolution is about.

This resolution is about trade and it is about prosperity and about opportunity. If we have brought the rate of unemployment down from 12.7 per cent to 8.2 per cent, if it is true that a million new jobs have been created in three years and if the quality of those jobs have improved, it is still not enough, but the manner in which we bring it down even further is to trade our way to greater prosperity. To me, trade in the abstract means very little. Trade means jobs at home, jobs for our young people and that is why I have pursued it from the beginning with difficulty and through some great challenge. That is why I have not given up, because international trade and a bilateral trade agreement with the United States means thousands of new jobs at home in Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** The heart of the most important question is, at the end of the day exactly what kind of Canada, what kind of a country do we want?

All Members of the House have had to deal in the last six months of this year with some sensitive, challenging issues. We came together in a great statement of national affirmation and purpose and defined some fundamental issues, not without some difficulty, and set out a vision of Canada that said we had had enough of the evolution of two Canadas. We wanted one Canada, united, prosperous and strong. In my judgment the greatest hallmark of a united country is its tolerance. The greatest attribute of a civilized society has to be its sense of tolerance. So at the end of the day each of us in his or her mind will have to speak out about the kind of country and the kind of leadership he or she wants.

It is not good enough in 1988 to say that because the Government is in favour of this, I will tear it up and throw it away. That is not good enough anymore. If you are against this, you have to say what you are in favour of. If you are against the Meech Lake conception of Canada you have to speak out exactly about what kind of Canada you will define, what kind of leadership you will provide and what kind of a future our children will inherit.

I can tell you, Mr. Speaker, that we want a country that will be renowned for its competitive excellence, a country very much on the leading edge of all of the technologies, and a country capable of creating jobs. We have done that. Those jobs are very favourably distributed to women, to ethnic minorities in Canada, but it is not just enough to create jobs. They have to be stimulating and enriching jobs. For our youth we are looking for lasting prosperity for their tomorrows as

well, a country where working women will achieve real dignity. That is what the national child care program is about. That is what the revolution in the kinds of job structures we have brought about is all about. Where women used to get the back of the bus, women are now getting quite properly the lion's share of these new jobs. This we have brought about and this can only come about with a stimulating, exciting new economy, a country we want celebrated for its economic achievements and its social compassion, a country called Canada, a model of tolerance and prosperity among the nations of the earth.

[*Translation*]

That is what we want, Mr. Speaker, a strong, united, prosperous and tolerant Canada, a country of which all Canadian men and women will be proud to be citizens.

**Some Hon. Members:** Hear! Hear!

**Mr. Speaker:** In accordance with Standing Order 19(4), the House will now proceed to statements by Members pursuant to Standing Order 21.

## STATEMENTS PURSUANT TO S. O. 21

[*English*]

### THE ADMINISTRATION

PERFORMANCE IN 1987

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, as Christmas comes near let us take a moment to reflect on the performance of this Government during 1987. January was the Oerlikon affair. In February was the Brodilaf affair in Drummondville. March was for Place Vincent Massey in Hull. April the RCMP set up a special investigative squad to investigate the Government. In May the Minister of Public Works resigned. In June was the RCMP investigation of the Peloquin advertising contract. July was Guccigate. In August the Government recalled Parliament to deal with the invasion of Canada by refugees. In September there was an RCMP investigation over alleged kickbacks in Trois Rivières. In October the RCMP investigated Intergestion GD over greenhouses at Mirabel. November was the Parker Commission Report. December is Christmastime in Mirabel.

**Some Hon. Members:** Oh, oh!

* * *

### TAX REFORM

CONSULTATION WITH AND EFFECT UPON MUNICIPALITIES

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, some three months ago in Edmonton fears that tax reform would impose added costs on municipalities, and by extension to home owners, were being needlessly perpetuated. So on September 16 I asked the Minister of Finance (Mr. Wilson) whether tax reform would bring added costs to municipalities for performing various services like snow removal and garbage pickup. The Minister indicated then that before announcing anything he would first hear the representations of cities from coast to coast.

As we all now know, the Minister delivered on his promise to consider these views. He has stated that municipalities, school boards, hospitals, colleges and universities would not pay any more after tax reform than they did before.

• (1140)

The phrases "consultation before implementation" and "participatory government" have been used since the dawn of democracy, but they have never been more evident and more practised than by this Government and this Finance Minister.

* * *

### FISHERIES

ATLANTIC SHELLFISH INDUSTRY—CALL FOR COMPENSATION PROGRAM

**Mr. Jack Harris (St. John's East):** Mr. Speaker, the Minister of Fisheries and Oceans (Mr. Siddon) has failed to respond to repeated requests in the House to consider a compensation program for the Atlantic shellfish industry. While the health concerns are a priority, they are the concern of the Minister of National Health and Welfare (Mr. Epp). However, the Minister of Fisheries and Oceans has a responsibility too.

The losses to producers are serious in an industry that is growing but financially fragile. St. Peter's Bay Mussel Farm in P.E.I. has lost 675,000 kilograms of mussels. Mr. Ken McWilliams of Nova Scotia will lose $100,000 as a result of the problem. David Walsh of Atlantic Ocean Farms in Newfoundland will lose $20,000 and stands to lose his business. Pêcherie Hubert of Montreal stands to lose $500,000.

These companies and many others are facing a serious situation as a result of this crisis. Along with our Party, the Minister of Fisheries of P.E.I. has also called for a compensation program. I call again on the Minister of Fisheries and Oceans to break his silence on this issue and to announce immediately that his Department will provide a compensation program for Atlantic fishermen and producers who have suffered serious financial consequences stemming from this crisis.

## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—POSITION OF NEW DEMOCRATIC PARTY

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, all this talk by the NDP about loss of sovereignty and loss of jobs under free trade does not fizz on me. I heard the same arguments 40 years ago made by the CCF when the Alberta Government invited the Americans to bring their capital and expertise to develop our gas and oil under Canadian rules.

The socialists cried then, as the NDP is crying now: "We will lose sovereignty, we will lose jobs!" Well, the Americans came, rigidly adhered to Canadian law, and developed our gas and oil industry that has been such a boon to Canada. Thousands of jobs were created, hundreds of people earned cheques instead of getting welfare, the standard of living rose, and a buoyant economy brought revenue to the Governments and put money in the pockets of the people. There was no loss of sovereignty.

The CCF has changed its name but the New Democrats have not learned a thing in 40 years. They are so brainwashed with socialism that they cannot recognize a good thing when they see it. Free trade will do for Canada what American capital did for Alberta, so on with free trade!

* * *

## PROVINCIAL AFFAIRS

NEWFOUNDLAND—ELECTION OF LIBERAL PARTY LEADER TO HOUSE OF ASSEMBLY

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I know that all Hon. Members would want to be aware that last night marked the beginning of a great and important crusade in the history of that great Province of Newfoundland and Labrador. Hon. Members would want to know that, despite the best efforts of the Minister of Transport (Mr. Crosbie), who hollered, stamped his feet and beat his breast, despite the great efforts of the Premier of Newfoundland, Mr. Peckford, who hollered and beat his breast and carried his minions from Cabinet behind him with baubles and taxpayers' purses hanging out of their pockets, last night in the great historic Province of Newfoundland, a crusade began when the Liberal leader of Newfoundland was elected in a by-election to the House of Assembly.

It is important to note that this crusade not only put the lie to the myth of the Tory notion that you can buy the taxpayers with their own dollars, it also burst the bubble of the NDP myth. The NDP polled a total of 9 per cent of the vote last night and lost their deposit, in that great Province of Newfoundland and Labrador.

I say that the people of Newfoundland and Labrador answered the Prime Minister's (Mr. Mulroney) plaudits, words, adjectives, and exhortations to the people of Canada last night when they elected a Liberal leader in the Province of Newfoundland and Labrador, a leader who will join with the federal team to put an end to the scourge of phony Toryism in the Province of Newfoundland and in Canada come the new year, whenever they have the nerve to call a federal general election.

* * *

## NATIONAL ARTS CENTRE

GOVERNING BOARD—SELECTION OF NEW DIRECTOR GENERAL

**Mr. Bill Tupper (Nepean—Carleton):** Mr. Speaker, the National Arts Centre is one of Canada's great national and cultural institutions with an outstanding international reputation. A search committee seeking a new Director General at the National Arts Centre recently announced that the nomination for the Director General post would be the bilingual career diplomat, Mr. Ian Clarke, to be assisted by the skilled and accomplished former Stratford Festival Chief, Mr. Robin Phillips, as Artistic Director, and assisted by a francophone Business Manager.

That triumvirate would have served as an elegant choice to manage the National Arts Centre. I am dismayed to learn that the Governing Board of the National Arts Centre did not accept these recommendations.

Clearly it is important that the new directorship reflect Canada's heritage. At the same time it is important that a cultural institution such as that which reaches out to all Canadians be run by a management chosen on the basis of merit.

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## EXTERNAL AID

ETHIOPIA—DROUGHT AND FAMINE—CANADIAN ASSISTANCE

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, the gap between rich and poor never seems greater or more unjust than at this time of year when we celebrate peace on earth, good will among all people. People of good will can always find ways of reaching across that gap and helping decrease it.

My parents always remembered with thanks the gift of food they received from an unknown family in Ontario one Saskatchewan Christmas during the drought of the 1930s.

This Christmas again, the lives of five million to eight million people in Ethiopia are under threat because of drought and starvation. Once again, with imagination, generosity, and good will, the people of Canada, working with others from around the world, can help to avert a major tragedy.

On behalf of those Canadians who believe in peace and good will as more than simply platitudes, I ask the Government of Canada once again to provide the facilities, personnel and leadership to co-ordinate our efforts to help the people of Ethiopia.

* * *

[*Translation*]

## FREE TRADE

PROTECTION OF PRESENT BENEFITS

**Mr. Guy St-Julien (Abitibi):** Mr. Speaker, Barraute's Précibois Company in Abitibi has been exempted from the 15 per cent tax on softwood lumber exports to the United States since December 30, 1986.

The exemption is not a mistake but the outcome of an American 100-page questionnaire to which company president Clément Julien responded: never did his firm receive grants from Quebec for stumpage rights or for his plant.

Précibois has 40 workers on the payroll, produces 30 million board metres, two thirds of which are exported to the United States.

The latest rumour in Ottawa is that, as of January 1, 1988, this Barraute firm will have to pay a 15-per-cent levy on its exports.

Mr. Speaker, the Province of Quebec is now party to the negotiations, so why penalize this Barraute company in Abitibi which had already won its case?

* * *

[*English*]

## COPYRIGHT

BILL C-60—TIME TAKEN TO ENACT

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, who in her wildest dreams would think that a Bill on Canadian copyright could plunge us into a world of mystery and intrigue? Who would dream that the mother of this Bill, the Minister of Communications (Miss MacDonald), would resort to whispered behind-the-curtain warnings to an innocent Member of Parliament who is only trying to do her work?

It has happened to me. The Minister of Communications spoke to me behind the curtain the other day and said that my amendments to Bill C-60 were holding up this vital Bill and that the cultural community would know of my crime. Has the Minister forgotten her vital links? I have not. They are key to the Bill.

I was surprised but not easily intimidated, for this Bill was nine of ninth on the government shopping list. I stuck to my guns, so to speak, but sure enough several telephone calls to my office from members of the cultural community confirmed that indeed I was being accused of obstructing the progress of the Bill. Since when has putting forth amendments to a Bill been considered unjustified intrigue, particularly a Bill that was so flawed?

Has this Minister given up on the democratic system? Has she forgotten that copyright is about fair balance between the rights of creators and the rights of users, or has she gone entirely into the world of James Bond? I have not. The heavy correspondence to my office from the cultural community assures me that I have helped the Minister to put the Bill on the right track. The timing problems are hers and the Government's, not mine.

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## THE MEDIA

COLUMNISTS—CHRISTMAS WISHES

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, everyone knows that it is not really the rat pack opposite that forms the real Opposition. Rather, it is our good friends, the newspaper columnists. From the uninspired mumblings of Jeffrey Simpson to the venom-dipped pen of Claire Hoy, they do a great job of filling up the space between advertisements.

This freedom of the Press means submission to the maulings of the great fuzzifier and occasional plagiarist, Alan Fotheringham. Charlie Lynch might be pardoned for telling the odd lie, but Peter Worthington can never be forgiven for speaking the truth. The most intelligent columnist might well be Ronald Anderson, but no one has ever stayed awake past the first two paragraphs to find out.

• (1150)

God bless them all.

**Mr. Speaker:** I suppose "Merry Christmas" comes in different ways.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Hon. Member for Churchill.

**Mr. Murphy:** That's certainly an act I would not try to follow, Mr. Speaker.

* * *

## INTERNATIONAL LABOUR ORGANIZATION

RATIFICATION OF CONVENTIONS

**Mr. Rod Murphy (Churchill):** We have heard the Prime Minister (Mr. Mulroney) and his Minister of Justice (Mr.

Hnatyshyn) claim in this House and to the Canadian people that the Government is able to implement the Prime Minister's trade deal without the consent of the provinces. I am sorry the Government of Canada does not share the same level of determination for implementation of other treaties and conventions. The Government has repeatedly declined to ratify conventions of the International Labour Organization, the UN body responsible for working people.

The record of the Government is terrible. We have ratified 26 of the 162 conventions of the ILO, or only 16 per cent. Once again we are able to see just where Conservative Government priorities lie. The Government refuses to improve working conditions for ordinary Canadians, claiming it cannot sign treaties that interfere with areas of provincial jurisdiction.

The Government of Canada has not signed an ILO convention since 1964. We have not signed the convention on apartheid, presumably because it deals with wines which are under provincial jurisdiction. We have not signed the convention on the working environment, the convention on accident prevention, on occupational health and safety, old age security and survivor benefits, minimum wages, paid holidays, collective bargaining, medicare, health benefits, or injury benefits, all because they come under provincial jurisdiction or are shared with the provinces.

Why does the Government want to sign the trade deal, which certainly affects provincial jurisdiction, but will not do anything for the working people of Canada, not since 1964?

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## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—EFFECT ON YUKON

**Mr. Jim Edwards (Edmonton South):** Mr. Speaker, 13 days ago I had the privilege to respond to an invitation to visit Yukon. As a result, I enjoyed superb frontier hospitality. I spent 60 hours meeting miners, workers, teachers and young people, and discussed with them in many forums the concept of free trade. Those people, like most Canadians, hunger for information on the issue and I did my utmost to provide it. I found there was a terrible lack of genuine information on the issue in Yukon and I committed myself to try to redress that lack.

The difficulty appears to be an unwillingness on the part of the territorial Government and other elected officials to provide the facts. They seem to be getting fear, fabrication and foolishness from certain sources.

I have urged the people of Yukon with whom I spoke to ask their territorial MLAs for a copy of a study commissioned by the territorial Government into the benefits of free trade. Among those benefits underlined in the study are the creation of a market of 100,000 people among Alaska, Yukon and the Mackenzie district of the Northwest Territories, new opportunities for trans-shipment, and lower input costs for mining.

Randolph Churchill once said to his son: "When all else fails, my son, trust the judgment of the people." The truth will prevail with the wonderful vigorous people of Yukon. They, as all other Canadians, will decide who is telling the truth.

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## DISASTERS

AIR-INDIA CRASH—CALL FOR ESTABLISHMENT OF ROYAL COMMISSION OF INQUIRY

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, the crucial Air-India investigation is another example of how the Government of Canada has bungled. We were told a few days ago by the Solicitor General (Mr. Kelleher) that there is an active, ongoing investigation into that disaster. Canadians just do not believe him. A year ago he said the same thing. On December 4, 1986, he said to the Standing Committee on Justice and Solicitor General: "There is some new evidence that gives us some hope."

The chairman of the Security Intelligence Review Committee said on November 20, 1986, one year ago, that the investigation was coming to a conclusion quite quickly. Just yesterday Mr. Atkey said: "There is a hope, and I put it no stronger than that, that the culprits will be brought to justice."

It is clear that the investigation has come to a complete standstill. It is clear that the Government has bungled that investigation. It is time that it assumed its responsibility and called a Royal Commission of Inquiry to determine all the facts surrounding this case, including the conduct of officials of the Government and whether or not they acted appropriately in the circumstances. Families of the victims feel betrayed by the Government. It has not shown the sensitivity necessary in the circumstances. The Government owes it to the families of the victims to establish a Royal Commission of Inquiry.

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## THE ECONOMY

A MESSAGE FROM SANTA CLAUS

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, this morning I received a letter from a personal friend of mine and I would like to share it with the rest of Canadians. It says:

Dear Felix:

As I get things ready for Christmas in Canada's sovereign north, just a couple of short lines since I wrote you three years ago.

The wife and I always watch you and your colleagues on Question Period but I think she has a crush on the Speaker. Life has sure gone smoother for me with this economy booming and the unemployment dropping. The way you guys create jobs there is a brighter smile on Canadian faces this year.

Say, do you realize how much time it takes for me to stop at the U.S. border on the way south and be hassled with tariffs that I have to pay? When it comes to free trade tell that Mulroney fellow that he has my blessings, and although John and Ed are still getting the regular tin horn and air balloon presents, I am saving a dandy Christmas present for Brian for later in 1988.

Keep up the good work. Merry Christmas, buddy.

Nick Claus.

P.S. Felix, regarding your favourite constituent, the Premier of Manitoba, do not worry. Nobody is listening to him.

* * *

[*Translation*]

## THE ADMINISTRATION

REPORT ON 1987

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, year's end is always the time to produce balance sheets. Looking over the balance sheet of the Conservatives, 1987 will prove to be the year of catastrophic happenings, not to mention scandals.

Hon. Members will recall that elderly Canadians and families have been particularly hard hit, and that Montreal East was not spared. The Government failed to respond to the recommendations of the Picard and Pichette reports. Above all, Mr. Speaker, the end of the year is highlighted by calamity in the shipbuilding industry. The Government did not live up to its promises to Quebecers, and these people will not forget it whenever the next election comes up.

* * *

[*English*]

## EXTERNAL AFFAIRS

IRAN-IRAQ WAR—CANADIAN ROLE IN SEEKING SOLUTION

**Mr. David Berger (Laurier):** Mr. Speaker, I would like to ask the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) to pay particular attention to the efforts to end the Iran-Iraq war. The U.S. and the Soviet Union have disagreed on how to enforce the Security Council resolution calling for an end to the war. The Soviet Union has not agreed to an arms boycott of Iran and the United States has not been willing to entertain a proposal to put a U.S. naval force into the Persian Gulf.

A number of influential persons, including the Secretary General of the Commonwealth, Shridath S. Ramphal, believe the time is ripe to revive multilateralism and to get the United Nations to fulfil its promise as an instrument of collective security.

Canada should be trying to develop a consensus on these questions in order to pressure the superpowers to come to some kind of agreement. I urge the Prime Minister, the Secretary of State for External Affairs and the Government to make Canada's voice heard.

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## TAX REFORM

BENEFITS TO SCARBOROUGH CENTRE CONSTITUENTS

**Mrs. Pauline Browes (Scarborough Centre):** Mr. Speaker, 85 per cent of families in Scarborough Centre will pay less taxes as a result of the tax reform measures announced by the Minister of Finance (Mr. Wilson). Tax reform also means that nine out of 10 seniors in Scarborough Centre will pay lower taxes, and thousands of low-income families will pay no tax at all.

Let me cite three examples of how tax reform will benefit the majority of people in Scarborough Centre. Mrs. Doris Birse, a senior citizen in my riding, receives most of her income from Old Age Security, Canada Pension Plan, and a modest annuity. Thanks to the tax reform initiatives, Mrs. Birse will pay $350 less in taxes next year. Another senior in Scarborough Centre, Mrs. Ethel Epp, also receives OAS and CPP benefits, as well as a small additional pension. Tax reform will save her over $300 next year. Finally, as a result of converting tax exemptions into tax credits and the lowering of personal income tax rates, the Csorgeo family will save nearly $1,000 in taxes.

For those people and thousands more in Scarborough Centre, tax reform means savings.

* * *

• (1200)

## CANADA POST CORPORATION

MAIL DELIVERY BACKLOG

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, this is a statement about the Grinch who stole Christmas. Most of the more astute Members of this House will have already realized that, of course, I am talking about Canada Post.

Every day at post offices from one end of the country to the other Christmas packages are piling up. Every day the backlog of undelivered parcels grows larger. Why is that? Because Canada Post will not allow its employees to work the overtime necessary to get the mail out.

Instead, it is hiring casual workers, people who use their own cars or trucks, to deliver parcels at $1 a piece. They are not required to have any security checks, special insurance, or a special licence which, in some communities, is supposed to be the law for this kind work.

This can cause some problems. We have heard stories about a pile of parcels being left in the lobby of a highrise. We have heard of casual employees taking parcels home at night because they did not get them all delivered.

As the Chairperson of the New Democratic Caucus I say that we do not approve of the way Canada Post is treating the mail of Canadians. We want to have a public inquiry into the way the Post Office conducts its business.

How many children are going to look under the tree on Christmas morning and see nothing but a little card from Canada Post that says: "Sorry, but we just couldn't manage to get your presents to you on time"?

## ORAL QUESTION PERIOD

[*Translation*]

### CANADA LANDS COMPANY

ALLEGATIONS CONCERNING MEMBER FOR ARGENTEUIL—PAPINEAU—GOVERNMENT POSITION

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Prime Minister and concerns the sad and shocking story of the Canada Lands Corporation (Mirabel). Yesterday, Canadians were informed by the media that the Hon. Member for Argenteuil—Papineau had confirmed she had asked the president of the Canada Lands Corporation at Mirabel, Mr. Pierre Hardy, to award, without tender, a contract worth $42,000 for supervising vacant lots to a Conservative organizer, the owner of a brewery.

Today, according to the media, Gérard Poirier's son claimed that the Hon. Member for Argenteuil—Papineau and President Hardy had made threats to the effect that if Mr. Poirier dared to expose the Mirabel scandal, he would lose the right to buy back his land.

In the light of the last two revelations, is the Prime Minister prepared, first of all, to expel the Member in question from caucus; second, to fire the president of the Canada Lands Corporation at Mirabel immediately; and third, to order a royal commission of inquiry to investigate this scandal?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, all of those allegations have been denied. Throughout the week the Hon. Member has been raising a number of suggestions about wrongdoings involving alleged friends of Tories.

Allow me to refer very quickly to the case of the celebrated Gervais Desrochers who received, between the years 1981 and 1984, eight contracts from the previous administration with regard to Mirabel whereas, between the years 1984 and 1987, he received only two.



**Some Hon. Members:** Oh, oh!

**Mr. McInnes:** Allow me to refer to the operational expenditures of Mirabel between April 1, 1981, and September of 1984. They totalled $34 million, whereas from September of 1984 to 1987 they were only $20 million.

Allow me to bring to the attention of this honourable House that the former Government spent $15 million in the 1970s, which included $2 million for advertising without any result, whereas in the last three years $8 million in new investment has been secured for the Mirabel industrial park, and $100 million in lawsuits have been settled in the last two years with the exclusion of only 3 per cent. That is performance.

**Mr. Boudria:** Anything but an answer to the question, Mr. Speaker.

SALE OF MIRABEL PROPERTIES

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I will direct my supplementary question to the Minister of Public Works. It is with regard to the sale of properties at Mirabel.

How can the Minister justify to the House that some of the properties which were sold are the exact same properties we will have to buy back to build a highway for the airport? What possible reason is there for doing such things other than giving taxpayers' dollars to friends of the Conservative Party?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, this is the ultimate in humour for 1987. The debacle created by the previous administration at Mirabel is without precedent.

With regard to the allegations of my friend, I prefer to rely on the analysis and judgment of the Auditor General, and the special audit team which has expressed time and again that it has found no evidence of wrongdoing.

**Mr. Boudria:** Mr. Speaker, it is correct that it is without precedent. There is no doubt about that.

EXPENDITURE OF TAXPAYERS' MONEY

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I will direct my supplementary question to the Prime Minister. We now have three Tory organizers recompensed, two sets of documents not filed on time, one law suit, one murder, three RCMP investigations, two audits, a relative—

**Mr. Speaker:** Order. The Hon. Member will know, as do all Hon. Members, that there are often very difficult matters which have to be raised in Question Period. However, the preamble to a question ought to be to state the alleged facts on which the question is set. As I have indicated to the House on other occasions, it is not appropriate to use the preamble to set a lot of charges against any individual or individuals.

I know the Hon. Member will appreciate this. I ask him to put his question succinctly. I am sure that would be properly received by the House.

**Mr. Boudria:** Does the Prime Minister agree with his Minister of Public Works who says that taxpayers have been getting value for their money in this deal? Or is it not the fact that Tory organizers have been getting money for their value in this deal?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I suggest that the answer to the question might be given to the Hon. Member if he asked the residents of Mirabel how they have fared under this administration compared to the previous one.

RCMP—REPORTED SEARCH OF MEMBER'S OFFICE ON PARLIAMENT HILL

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is also directed to the Prime Minister. Yesterday the RCMP, with a search warrant, conducted a search of a Member's office on Parliament Hill. Will the Prime Minister confirm that this indeed took place and that it was part of the investigation into the corruption in the way in which the lands resale had taken place?

**Mr. Speaker:** Order, please. I have said repeatedly, and I think Hon. Members would agree with me, that the Opposition has not only a right to inquire about things but a duty. However, the preamble to a question is not the place to lay a charge. If the Hon. Member, who is a very experienced Member, wishes to ask a question, he should put the question.

**Mr. Prud'homme:** Does he need your permission to do that?

[*Translation*]

**Mr. Speaker:** The Hon. Member asked whether it was necessary to have my permission. The answer is an unequivocal no!

[*English*]

However, there are certain rules by which we are bound and I would ask Hon. Members to keep them in mind when they are putting their questions.

**Mr. Kaplan:** Mr. Speaker, I have considerable experience, as you will appreciate, in receiving questions of that type. I consider it a perfectly proper question, if I may say so.

**Some Hon. Members:** Order, order!

**Mr. Kaplan:** I have not been ruled out of order. I ask the Prime Minister or another responsible Minister to confirm the fact which I have learned this morning that the RCMP, with a search warrant, has conducted a search of a Member's office. Is this part of the matters relating to Mirabel about which the official Opposition has been asking questions for a number of days?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I have had considerable experience with regard to these matters as well. I find the question repulsive and against the interests of natural justice in Canada.

**Some Hon. Members:** Oh, come on.

**Mr. Penner:** Smarten up.

**Ms. Copps:** In other words, the answer is yes.

**Mr. Hnatyshyn:** The general allegation which has been made, without specificity, casts reflection, not only on the Speaker but on the whole House. I find this kind of tactic by the Liberal Party unbelievable.

**Mr. Gauthier:** Stonewall.

**Mr. Hnatyshyn:** I do not understand why they would persist in this kind of sleazy tactic.

• (1210)

I am not aware of the circumstances. I do not comment on investigations. I do not think it is appropriate to comment on investigations because, if an investigation is going on, we want to make sure that it is successful. It hardly has anything to do with making some general allegation that I think is basically false and unfair.

SALE OF LAND AT MIRABEL

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, for a number of days the Official Opposition has been bringing forward facts in relation to the resale of Mirabel land.

**Mr. Crosbie:** What facts?

**Mr. Kaplan:** We know that there are police investigations under way. That has been confirmed. The RCMP confirmed this morning that a search warrant was executed on Parliament Hill yesterday.

My supplementary question is directed to the Prime Minister. Is he content to leave the resolution of the standards of sale of land at Mirabel to the police? Is that where the morality of the Ministers and Members of the Government caucus will be resolved, or will he take some responsibility for their conduct at a higher level than the violation of the criminal law?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I simply do not accept the premise of the Hon. Member's question. It is false. It is a false question, a false premise.

The fact is that I simply think it is untenable for the justice critic of the Official Opposition to try to stand up in the first place and make suggestions that the Opposition has been bringing forward facts in respect of this matter of land transactions at Mirabel.

**Mr. Nunziata:** Was there a search warrant? Yes or no?

**Mr. Hnatyshyn:** The reality is that these are allegations that are being brought forward. That is quite different. Very adequate responses have been given by the Minister of Public Works. He has dealt with every specific question and, sitting here as an observer of what has transpired during Question Period, I can say that the Minister of Public Works has answered every one of the allegations put by the Opposition. They should get the facts before they ask another question.

AWARDING OF SECURITY CONTRACT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister of Justice may think that the answers given by the Minister of Public Works have been at an acceptable level, but I can say to the Minister that the people of Canada will not share that opinion one bit.

A Parliamentary Secretary, the Member for Argenteuil—Papineau, was quoted yesterday in a Montreal newspaper and today in a Toronto newspaper as saying that a tavern owner in her constituency was awarded a non-tendered contract for security reasons because of his services to the Conservative Party. Does the Prime Minister think that this is appropriate contract procedure and, if not, when will the Government clean up its act?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, may I advise the Hon. Member that the person hired for this particular contract was a policeman who had worked for the Montreal Police Force for six or seven years. The contract was within the ambit of authority of the corporation.

**Mr. Broadbent:** The answer by the Minister is just totally unacceptable to the people of Canada. I say to the Minister that it was his Government that promised to clean up patronage, and the people of Canada did not want to replace old Liberal patronage with Conservative patronage. They wanted a change.

REQUEST THAT GOVERNMENT APPOINT INQUIRY INTO CONTRACT AWARDING PROCESSES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my supplementary question is directed to the Prime Minister who has said about once a month, now, that it is time his Government did a little better in this area. This time the Member in question is a Parliamentary Secretary who is acknowledging that the person got the contract not because of police experience but because he was an organizer for the Conservative Party. Does the Prime Minister not think it is time to appoint a commission now, with a three-month mandate, to look into government contract processes, and to come back and make recommendations to Parliament for a change in all of this?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, from time to time the Hon. Member has pointed to comments of the Auditor General. I suggest that he is the person in the best position, having reviewed the books and all of the contracts of the corporation. As well, the special audit team went into a very thorough investigation. They have confirmed that all of the contracts received good value for the Government and they were done within Treasury Board guidelines and with the approval of the corporation.

[*Translation*]

AWARDING OF CONTRACTS—REQUEST FOR INQUIRY—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is not about this particular subject. It is about something else. I will repeat my question for the Prime Minister. The Canadian people do not want a switch from grit to Tory patronage. They want honest government. That is the truth, and could the Prime Minister therefore consider ordering an investigation into the federal Government's contract procedures?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I believe that what the people of Canada want is the assurance that value for money has been received with respect to government contracts and that the contracts have been given according to established guidelines. This procedure has been confirmed by the Auditor General and the special audit team.

REPORTED SEARCH OF MEMBER OF PARLIAMENT'S OFFICE

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my question which concerns the same subject is directed to the Prime Minister. He is the one who is ultimately responsible for the morality of the Government. Will he confirm, because he ought to know, that a search warrant pursuant to the Criminal Code of Canada was executed in order to search the office of a Member of Parliament? Would he not agree that a Member of Parliament should be judged using the same standards and laws as any other Canadian?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I simply reiterate the fact that an allegation was made, first by the Official Opposition critic on Justice and now by the Official Opposition critic on Solicitor General, linking search warrants with certain activities and certain investigations that are going on with respect to the Mirabel land transaction.

I already answered his colleague. I find it repulsive that they continue to ask the same question. I have denied the matter. If the Hon. Member cannot take no for an answer, maybe he could get someone else to ask a question.

**Mr. Nunziata:** One would have thought that they learned their lessons in the Sinc Stevens affair. Obviously they have not.

EXECUTION OF SEARCH WARRANT

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, I want to put the question again. Stop stonewalling and give us a clear answer. Was a search warrant executed on a Member of Parliament? Yes or no?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I am not denying that a search warrant was involved.

**Some Hon. Members:** Oh, oh!

**Mr. Hnatyshyn:** Just hold it. The allegation was with respect to Mirabel and I said it had nothing to do with Mirabel. The information I have received is that it has nothing whatsoever to do with Mirabel. Is that clear enough for the Hon. Member?

* * *

## FISHERIES

EXPORT OF CLAMS TO UNITED STATES

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Yesterday in the House I raised the question of clams being exported from contaminated water in the Prime Minister's riding to the United States. This morning I have copies of four letters that were exchanged between the Department of Fisheries and Oceans and Environment Canada that confirm that Environment Canada had recommended the closing of these two sites. They also confirm, shockingly, that Fisheries and Oceans ignored this recommendation and overruled the Department of the Environment.

I also have two applications, one by *Les Produits de la Gaspésie* and the other by *La Conserverie Polyvalente Rivière Portneur*. One was filled out in January, 1987, and the other in February, 1987. Both of them were approved on February 18, 1987, for the export of clams to the United States.

Will the Minister tell us why the advice of the experts of the Department of the Environment was ignored by the Department of Fisheries and Oceans? Will he tell us why the recommendation was overruled, why these applications were approved, and will he assure us that there was no pressure from companies that wanted to fish in the Prime Minister's riding and export those clams to the United States?

• (1220)

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I know that you will accord me the same courtesy in giving the detailed answer that this very malicious question demands.

Yesterday the Hon. Member alleged that shellfish taken from rivers in Quebec have been officially classified as contaminated by Ottawa and exported from Canada. That is patently untrue, and I will explain why.

Second, the Hon. Member has stated that these export permits violated a Canada-U.S. agreement of 1948. That is patently untrue.

At certain times during the winter months in parts of Atlantic Canada, certain beds of clams are certified as safe, under both our health protection regulations and our fisheries regulations. That is because during the winter months there are not the similar types of hydrological situations that occur in the summer.

What happens is as follows. All 55 monitoring stations in Quebec are sampled weekly for paralytic shellfish poisoning or evidence of toxin. On this basis, the two areas in question, Papinachois and Rivière Blanche, were closed until mid-October. As in previous years, those areas were reopened around mid-October, after appropriate tests for toxin proved to be negative.

Third, once harvesting is reopened every lot at the processing plant—the only processing plant on the north shore this year being at Rivière Portneuf—is tested for bacterial contamination. I should point out that that plant and most of these shellfish areas are located in the federal electoral district of Charlevoix. Only product meeting established Canada-U.S. health standards is permitted for commercial sale and export.

Finally, there have been no exports to the United States of America of clams, quahogs, mussels, and oysters since the alert of December 11 from any plants under federal jurisdiction.

I think that the premise of the question is most irresponsible.

**Mr. Crosbie:** It is a disgrace.

ENVIRONMENT CANADA OFFICIAL'S LETTER

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I know that there have been no exports since that time. I am not talking about that. The Minister stated that clams could be exported at certain times. These applications are not for certain times. They are open-ended applications approved for the entire year.

[*Translation*]

Mr. Speaker, I have a supplementary. I have here a letter dated October 21, 1987, from an Environment Canada employee, and I quote:

> The report recommended the closing of these two sectors, and, to our knowledge, your Department has made no move to reclassify these sectors. Furthermore, products from the contaminated sectors have been harvested and put on the export market. We reiterate our recommendation for closing the two sectors.

Congratulations!

[*English*]

In light of that, I would like to ask the Minister once again why his Department ignored the advice of the Department of the Environment of this country that these sectors be closed for fishing of clams, and why those clams were shipped to the United States.

It seems to me that this is putting the whole shellfish industry in this country in jeopardy. Why does he do that, Mr. Speaker?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, if anyone is putting the shellfish industry of this country in jeopardy, it is irresponsible Members like the Member opposite who have made totally unsubstantiated allegations.

**Some Hon. Members:** Hear, hear!

**Mr. Nystrom:** Here is the letter right here.

**Mr. Murphy:** He didn't write the letter. It was your official who wrote that letter and you know it. More scandals every day.

**Mr. Siddon:** If you could all simmer down a little, Christmas is coming.

**Mr. Crosbie:** Are you sure?

**Mr. Siddon:** In regard to exchanges of letters at the officials' level, my attention has been brought to certain letters. I would point out, Mr. Speaker, that these letters do not deal with the reality that each year in the winter months these areas are opened in accordance with safe health and all other standards, including those required under the Canada-U.S. agreement.

I can therefore confirm that the Bêtes à Chevaux subsector was resampled by the environmental protection service during the summer and fall of 1987. The results indicate that this sector should be closed during the summer period, but could be conditionally approved during the fall and winter, November to March, and recommendations were made accordingly by EPS to Fisheries and Oceans. This is totally irresponsible on his part.

**Mr. Mazankowski:** Irresponsible, destructive.

**Mr. Crosbie:** You don't care who you hurt, what industry you hurt. Resign!

**Mr. Nystrom:** Scandal, scandal, scandal.

[*Translation*]

## SHIPBUILDING

ALLEGED NON-COMPLIANCE WITH COMMITMENT

**Mr. Jean-Claude Malépart (Montréal—Sainte-Marie):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

A year ago, the Minister of Supply and Services asked the Quebec Minister of Industry, Mr. Daniel Johnson, whether Marine Industries was prepared to take over shipyards in Montreal and Quebec City, in return for which the Conservative Government held out the promise of enough contracts to keep the three shipyards open and call back the 3,000 workers who had been laid off.

This morning, we were informed that the Government had awarded the contract for building the six frigates to St. John's Shipbuilding. However, there has been no announcement regarding the commitment made by the Minister.

Could the Prime Minister explain to the House why the Government failed to keep the promise it made to the Quebec Minister and to Quebec shipyard workers?

[*English*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I hope that the House has taken due note of the position of the Hon. Member, I presume speaking on behalf of the Liberal Party, where he is now in opposition to the fact that this Government has just accorded a $3 billion contract to the shipyard in Saint John, New Brunswick, which desperately needs the work. I think that that is very clearly the position of the Liberals.

**Mr. Guilbault (Saint-Jacques):** He didn't say that. He never said that. You should be ashamed of yourself.

**Mr. Mulroney:** If he is not saying that, perhaps he could clarify when he rises on his supplementary.

[*Translation*]

Mr. Speaker, the Hon. Member referred to shipyards in Quebec. He is right. Since we came to power, the Canadian Government has spent about $100 million on restructuring and modernizing shipyards in Quebec.

Furthermore, the Canadian Government has awarded so many contracts to Quebec shipyards that the order books of the main yards are filled up to 1991-92, which is a very important development in the history of the industry in Quebec. The Government has also given assurances that upon completion of the contracts in 1991-92, unlike what happened years ago, it intends to give more contracts to Quebec shipyards so that their survival as a major instrument of Quebec's economic prosperity is guaranteed.

REQUEST THAT CONTRACTS BE AWARDED TO QUEBEC SHIPYARDS

**Mr. Jean-Claude Malépart (Montréal—Sainte-Marie):** Mr. Speaker, sad but true: We have a Prime Minister who is so incompetent he does not know the facts.

The contracts being carried out today in Quebec shipyards were awarded by the Liberal Government in 1983. If we have $800 million today, it is thanks to the Liberal Government. The only contract this Government awarded was for the *Caribou*, which takes care of the balance. Shipyards are closed because no new contracts are forthcoming.

My question is quite simple, Mr. Prime Minister. A promise is a promise, and I am not the only one who is saying that the Minister of Supply and Services broke his promise. Shipyard workers and Minister Johnson could not agree more.

I don't want to know how many frigates you are going to give us. I want to know about the other jobs and contracts you will give the shipyards to keep your promise and make sure they have work. In Montreal, 600 workers cannot buy Christmas presents for their children. What kind of jobs are you going to provide for these people in January?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, when the Hon. Member refers to employees in Montreal or in Quebec who cannot buy Christmas presents, I think he is saying something very important, and I think it is very sad. However, perhaps I may remind him that during the four years and nine months his Government was in power, 40,000 jobs were created in Quebec, while in three years this Government has created 275,000 new jobs. That is the whole difference!

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** Mr. Speaker, the job creation rate and figures are there. This Government's job creation rate is ten times what was accomplished in this respect by the Government of which the Hon. Member for Montreal—Sainte-Marie was a Member, a Member who remained silent when plants were closing down with the resulting human tragedy.

He was sitting here in the House, and while those tragic events were taking place in Montreal, he kept quiet, he did not say one word to support the people of Montreal!

• (1230)

[*English*]

## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—IMPACT ON EMPLOYMENT STUDIES

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my question is for the Prime Minister. The Prime Minister promised Canadians a full and open debate on his trade deal with the United States. Yet when I have tried to get impact studies on the employment effects of this deal through Access to Information I have been denied.

Does the Prime Minister not believe that Canadians have a right to this information to judge for themselves the real impact of this trade deal? Why is the Government committee to a conspiracy of silence when it comes to this important information?

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, I find passing strange the conspiracy of silence the New Democratic Party talks about.

We have probably been more open on this particular trade agreement than any trade agreement in the history of the country, any trade agreement. We have discussed this from one side of the country to the other since we became the Government.

Study after study has been produced, not by the Government but by independent bodies, which say that it is the right thing to do. All kinds of information has been available to the Hon. Member. He just does not know how to interpret it properly. That is his problem.

REQUEST FOR PUBLICATION OF DATA

**Mr. Simon de Jong (Regina East):** Mr. Speaker, I wish to direct my question to the Prime Minister because it is really a question of trust and openness. There is no doubt that the studies exist. In the response I have received indeed it is admitted that the studies exist and that the studies deal with the impact the trade deal will have on employment.

If this is such a good deal, why does the Canadian Government not trust the Canadian people and make the data available so that Canadians can judge for themselves? Why does the Government not make this information public? Surely Canadians have a right to know what will be the employment impact of this deal. Why is it trying to cover this up?

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, the Government is not covering up anything. We know that the trade agreement with the United States will create thousands of jobs. It is going to be very, very important to this country.

The only thing opposition Members can do, the only thing they can attack—it is their whole *raison d'être*—is to try to

spread misconceptions of untrustworthiness and all this type of nonsense. They sit there day after day and yell liar and never justify it at all. What a phony bunch over there!

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## TAX REFORM

NATIONAL SALES TAX—EXEMPTION OF GROCERIES AND PRESCRIPTION DRUGS

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is for the Minister of Finance. On November 16 the Minister said in the House that the proposed national sales tax should not apply to basic groceries, prescription drugs, and certain medical devices.

Is the Minister prepared to state unequivocably in the House today that these goods will not be taxed?

**Hon. Michael Wilson (Minister of Finance):** Yes, Mr. Speaker.

POSITION OF SCHOOL BOARDS AND MUNICIPALITIES

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I have a supplementary question for the same Minister. Also in the same speech the Minister said that municipalities, hospitals, school boards, colleges, and universities should not pay more tax under the proposed national sales tax.

Again I ask the Minister if he is prepared to give the same commitment to the House that municipalities and the agencies which he listed will not pay more sales tax under his new national sales tax proposal?

**Hon. Michael Wilson (Minister of Finance):** Yes, Mr. Speaker, I make the same commitment. I think that what this does is take two matters which were somewhat contentious off the table which had been deflecting the attention of people from the true merits of the reform of the sales tax system that the Hon. Member's Party is in support of, as is the New Democratic Party.

I hope that now we will be able to get on with reasonable debate on a sales tax which will be fair, which will be supportive of our export industries, which will put Canadian companies on the same basis as importers, which will result in a substantial refundable sales tax credit to lower-income Canadians, and which will result in the reduction of some taxes for middle-income earners as well.



## WELFARE

ASSISTANCE FOR HUNGRY IN ALBERTA AND BRITISH COLUMBIA

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns the thousands of Canadians who are hungry year round across the country.

I refer the Minister to a recent letter that he sent to me in which he said that he would continue to encourage provincial colleagues to provide adequate levels of assistance to meet basic needs.

In view of this commitment, and as a special Christmas present, will he personally encourage the Alberta Minister to be more forgiving toward hungry people who use food banks? Will he also encourage the B.C. Minister of Social Services to support breakfast programs for hungry children and 1988? I am sure there are many things in other provinces which should be supported as well.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I think all of us have been saying in the House for some time that the best way to eradicate or reduce poverty in the country is for people to have opportunities through jobs and the independence and dignity which come from jobs. Consequently, one million jobs have been developed and created in Canada in the last three years. More important, possibly in terms of the Hon. member's question, 520,000 Canadians are now not below the low income cut-off line as they were previous to the Government coming into office. The trend was going the other way, and we have been able to reverse it in the last three years. That is very important in terms of poverty.

In terms of child care, the increasing growth of poverty and children in poverty is especially in families with one parent. That is the reason for the program on child care and the manner in which it was designed.

In terms of welfare rates, I do not think that poverty should be designed or devoted to the kind of narrow partisanship to which she referred when she said Alberta and British Columbia. She could have said Manitoba and its two-tier system.

I would say that, if the provinces increase their benefits, the Government of Canada through the Canada Assistance Plan has always paid its 50 per cent share and will continue to do so.

**Ms. Mitchell:** Mr. Speaker, this is not a partisan issue. The simple facts that one in six children in Canada is growing up in poverty, and we all have an obligation to do something about it.

CANADA ASSISTANCE PLAN—PROVINCIAL SOCIAL ASSISTANCE RATES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, will the Minister begin a concerted attack on poverty in 1988? Will he make poverty a priority at his next meeting with Ministers of Social Services? Will he also make it mandatory for provinces to report social assistance rates in the annual Canada Assistance Plan report so that it can be used as the basis of an attack on poverty?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I could repeat the answer I gave to the first question because the Hon. Member's second question is very similar.

I say to the Hon. Member that our work will continue along the lines of the success that we have seen in the last three years, in addition to programs which provinces want to initiate as they fall into the ambit of the Canada Assistance Plan. For example, we made changes in relationship to the use of the Unemployment Insurance Act and the moneys spent under the Canada Assistance Plan. Last year we came forward with a program for $100 million. That has now been doubled. It is in those kinds of ways that more dignity is brought to those who are living in poverty.

The Hon. Member says that it is not a partisan issue. I always find it passing strange that she uses certain provinces rather than the entire country—she could also have used the Province of Manitoba and its rate—so that her questions to me would have more credibility.

* * *

[*Translation*]

## TRADE

POSSIBILITY OF GIVING PRÉCIBOIS COMPANY A TAX EXEMPTION—GOVERNMENT POSITION

**Mr. Guy St-Julien (Abitibi):** Mr. Speaker, my question is for the Minister for International Trade.

Since December 30, 1986, *PréciBois de Barraute*, in Abitibi, has been exempt from the 15 per cent export tax on lumber as it meets the criteria of the American questionnaire.

There is a rumor now going around Ottawa and the Quebec Department of Forests to the effect that this company will be penalized on January 1, 1988, and will have to pay 15 per cent on its exports to the United States. Is this true? Why not grant this company a tax exemption on a quota of 20 million board-feet for its exports to the United States?

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, Canada undertook negotiations with the United States last February to amend the agreement on the rough lumber trade.

Canada has tried to find a way to meet the request of the United States without harming the interests of the greater number of Canadian producers.

After completion of the negotiations, Canada accepted to put an end to the 20 individual exclusions to gain other exemptions which will benefit Canadian exporters in all provinces.

Unfortunately, two of the 20 companies which will lose their exclusion will be subject to the full rate of the export charge. Thus, all Canadian exporters will from now on be on an equal footing. It is also appropriate to note that the export tax rate of PréciBois Inc. will decrease substantially within a few weeks, after completion of our discussions with the United States on the value of the replacement measures introduced by Quebec.

* * *

## HEALTH

REQUEST FOR THE MINISTER'S RESIGNATION

**Ms. Sheila Copps (Hamilton-East):** Mr. Speaker, my question is for the Minister of National Health and Welfare. It has been three weeks since his Department established a link between the death of all laboratory mice and the presence of toxin in mussels. However, he said nothing about it to the public for four days. The behaviour of his Department has been characterized by chaos, total confusion and mismanagement.

I would like to ask him whether he does not think that he should resign to restore the confidence of the public in the Department of National Health and Welfare.

• (1240)

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, again that information has been put on the record all of these days. I have answered that question a number of times. I do not think it needs another answer.

RESTORATION OF CONSUMER CONFIDENCE

**Ms. Sheila Copps (Hamilton East):** He has never answered, Mr. Speaker. While he said mice didn't die, his officials said all mice died. He said scientists were working all night through the weekend but his officials said they were not working through the weekend. The other Minister's aide said he heard about it at the First Ministers' Conference, yet he didn't hear about it until the Monday. New scientific evidence was coming through on the Tuesday and yet there was no new scientific evidence presented.

Surely the Minister must realize that there are enough questions that have not been answered by this Minister. The only way he can re-establish confidence in the public that his

Ministry is looking after the interests of the consumer in this issue is for him to resign.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, for all the days that the questions relating to this issue have been put forward, I have answered those questions time after time.

**Ms. Copps:** You never answered.

**Mr. Epp (Provencher):** As again today, the Hon. Member is throwing forward falsehoods—

**Ms. Copps:** Facts.

**Mr. Epp (Provencher):** She is throwing forward allegations.

**Ms. Copps:** Facts.

**Mr. Epp (Provencher):** Her word in the public has been tested against mine. Mine has been found to be truthful. Her's stands as naked, and as empty, and as and wrong.

* * *

## TRADE

CANADA-U.S. FREE TRADE AGREEMENT—AREAS OF PROVINCIAL JURISDICTION

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I have a question for the Minister of Justice. There has just been completed a First Ministers' meeting in which the Prime Minister made it very clear that he intended to push ahead as strongly as possible with all areas of jurisdiction, all areas of legislation under the free trade arrangement with the United States.

What has happened to the Prime Minister's promise of 1985 that every province would be with him with respect to areas of their jurisdiction or they would not proceed in spite of opposition?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I very much appreciate the question of the Hon. Member. It gives me an opportunity to remind all of us that there has been, I suppose, unprecedented consultation with the provinces concerning this very important transaction.

The Prime Minister has met with the First Ministers of all our provinces and has gone through detailed background briefing consultation no less than 10 times. This is totally unprecedented in federal-provincial relations.

I do not accept the premise of the Hon. Member's question. All I can say is that I am satisfied with the constitutional authority which the federal Government has. I think the Hon. Member would be the first to agree that we have that power. As I think emanated from the meeting yesterday, there is a sense of yes, we can sit around and discuss the matters before us; yes, we can settle these in a Canadian way. That is the way I would like to see this matter resolved and that is the way I think it will be resolved.

GOVERNMENT POLICY

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, we have seen this Government boast about its capacity to pull together all the provinces in the case of Meech Lake.

Why in this case is it considered possible to go forward with such a widespread, detailed and deep incursion into provincial jurisdiction despite the opposition of at least three provinces in this country? Why is that considered possible and legitimate?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Again, the Hon. Member is quite right, Mr. Speaker. I think it is pretty well unprecedented that the Prime Minister and the Government have been able to find unanimity with respect to constitutional amendment as represented by the Meech Lake Agreement.

We rejoice that there has been such progress. This has not always been the case in Canada. We have tried to develop consensus on all major issues, and I think we have succeeded in doing that with free trade.

**Mr. Langdon:** Where is the consensus?

**Mr. Hnatyshyn:** I remind the Hon. Member that the history and the precedent in this country have been quite the contrary. The federal Government has acted unilaterally concerning trade matters. I am reminded that in 1947 the Right Hon. Mackenzie King sent some public servants to negotiate the GATT at Geneva. There was no prior consultation with any province or with any other level of government. The political input was minimal. The officials returned. The matter was then accepted by the federal Government and signed on its behalf. A debate only took place on the floor of the House of Commons—I believe my colleague the Deputy Prime Minister will confirm this—some months after, maybe a year after the matter had transpired. Never were the provinces consulted. The Hon. Member will understand how far we have gone ahead from that point of view. We have a great deal for Canada and I know the Member will join us in supporting it across the country.

**Mr. Speaker:** The next will be the last question in Question Period. The Hon. Member for Saint-Jacques.

*Tabling of Documents*

[*Translation*]

## CONSUMER AFFAIRS

TOXIC MUSSELS AFFAIR—REQUEST FOR INFORMATION CAMPAIGN

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, Quebec Fish and Seafood Marketing Association spokesmen accuse the Government of spreading confusion and triggering a $50 million loss in the industry—distributors, fish and molluscs producers, brokers and retailers. The facts speak for themselves, Mr. Speaker: sales figures for all seafoods dropped anywhere between 30 and 70 per cent, depending on the outlet, despite the fact that molluscs, which have been banned, account for only 1 per cent of seafoods. These people seek compensation. Dealers want the Government to intervene immediately to help them offset the negative impact.

Since the Government is duty-bound to clear up the situation and keep the public fully informed, I would suggest that the Prime Minister launch an information campaign so that people know what is safe to eat and provide assistance to the seafood industry which is experiencing serious financial difficulties as a result of the errors and confusion of the Government.

• (1250)

[*English*]

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, in response to the Hon. Member, without accepting any of the allegations that he makes, I want to say to him that, along with the Minister of Fisheries, we have put forward a plan which was given yesterday and there were a number of questions, primarily from the media, on the issue.

I take it the Hon. Member is looking at a promotion campaign, a reassurance campaign. We are looking at that. I, along with the Minister of Fisheries, am taking that suggestion very seriously.

* * *

[*Translation*]

## HOUSE OF COMMONS

MR. SPEAKER EXTENDS COMPLIMENTS OF THE SEASON

**Mr. Speaker:** I want to wish a Merry Christmas to all Hon. Members, to the pages and to the whole staff.

[*English*]

I would offer a special thanks to our *Hansard* reporters—

[*Translation*]

—in English and also in French.

[*English*]

We thank you for taking what is said here and transforming it into intelligible and civil form.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** May I also take this opportunity to thank the Leaders of all Parties, the House Leaders and all of my colleagues in this place for their co-operation and help in all these many months.

I conclude by saying that I remind all Hon. Members that there is a certain tradition in this place that will take place as soon as the House rises in the usual place. I will be hoping that you will all join me there.

**Some Hon. Members:** Hear, hear!

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# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

GOVERNMENT RESPONSE

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-3414 and 332-3488.

* * *

## ELECTIONS, PRIVILEGES AND PROCEDURE

PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

**Mr. Fred King (Okanagan—Similkameen):** Mr. Speaker, I have the honour to present in both official languages the Seventh Report of the Standing Committee on Elections, Privileges and Procedure. This report concerns the question of privilege referred to the committee by the House last May. We believe the recommendations contained in the report will help all committees to establish guidelines respecting *in camera* proceedings so that all committees and their members are better protected. Such guidelines will also better enable the House to deal with problems of disclosure of confidential proceedings of committees.

[*Editor's Note: See today's Votes and Proceedings.*]

## PRIVILEGE

ALLEGED DIVULGING OF *IN CAMERA* COMMITTEE INFORMATION—APOLOGY BY MEMBER

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, I rise on a question of personal privilege.

Now that the Seventh Report of the Standing Committee on Elections, Privileges and Procedure has found that my actions that were referred to the committee constituted a breach of the traditions and procedures of this House, I should like hereby to apologize to all Members of Parliament and in particular to those who felt affronted or affected by my actions for the actions that were referred to the committee.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** As Hon. Members know, the matter that was referred to committee on a question of privilege brought to the Chair was a difficult one. I can say to the Hon. Member that I think he has very much deserved the respect of all Members of the House for his completely forthright and honourable statement of a moment ago. I know that Hon. Members in this place would want to join me in commending the Hon. Member for his attitude and his acceptance of what has been for him, I know, a difficult matter.

* * *

## GOVERNMENT INFORMATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

**Hon. John C. Crosbie (for Mr. Mulroney)** moved for leave to introduce Bill C-103, an Act to increase economic opportunity in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and the Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

*Tabling of documents*

[*Translation*]

## MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1987

MEASURE TO ENACT

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada)** moved for leave to introduce Bill C-104 intituled: "An Act to correct certain anomalies, inconsistencies, archaisms and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes of Canada".

**Mr. Speaker:** Shall the Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Speaker:** When shall the Bill be read the second time? At the next sitting of the House?

**Some Hon. Members:** Agreed.

* * *

[*English*]

## COMMITTEES OF THE HOUSE

ELECTIONS, PRIVILEGES AND PROCEDURE—CONCURRENCE IN SIXTH REPORT OF STANDING COMMITTEE

**Mr. Fred King (Okanagan—Similkameen)** moved that the Sixth Report of the Standing Committee on Elections, Privileges and Procedure presented to the House on Monday, December 7, 1987, be concurred in.

**Mr. Lewis:** Mr. Speaker, there have been discussions among the Parties, and I think you would find that the House would be content that the motion be moved as it has now been moved and not debated. I would like to acknowledge the efforts of my colleague from York Centre in this matter in his capacity as the Chairman of the Joint Committee on Regulations and Other Statutory Instruments. I think you will find that with the following amendment, which has been discussed between the Parties, the vote on the motion can be taken without debate. We move in amendment, Sir, that:

> The sixth report of the Standing Committee on Elections, Privileges and Procedures be concurred in excepting the recommended change to the following portion of Standing Order 44:
>
> > "44.—if the report is concurred in, it would be an Order of this House to the Ministry to rescind one specified regulation or other statutory instrument, which the Ministry has the authority to rescind."

• (1300)

**Mr. Speaker:** The House has heard the proposition of the Hon. Minister of State (Mr. Lewis). Is there agreement?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** Is it the pleasure of the House to adopt the motion as amended?

**Some Hon. Members:** Agreed.

Motion agreed to.

FINANCE AND ECONOMIC AFFAIRS—AUTHORIZATION TO TRAVEL

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there have been discussions between the Parties and I think you will find the House is prepared to accept the following motion without debate:

That the Standing Committee on Finance and Economic Affairs be empowered to travel to Auckland and Wellington, New Zealand, from February 7 to February 16, 1988, in relation to its study of the White Paper on Tax Reform and other related documents, (Stage II), and that the necessary staff do accompany the committee.

**Mr. Speaker:** Does the Hon. Minister of State (Mr. Lewis) have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Caccia:** No.

**Mr. Speaker:** Is it agreed?

**Mr. Caccia:** No.

**Mr. Speaker:** Is it agreed?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** It is agreed. The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

* * *

## BUSINESS OF THE HOUSE

**Mr. Lewis:** Mr. Speaker, there is another motion on the Order Paper under Motions with respect to adjournment. I am going to encompass a couple of things in my remarks and suggest that this motion should be brought forward following the completion of the remarks of the Hon. Leader of the NDP (Mr. Broadbent).

At this point I would like to suggest to the House that when Orders of the Day are called, the Right Hon. Leader of the Official Opposition (Mr. Turner) should take the floor and be given the necessary time to complete his remarks. Following that I suggest that the Chair recognize the Hon. Leader of the NDP. I think you will find unanimous consent that, in the event the Hon. Leader needs more time than specified in the Standing Orders, the House give its consent not to see the clock and to allow him to complete his remarks.

**Mr. Broadbent:** The Christmas spirit.

**Mr. Speaker:** The House has heard the generous and, I might also say, traditional suggestion by the Minister of State (Mr. Lewis). I hope the House will express unanimous accord with that.

**Some Hon. Members:** Agreed.

**Mr. Speaker:** There is agreement. However, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) rises.

**Mr. Gauthier:** Just a small detail but an important one, Mr. Speaker. There is in the Order Paper under Private Members' Business a Bill, C-238, standing in the name of the Hon. Member for Hastings—Frontenac—Lennox and Addington (Mr. Vankoughnet). I just wondered if the Government intends to proceed with that Bill at the appropriate time following the speeches of the Right Hon. Leader of the Opposition (Mr. Turner) and the Leader of the NDP (Mr. Broadbent).

**Mr. Lewis:** Mr. Speaker, I suggest that the sequence should be: Speech, speech, motion, and then, as you are aware, the Government tries not to interfere with Private Members' Business, and if the House wishes to go ahead with it at that time and the Private Member wishes to go ahead, the Government would take no position on it and we would certainly agree to that hour going forward.

* * *

## PETITION

PROHIBITION FROM CARRYING OF KNIVES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I have the honour on behalf of a great number of my constituents and other Canadians across the country to present a petition concerned with the question of murder and injury resulting from the carrying of knives. The petitioners state that inasmuch as the incidence of crimes committed with knives is on the increase in all major cities across Canada, the federal Criminal Code allows citizens to carry knives for self-defence, and this is largely responsible for their being used in a variety of crimes, they call upon Parliament to amend the federal Criminal Code to prohibit the carrying of knives in public places. The only exception would be for those who use a knife for legitimate work or for religious reasons.

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, Question No. 218 will be answered today.

[*Text*]

DND—GRANTS TO ORGANIZATIONS IN METROPOLITAN TORONTO

Question No. 218—**Mr. Redway:**

Since September 4, 1984, did the Department of National Defence make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

**Hon. Perrin Beatty (Minister of National Defence):**

1. Yes.

| | $ | | | |
|---|---|---|---|---|
| | 1984-85 | 1985-86 | 1986-87 | 1987-88 |
| Royal Canadian Naval Association | 9,125 | 9,490 | 9,490 | 9,490 |
| Naval Officers Association | 24,700 | 25,690 | 25,690 | 25,690 |
| Military Studies—York University | 40,000 | 40,500 | 90,000 | 92,700 |
| Royal Canadian Military Institute | 6,151 | 6,107 | 6,011 | 6,092 |
| Ontario Rifle Association | 5,645 | 8,315 | 7,405 | 7,180 |

2. The above are annual grants which are included in the DND Main Estimates and are paid for the following purposes:

(a) Royal Canadian Naval Association and the Naval Officers' Association—to promote and maintain interest in military affairs generally and particularly in the welfare and development of the naval forces.

(b) Military studies—to develop a domestic competence and national interest in military and strategic issues of current and future relevance to Canada's national security.

(c) Royal Canadian Military Institute—to provide the means of maintaining contact with the civilian population and retired service officers to encourage the promotion of military science and disseminate to the public accurate and current information on military affairs.

(d) Ontario Rifle Association—to promote the skill of small arms usage as a contribution to the defence of Canada.

[*English*]

**Mr. Hawkes:** I ask that the remaining questions be allowed to stand.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, the Parliamentary Secretary is aware that I am going to ask him questions before we give unanimous consent.

Can he explain how many questions are left on the Order Paper which he wants to be left over until sometime in January when the House reconvenes? Can he tell us the date of the earliest question that the Government has yet to answer, with all these public servants at its disposal and all these people in the Minister's office? It is very important that we get those questions answered, and I want to know how many questions he wants left on the Order Paper and for how long they will remain on the Order Paper.

**Mr. Hawkes:** Mr. Speaker, we have been answering questions at such a rapid rate that I am not up-to-date on how many remain on the Order Paper. However, it is helpful that the Opposition knows how busy Ministers are when the House is sitting, in addition to all their other responsibilities, and a break at this time, having come back for an emergency session, would be very helpful in making sure that early in the New Year, when the House reconvenes, we will have an opportunity to accelerate the rather excellent record of this Government in answering questions, a record much better than that of the previous Governments.

[*Translation*]

**Mr. Deputy Speaker:** The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on the same point of order.

**Mr. Gauthier:** On the same point of order, Mr. Speaker, I would remind the Parliamentary Secretary that some of the questions are indicated by a small 2, and these require an answer within 45 days. It was pointed out this week or last week that now and again the Government hesitates or takes time before answering these questions. I remind him that there are at least one, two, three . . . questions numbered 116, 133, 135, 196, 205, 208, plus mine, question No. 209, about which a request has been made to have answers within 45 days, but there has been no response. I can understand that the Parliamentary Secretary is a very busy man, but I hope he will find time during the Christmas recess to come back here for a few days and get some help to be able to answer these questions when the House resumes in January.

**Mr. Hawkes:** Yes, Mr. Speaker, I will attempt to answer the question as soon as the House comes back after the holidays.

[*English*]

**Mr. Deputy Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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## GOVERNMENT ORDERS

[*English*]

### TRADE

CANADA-U.S. FREE TRADE AGREEMENT

The House resumed from Thursday, December 17, consideration of the motion of Miss Carney that this House endorse, as being in the national interest, the Canada-United States Free Trade Agreement, the legal text of which was tabled in the

*Free Trade*

House of Commons on Friday, December 11, 1987, and the amendment of Mr. Langdon (p. 11885).

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, this is more than a debate about trade. This debate is indeed about the kind of Canada we intend to leave our children. Canadians have to make important choices if tomorrow's Canada is to be sovereign, independent and dynamic. I believe that we Canadians can make the right choices to control our own future without sacrificing our sovereignty, without sacrificing our economic independence, and without submitting to the lure of continentalism.

We have the privilege of living in the freest, most tolerant country in the world. Our Charter of Rights, our social safety net, our unshakable sense of fairness, are proof that we do have a deep commitment as a people to improving the quality of life of all our citizens.

• (1310)

This debate compels us, first, to think of Canada. I believe it appropriate and relevant for me to tell you, Mr. Speaker, as presiding officer of this great institution, what Canada means to me. It means our sense of tolerance, our unique history, our generous mix of cultures, our two languages, our parliamentary system, our priceless environmental heritage, the cleanliness and safety of our big cities, and the special Canadian sense of fairness. It means the fact that when you go to a doctor or a hospital they do not ask to check your credit rating before they check your pulse.

Quite simply, and I am not ashamed to say it in this place, I love it here. I love what we have built as a nation, I love what we stand for and, above all, I love that it is ours. We have made a conscious choice to live here. We made a conscious choice to build this country against the odds, against the weather, against geography, and against the unceasing pressures coming from south of our border. We made a conscious choice to build this country, East, West, and North. In order to bind it we built a railway, an airline, a broadcasting system, a pipeline, and a national highway. These are the links, the bonds we built against the raw force of continentalism which would have turned us south.

This trade deal would destroy those bonds pulling us into a continental vortex dominated by the United States. What is worse, it will not be a conscious choice by Canadians because, if the Government has its way, Canadians will have absolutely nothing to say about it.

I have had the opportunity to read this document. It is a massive document buttressed by a total of 2,500 pages just released by the Government, the details of the trade deal with the United States. This deal represents nothing less than the title deed to our country, the deed which, thanks to the Government, will now be held by and for the people of the United States. This is the most massive giveaway of our sovereignty in history.

In order that we understand each other in this House I want to tell you what I mean by sovereignty. When I say sovereignty I mean having the final ability and authority to govern our own country, to choose our own directions, and to work toward fulfilling our own national purpose. When I say sovereignty I mean having the authority to develop economic and social policies which meet Canadian needs and respond to Canadian priorities. When I say sovereignty I mean being able to share the wealth of the nation in a way which promotes and enhances Canadian values and traditions. When I say sovereignty I mean supporting our own culture through a strong and thriving artistic community which reflects the soul of our nation and our way of life. When I say sovereignty I mean having our own foreign and defence policies which reflect our concern for peace in the world and for human rights which should know no frontiers.

That is what I mean when I speak of sovereignty. We are the elected representatives of the people of a great country. Canadians have charged us with the responsibility of defending and enhancing that sovereignty. This deal is a betrayal of that sovereignty because it fundamentally alters the way this nation has operated, the way in which this nation has pursued its own economic, social, political, and cultural values. It alters it not only for now but for tomorrow and for generations to come.

Who speaks for our children? We are selling out their birthright—a word for "sovereignty" which people can understand. When they grow up and ask, "Where were you when we sold out?", who will stand up and answer that question and tell them why we did it?

Why did we get into this deal in the first place? We were told by those who believe in this deal that it would give us secure access to the United States market. There was no other purpose for the deal than secure access to the U.S. market and an exemption from U.S. protection, particularly as evidenced in the U.S. Congress and as written in U.S. trade law.

However, as we in this Party have pointed out repeatedly, and as I outlined to the Ottawa Board of Trade a year and a half ago, secure access meant exempting us from United States trade law. It also meant an impartial binding dispute mechanism which would enforce that exemption from U.S. trade law. Without that, I told the Ottawa Board of Trade and I say again, the deal would not have been fair, it would not have been free, and it would not have been worth the paper it was written on.

I took that position a year and a half ago and gradually the Government came around to agreeing. In March, although she denied the concept in the House three days ago in response to questions I put to her, the Minister for International Trade (Miss Carney) said that the objective of any trade agreement "would be the elimination of countervail by both countries". Two or three days ago in the House she said that this was never her objective.

In April in New York City, the Prime Minister (Mr. Mulroney) said that the U.S. trade remedy laws cannot apply to Canada, period. That made sense, but that is not what we have achieved. Gordon Ritchie, the deputy trade negotiator, admitted to the House of Commons committee that no secure access had been gained. He admitted to the committee that U.S. laws would still apply. The agreement itself at Article 1902: 1 says that the United States "reserves the right to apply its antidumping law and countervailing duty law to goods imported from the territory of the other Party"—Canada. We have not changed the laws which hit us on potash, steel, and softwood lumber.

[*Translation*]

We are not exempted from the 1930 U.S. Trade Act or the 1974 Trade Act. We are not exempted from the Omnibus Bill now before the U.S. Senate and the House of Representatives, although the Minister for International Trade would like to pretend the Omnibus Bill doesn't exist.

And what kind of tribunal will there be? How will this tribunal ensure our exports will have access to the U.S. market? It won't.

First of all, no one may go before the tribunal until the U.S. International Trade Commission has heard the case and handed down its decision—and not just a preliminary but a final decision. This takes about one year. One then has the option of either going to GATT, the international tribunal, or to this new tribunal. That process would take another year. Subsequently, if the decision is still unsatisfactory, there is now a new avenue for appealing a case, not included in the October 5 version but in the final version, and I am referring to the Extraordinary Challenge Procedure.

Mr. Speaker, we do not know how long these appeals will take or what kind of decisions can be made at this level, because the rules for this procedure are still being negotiated.

In other words, we would now be involved in a very lengthy process—three or four years—and a very costly one. In the softwood lumber case, legal fees have already cost the industry between $3 and $5 million. To do what? Not to change U.S. protectionist legislation but to make sure the legislation was correctly enforced.

• (1320)

[*English*]

One does not have to take my word for it, but we can read what it says in the document.

This is how the agreement defines the role of the tribunal. Article 1904:2 states that the review panel can review a trade decision of the United States Government only:

> . . . to determine whether such determination was in accordance with the antidumping or countervailing duty law of the importing Party.

That is to say, the law of the United States. It goes on:

> For this purpose, the antidumping or countervailing duty law consists of the relevant statutes, legislative history, regulations, administrative practice, and judicial precedents to the extent that a court of the importing Party would rely on such materials in reviewing a final determination of the competent investigating authority. Solely for the purposes of the panel review provided for in this Article, the antidumping and countervailing duty statutes of the Parties, as those statutes may be amended from time to time, are incorporated into this Agreement.

Nothing could be clearer. American law continues to apply unfettered. The only jurisdiction of the tribunal is to decide whether that law has been fairly applied. It is not only present and past law of the United States, but any future law, which of course brings into play the omnibus Bill currently before the Congress.

Some members of the business community seem to think that they have to support the deal because, as they have said to me and perhaps other Members of the House, this deal is better than no deal. I have read the text. No deal would have been better than this deal.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** I listened to the Prime Minister this morning. It was not a speech, it was citation after citation of endorsement, citation after citation of editorial boards. It did not deal with the substance and did not deal with the text, except for one peripheral quote from the preamble of the agreement.

Incidentally, the business community is not monolithic. We can put forward citations as well, but it will not advance the cause.

Some leading businessmen are concerned, particularly in the big leagues, about the peer pressure that is being applied. The Chairman of the Bank of Nova Scotia wrote the Chairman of the Business Council on National Issues to say we should not, as businessmen, "allow ourselves to be stampeded into a deal" in which we may be "sacrificing a vital component of sovereignty".

The Prime Minister spent three-quarters of his speech dragging up the endorsements. I say to him that this debate will not be won in the boardrooms, will not be won in the editorial boards, it will be won by a final tally of the votes of Canadians from one end of this country to the other.

Those endorsements do not change the facts.

[*Translation*]

Mr. Speaker, we have to get rid of the myth that we have a free trade agreement. Even the document itself is labelled "Free Trade Agreement". It is not true. We don't need a philosophical discussion about whether we are for or against free trade, because this document does not constitute a free trade agreement. It is a selective trade agreement, not an agreement that covers all sectors of the economy.

Like any other contract, this agreement must be analysed and thoroughly examined. We must consider what was gained and what was lost or given away, and we must do this from the

Canadian point of view. First of all, as I said earlier, we have not gained access to the U.S. market. Granted, some customs tariffs have been reduced, but they will be reduced in any case in the next round of GATT and other international talks. Customs tariffs will go down at the same rate on both sides, which will be worse for Canadian than U.S. interests, since our tariffs are generally higher and will therefore have to come down more than the U.S. tariffs.

We have not gained access to procurement contracts. The access we gained in the last GATT talks was far greater, proportionally, than what is provided under this Agreement. If we add up all our concessions, what we have is not a trade agreement but rather a contract to sell Canada at a discount.

We have abandoned control over our investments. We have abandoned control over our capital markets. The maximum for direct takeovers without review has been raised to $150 million and will disappear altogether in the case of indirect takeovers. This will leave the door open to unlimited takeovers.

In our capital markets, five Americans with no mutual business or family connections will be able to own and operate an American bank in Canada or even purchase a Canadian chartered bank. On the other hand, our banks do not obtain free access to the United States, because the Agreement does not change the laws established by individual States. In this respect, we must realize that the document before the House is not a treaty but an agreement. It is not a treaty that will be binding, by a vote of two-thirds of the U.S. Senate, on the constitution of the fifty States of the Union. It is not. And perhaps our Government will have the same problem in this country with the provinces.

[*English*]

This deal also commits Canada to a new continental energy policy. I refer again to the document, Article 904 which states that we must ensure as Canadians that any tax or other measure we take regarding any energy resource:

> . . . does not impose a higher price for exports of an energy good to the other Party than the price charged for such energy good when consumed domestically . . .

That means we can no longer set a separate export price. It also means, as we read further, that we can no longer set reserves. We can no longer set surpluses, no longer provide for our own self-sufficiency.

The National Energy Board will become merely a monitoring agency. Constitutionally, our producing provinces have really lost control over their own energy resources.

I recall when the western provinces responded to the National Energy Program on constitutional grounds because they thought Ottawa was taking away their control over resources. What has happened with this treaty is that Washington has now taken over the resources of this country. We are now obliged to sell our energy to the United States at the same price as we sell it domestically. We no longer have the ability to use our resources as an advantage competitively.

• (1330)

I was brought up believing that people would come to resources. I was brought up believing that resources were the base of this country to build a great nation. We have now allowed the resources to flow to the population and the control of the United States.

We also guarantee that in times of shortage or crisis shipments of energy to the United States can only be reduced as a proportion of total supply based on the most recent three-year period. Our total supply is defined to include everything that we have on top of the ground or in the ground, plus everything that we import. Even the energy that we import becomes part of the continental reservoir of the United States. As if that were not enough, Articles 408 and 409 of the agreement make it clear that the same proportional access and the same regime will apply to all renewable and non-renewable resources, probably including water.

In effect, we have become a storehouse or reservoir for the United States of America. I meant to include water, and I find it a little curious that this morning the Prime Minister referred to Venice as one of the great trading cities—I suppose to remind us that he is in the big leagues and was at the Summit. He mentioned Venice as one of the great trading cities. He did not mention that Venice is slowly sinking into its own canals, which is what will happen to this country if this deal goes through.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** By virtue of Articles 408 and 409 of this agreement, the United States gets a guaranteed share of our country. What is theirs is theirs; what is ours is theirs too.

This is not only not a free trade deal, Mr. Speaker, this is not even a trade deal. This is "The Sale of Canada Act", and that is why we oppose it.

What about the Auto Pact? The Hon. Member for Oshawa (Mr. Broadbent) will undoubtedly want to deal with it in some detail. This morning the Prime Minister spent approximately 10 or 15 minutes citing the Auto Pact as a great example of free trade. That is a fallacious argument. The Auto Pact is not free trade; it is a managed sectoral agreement between two countries with guaranteed percentages of employment, production, and content. It is not a free trade agreement, and it is absolutely no precedent for free trade as a concept either in theory or in practice.

In terms of that type of sectoral initiative, of course we would be willing to explore more sectoral opportunities with the United States, and to explore ways of eliminating any trade irritations that we have between the two countries.

The Prime Minister and the Minister for International Trade have repeatedly stated, in response to my questions and those of others, that the Auto Pact was not on the table. Yet by virtue of the tariffs moving down the whole enforcement

mechanism for the safeguards protecting Canadians percentage production, employment and content disappear.

What about agriculture? Agriculture was not supposed to be in the deal. If we read the preamble, it is clearly in the deal. If we read the whole agricultural section, it is in the deal. The family farm will be devastated.

[*Translation*]

We find in the Agreement, in the document itself, that there will be a progressive elimination of the protection afforded by seasonal duties. We find in the final text of the Agreement that our farmers will be unable to face American competition because, while this document uses the term "free trade", Canadian farmers will never be able to compete because of our difficult climate and short four, five or six-month season. They will never be able to face totally free competition with American farmers, especially those in California, Florida and Georgia, who have a twelve-month season. It is impossible. If we want to remain self-sufficient in agriculture, we should never sign such an agreement because it will destroy the family farm in Canada.

The Prime Minister spoke this morning about GATT Article 11. This was an afterthought in the negotiations following the interventions of the Quebec Minister of Agriculture.

I must tell Quebec farmers that the problem has not been solved. The agreement is contradictory, as the UPA has already concluded. The UPA has told the newspapers that there is a contradiction between articles 703 and 710 of the Agreement. Article 710 states that import barriers will be reduced, while article 70 states that protection will be maintained, and this raises very important questions. There is an obvious and even glaring contradiction between those articles which brings into question the whole application of GATT Article 11. Will it be necessary to phase out all existing marketing boards? Will it be possible to create new ones? I seriously doubt it!

[*English*]

Our whole supply management system is being negotiated away. If we allow the import restrictions on major grains, if we allow the import restrictions seasonally on fruit and vegetables,if we allow the whole range of horticulture to disappear, there is no way that supply management can be contained in this country. Canadian agricultural programs will be—to use the delightful word of this agreement—"harmonized". They will be harmonized with U.S. programs. Harmonization is defined in Article 711 of the agricultural section of the agreement. It means making identical.

What has happened here is that every support program for western grain producers is listed in the agreement along with the list of support programs for U.S. farmers. Those two lists will now be made identical.

Our list includes the Prairie Farm Rehabilitation Act, PFRA; it includes the Agricultural and Rural Development Act, ARDA; it includes the Economic and Rural Development Agreements, the ERDA agreements; it includes the Agricultural Stabilization Act, the Western Grain Stabilization Act, the Special Canadian Grains Program, the Prairie Grain Advance Payments Act, and Crop Insurance Program. All those programs and others listed fully in the agreement, probably taking it out of the ambit of Article 11 of GATT, will be harmonized with U.S. programs.

Since the United States overwhelmingly dominates in agriculture by virtue of its size and market, the level of government support for Canadians farmers will be determined not by Ottawa, not by provincial capitals, but by Washington.

[*Translation*]

Mr. Speaker, a new section added to the legal text states that, if the federal or provincial Governments wish to designate a monopoly by creating a Crown corporation at either the federal or the provincial level, or by using another system or method in a given sector, for whatever reasons, they will first have to obtain the authorization of the American Government. They will then have to ensure that no monopoly will grant preference to Canadian goods and services. The type of arrangement which exists between Bell Canada and Northern Telecom, for instance, could become unacceptable under this provision. There will also be an impact on existing and future utilities, such as electricity and hydro, and provincial programs such as automobile insurance and provincial health care plans. Articles 103 and 502 of the agreement also state that the federal Government will ensure compliance by the provinces and municipalities.

Mr. Speaker, I think that I can predict with some certainty that the provincial Governments will have much to say about the specific impact of this agreement on their jurisdiction in these areas.

[*English*]

The very premise of this agreement is based on free market forces. There is clause after clause and article after article that insists on harmonization and the free flow of those forces. That is relevant to this country in three ways that strike me immediately.

First, this country would never have been built east, west and north without some resistance to those continental economic forces. For 120 years we have resisted those forces and created a nation. Yet this agreement turns those forces north and south. Second, on the basis of pure economic forces and market forces, we would not have achieved some measure of economic equality in Canada. We would not have had a basis for our regional economic equality programs. We would not have had the basis for a philosophy that wherever one is born in the country, wherever one chooses to live when one comes to the country, or wherever one receives an education, one will have the same rights as a Canadian to a good education, a good job, and a secure retirement. Market forces would never have given us that.

• (1340)

We have always believed in a mixed economy in Canada. Yes, we believe in success, enterprise, and initiative. We want people to succeed. We also felt that it was very important to protect those of our citizens who are less able to protect themselves.

The mixed economy depends from time to time on where the private sector cannot intervene or will not or cannot do the job in the public interest, and the Government, the state, the people intervene to achieve a specific result. Market forces would not have given us public housing. Market forces would not have given us public transportation. Market forces would not give us the spine of the country in terms of a publicly owned railway, airline, and broadcasting system.

The whole basis of this agreement is the unleashing of sheer market forces which would destroy nationhood for Canada and would destroy the equality of the country from one coast to another and into the North. It would also destroy the basis for Canadians to intervene where they felt the public sector needed to intervene to preserve some equality of opportunity in the country.

President Reagan has said that this deal represents the fulfilment of an American dream. I can understand that. Let the Americans dream, but we have our own dreams. We dream of an independent and a distinct nation north of the 49th parallel. Despite the assurances of the Prime Minister given just yesterday to the provincial Premiers that social programs and regional development programs are safeguarded in the deal, it is just not true. Read the text. There is no specific exemption from U.S. action under its definition of subsidies against either our social programs or our regional equality development programs.

I turn again to the text. Article 1906 and Article 1907 commit us to begin a negotiating process for up to seven years to decide which social and regional development programs are to be defined as subsidies for the purpose of the agreement. If those programs qualify as subsidies within the nature of this agreement, and certainly within the ambit of current American law—1930, 1974, and particularly the omnibus Bill before the Congress of the United States—our programs socially and regionally will be subject to countervail and other American remedy. It means that we are negotiating with the Americans the type of general assistance we will be allowed to provide our citizens as Canadians.

There will also be pressure to harmonize those programs from another source. As free market forces are unleashed under this agreement north and south, American business will look northward and say that there is unfair competition from Canada because we have public medicare, which our companies have to pay down in the United States by way of private plans, and because we have benefits such as the unemployment insurance and the Canada Pension Plan. There will be pressure in terms of competitive forces to harmonize our programs, that is to say, to reduce our programs to American levels.

[*Translation*]

Mr. Speaker, the Minister for International Trade (Miss Carney) is asking us to have confidence in the Government for five to seven years to enable it to negotiate a new set of rules.

Confidence in this Government, Mr. Speaker? All we need to remember is what it has done in the social field and in regional development since it came into office. They attempted to de-index old age security pensions. They cut down youth assistance and employment programs. They slashed expenditures for the regions to the tune of several million dollars. They did away with the national training program called "First Chance". They shelved a number of training programs. So Canadians no longer believe that the Government will be able to stop the Americans when they get around to axing some of our social programs.

American companies will be in a good position to argue that we do have one advantage over them—health insurance and pensions plans—and that it costs less here. The American companies themselves pay for the social benefits available to their employees.

[*English*]

The Prime Minister has said in Atlantic Canada that his trade deal is a solution to regional disparities. He told the Atlantic provinces that this deal would allow them to trade their way to prosperity. This deal will abandon Atlantic Canada to the sheer, raw market forces. This deal will cut Atlantic Canada adrift. This deal is based, I say again, upon the premise of the free market American style, and we have used a mixed economy to equalize opportunity in Canada between regions and among all levels of our citizens.

We have just received this massive text. We are spending two or three days debating it before it is signed by our Prime Minister and the President of the United States on January 2.

[*Translation*]

The House committee responsible for trade matters looked into this question, but none of its members ever saw the text before the report was drafted. That may be good enough for the trained seals who sit behind the Prime Minister, but not for us. Perhaps they have confidence in the Government, but we certainly do not, neither I nor the people of Canada.

As we indicate in our minority report, consideration of the agreement was not done in a democratic or representative manner. The committee hearings were a parody of democracy. Without the final text, the study it did was just a big joke.

[*English*]

The Prime Minister challenges us to a positive alternative. We published that in the minority report which we issued on Tuesday to the House of Commons committee report. It was entitled *Reaching Out*. We in the Liberal Party have always favoured more liberalized trade, not only with the United States but across the world and around the world. Under this Government our trade with the Pacific Rim has dropped

dramatically and our trade with Europe has dropped dramatically.

We have always believed, essential though the American market is to us and essential though the United States is to us, that we have always done better, as we have over the last seven rounds of the GATT, internationally and multilaterally in our negotiations with the United States than head to head and bilaterally, because we never believed that we would get an exemption from U.S. trade law in a bilateral way.

We would continue to pursue sectoral opportunities. The Auto Pact was concluded under a Liberal Government. We would continue to look for ways to ease those irritants to trade between the two countries. We are world traders. We want a more vigorous trade policy, but we want a policy which allows us to trade with the world with special and immediate focus on the United States, not just an exclusive deal with the United States.

A Liberal trade strategy will start by reducing and eliminating interprovincial barriers to trade so that we have a free trade market within our own country. We will bring in a comprehensive trade Bill which will make clear our trade objectives, our style of trade financing, and our trade remedies. We will put all the efforts of the federal Government under one roof so that all expertise can be gathered coherently with one single objective, that is to say, to open up markets and enhance our trade opportunities both abroad and continentally.

The trade agreement is also based on the supposition and premise that it can be a substitute for a national economic strategy. No trade policy can substitute for a national coherent strategy on the economy. It must be part of that strategy. We can only make ourselves more competitive. No trade agreement will do it for us. No trade agreement will bail us out. We must, therefore, expand our commitment to research and development and work to develop our education system so that we give our youth the skills that it will need in a tough, competitive world. We will commit ourselves to a full employment strategy. We are committed to better training and retraining for our workforce, particularly for those men and women thrown out of work by technological progress. We are committed to a national literacy program to help those five million Canadians who cannot read or write on a functional basis thereby being denied an opportunity to participate fully in the economy.

• (1350)

In democratic parliamentary terms the Government has no mandate for the motion or the deal before the House. It was not discussed in the last election. The only words we had from the Prime Minister and the Minister of Finance (Mr. Wilson) were in debate in 1983 against the Secretary of State for External Affairs (Mr. Clark) and the Minister of Transport (Mr. Crosbie) for the leadership of the Conservative Party. The Prime Minister and the Minister of Finance were both against free trade because, to use the Prime Minister's words ,"It affected our sovereignty", and he would have none of it. That is where he stood. He was right and he should have maintained that. It is for this reason we believe the people of Canada must be given an opportunity to decide. No Government has the right to alter fundamentally the direction, the style and the nature of this country without the consent of a majority of Canadians.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** We are still a democracy after all. We are still governed by a parliamentary system after all. I challenge the Prime Minister to call an election. Let the people of Canada decide before this deal is implemented. We cannot block the signing, but let the people decide before this deal is rammed through Parliament and before it is autocratically imposed on Canadians. I believe that when Canadians at long last have an opportunity to examine this deal, to study and look at it clause by clause as we have looked at it, they will reject this deal massively and overwhelmingly in the next general election.

The Prime Minister met the Premiers yesterday. He said in an earlier meeting with the Premiers that, in terms of provincial government support, he is happy. He said that a seven to three score would be good enough in a hockey game in Baie Comeau. It may be good enough for a hockey game in Baie Comeau but it is not good enough for the future of this country. It is not just that simple. I ask the Premiers of this country to read and study this document as we have studied it. Premiers in their comments yesterday said on countervail, on regional economic development, "I have an assurance from the Prime Minister". They said on the binational tribunal, "I have had an assurance from the Prime Minister". They said on the omnibus Bill, "I have an assurance from the Prime Minister". I want to tell the Premiers not to count on those assurances. We know in this House how well we can count on those assurances. I tell the Premiers to read the document and study it.

Provincial Premiers have their own mandates and their own responsibilities, and I respect that. In light of the interest of their provinces as they see fit, they are entitled to take a position. I can understand that. I accept that. But in this House of Commons our responsibility is a national one. We must consider the implications of this deal, of this pact, on behalf of all Canadians as we see them within this federal jurisdiction of Parliament. Even if the count had been 10 to zip in favour of this deal by the provincial Premiers I would have still opposed it because it is bad for Canada and we are going to vote against it.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** I said when I saw the general principles of the deal in October that I would tear it up. I am going to spend a bit of the Christmas holidays working on the iron to get in shape because the 2,500 pages of

this document will be a little harder to handle than I anticipated.

**Some Hon. Members:** Oh, oh!

**Mr. Turner (Vancouver Quadra):** Except for one passing reference to the preamble the Prime Minister did not cite this document at all in support of his case. I suspect that the Prime Minister has not read it, and if he reads it I suspect that he will want to tear it up too.

We are opposed to this deal. We who are opposed to it are painted by the Prime Minister as being negative. We are painted as being timid. We are being painted as being afraid and having no confidence in the future of this country. But who are the frightened ones? Who are the real fearful Canadians? Who are the ones who are saying that our only hope for survival as a nation is this pact with the United States? Who are the ones who are mortgaging us to the United States as the only hope for our economic survival? It is not our Party, it is the Government of Canada.

When the Prime Minister says that we do not have confidence in Canada, that we do not have confidence in our future, he is dead wrong. We have confidence in this country. We have confidence in our future, but our future is not a continental future, it is a Canadian future.

On this trade issue I am not saying that as Canadians we can do it alone, but I am saying that we can do it in our own way. I believe Canadians have proved that in 120 years of resisting the continental forces and creating a flourishing, proud and self-sufficient nation.

I retain fundamentally my optimism in this country. I retain fundamentally my faith in Canadians. I believe that we are now mature enough, talented enough, strong enough, confident enough and tough enough to make our own choices in our own way for our own future, and that is why we reject this deal.

**Some Hon. Members:** Hear, hear!

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, in 1983 the Prime Minister of Canada (Mr. Mulroney) when asked about a comprehensive free trade agreement with the United States said it was wrong. It affected our sovereignty, which is to say it affected our capacity to shape the future of our country with our own decisions.

In 1984 in a campaign in which he discussed every other issue under the sun, the same Prime Minister never mentioned a comprehensive free trade agreement a single time. In 1985, after the same man had formed the Government of Canada, he launched a process to put in place exactly what he had denounced in 1983.

The New Democratic Party opposed such an approach to our relationship with the United States in 1983. We would have made that clear in 1984 if it had been a campaign issue, and I can tell you today in 1987 that we are as strongly opposed to this approach today as we ever were.

What has been made abundantly clear from the weekend of October 1 right up to the time not many days ago when we saw the final wording in this agreement is that what is involved is something other than an accord on the exchange of commercial products. What is involved is much more comprehensive than that. What is ultimately involved in this agreement is that the priorities of the people of Canada in virtually every aspect of life will be shaped by influences and forces South of the border rather than by the people of Canada. With that kind of approach, the New Democratic Party is in total opposition because we believe in an independent, self-reliant, confident Canada.

• (1400)

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** Mr. Speaker, as I said when we first saw the elements of the agreement on that first weekend in October after the Prime Minister's senior cabinet Ministers spent the concluding days of negotiations in Washington, my caucus colleagues and I were opposed to what we saw at that time and we would look forward to reading the final document. Of course, when we saw the final document, as the country now knows because we have had occasion to discuss it at least in Question Period since that time, our concerns have been confirmed. The opposition of the New Democratic Party at every level, federal and provincial, has been intensified. We will do everything we can as a Party to stop this accord from being put in place in Canada.

As I said, this is not simply a matter of commerce or exchange. There are all kinds of positive arguments to be made about the expansion of commerce and trade with the United States, our most significant trading partner and for most of our history a good neighbour and a good friend. However, this is something quite different.

If we as a nation want to determine how we will reduce regional economic disparities, we will not be able to do so if this agreement goes into place. If we want to set our own energy prices here in Canada, we will not be able to do so. If we want to control our own agricultural sector in the way the farmers and farming communities would like us to do, we will not be able to do so. If we wish to process our resources to whatever level we decide before we export them to other nations, we will not be able to do so if this agreement goes into place.

If we want to ensure that when foreign capital comes into our country, either in the form of new investment or as a takeover of an existing Canadian firm, capital be put to work to provide benefits for Canadians and not simply profits for those who invest, we will no longer be able to establish those priorities. If we want to enhance the future of our service sector in which so many Canadians and particularly Canadian women work, we will not be able to do so. If we want to strengthen our cultural industries by making decisions independently arrived at here in Canada without fear of future

countervail from the United States of America, we will not be able to do so.

The people of this nation, and I would suggest the people who vote for all three political Parties, are deeply committed to the principle of a mixed economy, unlike those in the country to the south of us. If we wish to establish Crown corporations and give them certain monopoly power to fulfil certain objectives desired by the people of Canada in the future the way we have in the past, we will not be able to do so if this agreement goes into effect. I say shame on the Government of Canada for making such a proposition.

Instead of maximizing opportunities to shape our own destiny as a free people, the Government has done just the opposite. Instead of boasting, this Government should be hanging its collective head in shame for what it is submitting to the people of Canada.

Government Members and cabinet Ministers boast that this is the biggest trade deal ever negotiated between two countries. It may not be the biggest, but it is certainly the worst from a Canadian point of view. Whether it is energy, agriculture or regional fairness, whether it is service or culture, whether it is East, West or central Canada, whether it is national leadership or provincial rights, this Government has betrayed the interests of our people wherever they may live and whatever kind of work they may do.

Not only is this a bad deal in substance, but the Government of Canada has systematically misled the people of Canada about its true nature. The Leader of the Opposition (Mr. Turner) said today, and I totally agree with him, that when the Prime Minister spoke this morning, he did not refer to one single specific clause in the agreement. He might have made one reference as part of what he had to say, but if there was one reference, there was only one.

Not only the Prime Minister but cabinet Ministers and not only cabinet Ministers but Conservative Premiers from coast to coast have not talked about the substance of this deal. They have not referred to specific clauses of it to explain to the people of Canada what they mean. I know why they have not done so. It is because the more the people of Canada understand what those clauses mean, the more the people of Canada will oppose this deal.

I would like to deal with some of those clauses specifically. I wish that just for once in this debate, someone on the other side would reply so that we could have a serious intellectual exchange about the future of this great nation of ours. I will make a prediction today. Instead of replying, they will send little newsletters, and Conservative provincial Premiers will debate in their regions and try to create animosity toward other regions, but not once will they have the integrity and decency to meet the arguments head-on. I make that prediction right now.

I said in my opening comments today that this deal is bad for the future of our country because it does not involve only the setting down of principles for commerce and the exchange between two good neighbours but because ultimately it impacts upon our rights as a people to make our own decisions, something that is quite a different matter indeed. This is particularly so with the energy sector.

I am a leader of a Party who has watched the evolution of my nation go roughly from east to west in our historical development. I as one national leader wanted to see opportunities for western Canada arise more rapidly than they did in central Canada so that we could get away from being hewers of wood and drawers of water and from being a resource hinterland, whether for central Canada or for Japan and the United States of America.

One of the reasons my Party has grown at the provincial level in western Canada is that a long time ago, the provincial level took head-on the argument that it would not yield to old market forces for the development which would have kept western Canada a resource-based economy forever. The provincial level took concrete action to make of western Canada what central Canada has gradually become, a vibrant, mixed, aggressively competitive economy in all its dimensions and not simply a resource hinterland. That is the national view of my Party today.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** One of the aspects of this deal that disturbs me the most is indeed its energy provision. In the last decade, Premier Lougheed and all the western Premiers argued about the right of and necessity for the provinces to retain control over the development of their resources. We in this Party happen to agree with that. In 1981, I wrote a letter to the Prime Minister of the day, Mr. Trudeau. One of the very specific conditions for our agreement to the constitutional accord in 1981 which was subsequently adopted in 1982, was the clarification in the Constitution of the provinces' right to control, manage and develop their resources including the setting of prices.

I believe in a decentralized economy. If there is anything the world has learned in the last 30 or 40 years of economic development, it has been the importance of decentralized decision-making. As a Canadian, I believed it was particularly important for western Canadians to have the right to set the pattern of the development and control of their resources themselves within their domain. The arguments made then by the Premiers have since been abandoned, and I think pretty superficially, without giving much thought at all to what is involved.

• (1410)

I would zero in on the price of energy as a particular element. I say to Conservative Members opposite, especially those from western Canada, that the petrochemical price structure in Alberta for Canadian firms has been kept lower, and they do not talk about it now, by the policies of the Alberta Government so that the West would not simply have

to continue derive income from exporting its resource in raw form. It made sense and we supported it. I can tell you that in the Province of Quebec, under the Government of Premier Lesage and the Government of Premier René Lévesque, energy prices were kept at a lower level for the development of industry in that province, hydroelectric energy in this case, because it was a competitive economic advantage we had and we used it for the development of our people. The same principle holds for the hydroelectric resources of Manitoba and Ontario. It also holds for energy resources in Saskatchewan and British Columbia, albeit less so than Alberta.

We are saying that this is a totally unacceptable betrayal of not only provincial rights in the abstract but of the rights of the people who live in those provinces to determine their prices and set them at a lower level if they deem that desirable for the development of their region. It is the Tories who are selling out the serious long-range interests of western Canada, indeed of every province in Canada with important resources. It is no accident that Mr. Yeutter was boasting, within 24 hours of the deal being signed in Washington, about how the Americans got us locked into this energy deal. That is what they talked about. It is no accident.

Ronald Reagan, when he was Governor of California, used to talk about continental energy. In 1980, after he became President, he did the same thing. The Mexicans have turned this kind of deal down saying it would be foolish for a country with energy resources to accept. It is the kind of foolishness only Canadian Conservatives are inclined to accept.

To move to the question of provincial rights, the Minister for International Trade (Miss Carney) and the Minister of Energy, Mines and Resources (Mr. Masse) said in the debate in this House just after October 3 that there is no change in provincial rights at all. I had raised questions about control of energy development, and they said there has been no change. I will simply say, as I said then, that that is not true. There has been change, and the rights which have been taken away from Ottawa have indeed been given to Washington. That is unacceptable to the New Democratic Party of Canada.

The same Minister for International Trade said, not simply with reference to the energy question but to all provincial rights, that there has been no change, they would have the same rights after this agreement as before. That of course is not the case. If you look at this agreement, it does not take long at all to ascertain that instead of what the Prime Minister said, that some 97 per cent of the areas covered are within federal jurisdiction, it is a much smaller percentage within federal jurisdiction and a much greater percentage within provincial jurisdiction than the Government has been prepared to admit.

On that particular point, I had hoped the Prime Minister could be here and I understand that he had another commitment, but I hope he will deal with this in the future. He talked appropriately in a positive sense about the Meech Lake agreement, on this particular issue he has turned co-operative federalism upside down. He said, in a commitment to the Premiers in Halifax in the fall of 1985, with respect to elements of a potential agreement that were within provincial jurisdiction or authority, that the federal Government, and I quote, "would not pursue any particular element within provincial jurisdictional authority unless all provincial Governments support it and are ready to implement it". In other words, he was saying something that I think is very important for a federal Prime Minister of this country, that if you are taking a major initiative and you are talking about an area specifically within provincial areas of responsibility, then you have an obligation to get their support.

You do not have the right to trample over the rights of the provinces, whether it is three provinces, six provinces or one province. If that province has the constitutional right in a certain area of authority, that right has to be respected by the federal Prime Minister. Yet instead of respecting that right the federal Prime Minister moved unilaterally to make changes in at least five areas of constitutional authority that are directly within the provincial domain. The wine and distillery section is of course well known and has been discussed at length. Then there is the energy sector, the service sector, and investments. The approach in making so-called national treatment a policy for all industry in Canada and the U.S., if this accord goes into effect, profoundly impacts upon provincial jurisdictional authority.

The Prime Minister has been pretty glib, to put it euphemistically, about this particular point, trying to skirt around it, trying to imply that the federal Government had not only the right to negotiate a treaty, which no one has questioned, but he asserted in the past 48 hours, along with the Minister of Justice (Mr. Hnatyshyn), that it not only has the right to negotiate the treaty but to implement it in those areas within provincial jurisdictional authority.

**Mr. Turner (Vancouver Quadra):** Citing no authority.

**Mr. Broadbent:** Citing no authority whatsoever for such a view. I know why. With the exception of one case that I am aware of, 90 per cent of the constitutional authorities are clearly on the other side of the issue.

There is a simple way, however, if he would like to be consistent with what he has talked about with respect to building a co-operative attitude in Canada. Why not make a reference to the Supreme Court? Technically it is totally possible. He could simply refer a question of the following kind, for example: Does this trade arrangement give the federal Government the power to implement its provisions in areas of provincial jurisdiction?

**Mr. Lewis:** Who wrote that?

**Mr. Broadbent:** He could refer that question, drafted in legal language, to the Supreme Court, get an answer and provide it to the House of Commons, the Premiers and, more important, to the people of Canada.

[*Translation*]

Mr. Speaker, this Agreement is a threat to rural communities. In March, the Prime Minister (Mr. Mulroney) stated in the House of Commons that the Government was going to "maintain support policies for our farmers and our marketing boards".

Today, we read in *Le Devoir* and other Quebec newspapers that the Quebec UPA is still against the Agreement. I can see why. The Mulroney Government claims it has protected the marketing boards, but eliminating tariffs on processed goods will sooner or later undermine the effectiveness of these boards.

Either the boards will eventually disappear, because the cost of farm products regulated by the boards will be higher than U.S. products which are not so regulated, or the food processing industry—the most important manufacturing industry in Canada—may disappear because it will have to pay more for agricultural products like chicken, eggs and milk than the U.S. industry.

Protecting marketing boards without protecting the food processing industry is ridiculous, Mr. Speaker. If we talk to average Canadians across this country, I am sure we will find many Canadians who have an interest in the Agreement's impact on regional development.

The final text has not removed any of our concerns about a possible dismantling of our regional development programs. The Prime Minister claims this trade agreement would eliminate regional disparity. Not true! An economist, otherwise an ardent supporter of the Mulroney-Reagan Agreement, has refuted this ridiculous statement.

Mr. Speaker, after 200 years of free trade, the United States has yet to eliminate regional disparity. In fact, regional disparity is on the increase. That is a fact. I hope that for once, the Prime Minister of Canada will start being honest about this Agreement. Mr. Speaker, regional development programs are essential to the growth and economic diversification of the Atlantic Provinces, of the remote regions of Northern Quebec and Ontario and of several Western regions. In fact, all regions in this country benefit from these programs. Here again, however, the Americans have won out.

When the Agreement was announced in early October, the Deputy Minister of Finance said we would now have to modify our regional programs to avoid retaliatory action by the Americans. So, in this area as well, our policies are going to be dictated by Washington.

• (1420)

[*English*]

This is not a small point. At the time of the final agreement on the Constitution of 1982 there had emerged in Canada a consensus that we had to build into our modern Constitution something which is in no other constitution in the developed industrial world—a commitment to regional equality. A solid clause in that Constitution commits us as a people, not to intensify or even leave in existence regional inequalities but to work to eliminate them.

As a Social Democrat, my Party in particular owes, in part, its *raison d'être* to our commitment to dealing with regional inequality. An accord which will impact on a long list of regional development programs in the agricultural sector and regional programs in general and says that we have ultimately to mesh our rules in this important aspect of our national development with those in the United States is not acceptable.

The reality is once again quite different from what the Government has told us. Mr. Simon Reisman took great delight at one time in saying that he had managed to have social policy and regional development policies excluded from this accord. In the early stages he said that the Americans were putting immense pressure on the Government of Canada to include all these programs in the accord. He boasted, as the Government has since, that they did not yield to this pressure, that somehow the Canadian side won out.

That is simply not the case. I have already mentioned one key decision made by the Minister of State for Finance (Mr. Hockin) in this regard within days after the original signing in October. There is also a clause which says that during the next seven years all of these programs will be considered as a type of subsidy in terms of the impact of the trade relationships between the two countries.

These issues have not been resolved. Mr. Reisman himself said that there was immense pressure from the Americans early in the discussions to have all of these included. You do not have to be the slightest bit paranoid to understand that if the United States of America, with more than 10 times our economic strength and profoundly committed as it is to an exclusively free market orientation in the economy, believed in August that all these programs were important for inclusion, it will once again start exerting pressure to put all these programs right back on the agenda as soon as the agreement is signed.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** Mr. Speaker, as leader of a Party which is profoundly committed to building greater, not lesser, equality in Canada, I believe that regional development programs should be designed by Canadians for Canadians and that decisions about them should be made in Ottawa, not Washington.

**Some Hon. Members:** Hear, hear!

[*Translation*]

And what about services? Mr. Speaker, other countries which have signed free trade agreements have excluded, and not by accident, their service sector from such agreements, recognizing the potential threat to their own social and economic programs. The development of our service industries is critical if we wish to preserve independent economic and

political institutions. As the trade agreement recognizes the basic principles of the right to establisment and national treatment, American service companies will be able to defy any Canadian practice which could limit their ability to compete in Canada.

The final text includes a detailed list of service industries which are covered by the agreement. The list is complete and covers such sectors as insurance, real estate, tourism and data processing. By agreeing to the inclusion of services, the Government has made concessions without knowing the true consequences of its actions. Neither the Government nor the Macdonald Commission have examined the impact of such an agreement on the service sector. Mr. Speaker, 83 per cent of working women are employed in the service sector. In what was certainly one of the most alarming submissions presented to the Parliamentary Committee, the Association of Independent Data Processing Services predicted the loss of 360,000 jobs in data processing services by 1993, which jobs are mostly held by women.

[*English*]

With regard to the service sector, just a couple of days ago I raised the problem of including in this accord the right of private firms in the United States to compete for contracts in the management of our hospital services, our ambulance services, and nursing home services, a total of 47 categories in the medical field. The Prime Minister was veritably buffoonish in response. We never anticipated that they would be included in this agreement, but we found it in the document.

• (1430)

When it was suggested that this might have some impact on public medicare, we were again attacked for raising red herrings and were told that this was a bogus concern. They laughed about it.

**Mr. Turner (Vancouver Quadra):** He has not read it.

**Mr. Broadbent:** As the Leader of the Opposition said, probably the Prime Minister had not even read that section.

**Mr. Lewis:** Nonsense and you know it. You have not read it.

**Mr. Broadbent:** I can tell the Hon. Member that I have read it and, as the leader of a Party that brought medicare to Canada, I am deeply concerned about what the Conservatives are doing in this regard. I hope the Member will join in the debate. I would like him to deal with the question.

I want to put it as clearly as I can—

**Mr. Lewis:** Please do. It has not been clear up to now. It is nonsense.

**Mr. Broadbent:** If he will listen—

**Mr. Lewis:** I am listening.

**Mr. Broadbent:** I will put the point and I hope he will respond.

**Mr. Lewis:** Do not make allegations that the Prime Minister has not read it.

**Mr. Turner (Ottawa—Carleton):** Not only did he read it, he wrote it.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** The Member is really testing our credibility. He wants us to believe that the Prime Minister can both read and write.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** I will leave out the question of whether the Prime Minister read this part of the document. That is irrelevant to my argument.

The point is that I am concerned about the wording that is there. We need not believe that there is a sinister plot by the Americans, simply that they want to make money, which, in the context of their society, is a legitimate notion. If we open the border across the country to American firms so they can start applying for business contracts, they could end up managing our hospitals—

**Mr. Lewis:** They are in Ontario.

**Mr. Broadbent:** Let us carry this through. If this goes on and they ultimately manage our nursing homes, our hospitals, our ambulance services, they bring with that not just management techniques but a whole ideology of privatization. We believe in public medicare in this country. That is the point.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** If Conservatives opposite think it is accidental that 35 million Americans do not even have any form of medical insurance, then they do not know much about the historical development of countries. One reason that they do not have that insurance is that there is no commitment to public social policy such as we have established in this country. We do not want our country to regress to that stage.

I hope Canadians will have an opportunity to read and consider the implications of another sector of this agreement. It is that of investment. This agreement sets criteria that will prohibit provincial or federal Governments from attaching performance criteria to investment in this country, and that the establishment of basic market principles are to be the standard for judgment of economic activity. In that respect we are deeply concerned that the new ceiling at which takeovers will be considered in industry and industrial development in Canada is raised to $150 million. This means that some 500 or fewer companies in Canada will be screened in terms of future takeover bids.

Again, that has absolutely nothing to do with the competitiveness of Canada, the confidence, the zest or determination of Canada. Those are important notions, not merely clichés as the Government has made them.

Governments in the post-war period of this country, indeed most other industrialized countries, have been concerned about having legislation permitting certain frameworks of control and conditions for capital coming in. They made the common-sense judgment that those with dominant economic power are more likely than not to use it for their own economic interest if they are allowed to have their way. It does not take a genius to understand that. I only wish more Conservatives would understand it.

Canada has many vibrant and innovative firms. Our Party is concerned that a larger conglomerate with 10 times the financial resources in the United States, which may not be as competent but has more capital at its disposal, will simply come in and gobble up those innovative firms. They can take all of the advantages developed by the smaller or medium-sized firms in Canada and transfer them to the United States. We in the New Democratic Party do not plan to stand by and let that happen.

I ask Conservative Members of the House in particular, and Premiers as well, to read a study that was released by Statistics Canada a few weeks ago which compares the performance of foreign-owned firms in Canada with Canadian-owned firms in the period from 1978 to 1985. It does not come as much of a surprise to discover that in the comparison of job creation in relation to profits that were made, Canadian firms were outperforming the Americans by a considerable margin in terms of creating jobs here in Canada. That is not rhetoric, that is the reality. I wish Members on the government side would look at their own data.

I want to say a few words about the auto sector. Not only has the Prime Minister, with his propaganda here today, but also many Ministers of the Cabinet and premiers across the country, have tried to persuade Canadians that the Canada-U.S. automotive agreement was an example of free trade. That agreement has had a very positive impact in my constituency as well as many others in Ontario, and has had a great advantage for Canada. They suggest that somehow the New Democratic Party is opposed to this kind of development, which has worked so well in Ontario, taking place elsewhere in Canada.

While I do not want to use the same rhetoric as Mr. Reisman about the big lie, and will forgo some of the historical comparisons he made, I will say that it is an utter distortion of the truth to call the Canada-U.S. automotive agreement a free trade agreement.

Perhaps some Conservative back-benchers do not know the reality because they were not here at the time. However, the classical refutation of that argument is that when the Auto Pact came in, the big three automotive companies had to sign letters committing themselves to a certain level of investment in Canada. I can say that we would not have the level of investment in my constituency if we had a free trade agreement in 1965. We have the investment today because it was managed trade and because the then Government negotiated, on balance, a good deal for Canada. That is the truth.

• (1440)

If the Tories in particular were interested in talking about the truth on this issue, they could cite my colleagues and myself as having stated that we are very happy in principle to take the model of the Canada-U.S. Automotive Agreement, by and large, and look at different sectors of the Canadian economy wherever we can and bring that into place, precisely because it is a managed trade agreement that has built into it certain guaranteed benefits for Canada. Next time the Tories cite the Auto Pact and cite the NDP, at least for once would they tell the truth?

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I wish to talk about another aspect of this deal that the Government has systematically distorted, which is the dispute settlement mechanism. This was the name of the game, as we understood it, when the Government embarked on these trade negotiations. They stated, and I think all Parties in the House agreed with this objective, that what we ought to try to do was to put in place an institution, a mechanism, or whatever we want to call it, that would remove some of the unfair trade barriers that existed in terms of our exports to the United States. There were some concerns from time to time on the Canadian side, but the overriding concern was for us to have free and fair access to U.S. markets.

At the time the Minister for International Trade was quite explicit about the Government's agenda, which was to get rid of all those unfair U.S. laws and unfair countervailing practices. The bottom line was to get rid of those. Some of us were quite sceptical about the possibility of getting rid of those completely, because some of us know something about the powers of the U.S. Congress and the history of the United States. If that was the bottom line that the Conservatives had on their agenda, we said, "Good luck to them". They said that that was really what they were all about. They had to get guaranteed access and get rid of those bad laws. We know that they did nothing of the kind. The tune has now changed. What they want to do is to have a few Canadians on the board who will lend legitimacy in one sense to the interpretation of American law. That is real success!

Even after the delays from October until a couple of weeks ago when we saw the final wording, the whole thing has become even more complicated. The essential principle remains, the U.S. Congress retains its right, whether it is in softwood, shakes and shingles, tubular steel, or pork. Whenever we win the competition, the U.S. Congress retains its right to pass unfair discriminatory law against us. That has not changed. But the newly constituted, latest, last minute, up-to-date tribunal that the Government has negotiated, at the first

stage in the new process of coming to grips with one of these unfair acts, will take up to 315 days, or almost one year potentially, to correct some unfair action. Even at the end, and God knows how many months beyond that it will go on, the U.S. Congress still retains its right to take unfair action against Canadians who happen to be winning the competition.

To paraphrase an old Conservative, rarely has so much been given away by a Government to get so little, as the Government of Canada has done in this particular deal.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** I wish to conclude my remarks today by dealing with two final matters. The Government has not attempted to defend the details of what it has brought out, and I suspect that it never will. But it has indulged in two types of arguments about those of us on the other side of this very important historical issue. On the one hand, the Government has stated that it is either this or nothing; that lofty intellectual argument that we either accept this particular proposal, or there is nothing else around. That certainly shows the limits of the Conservative imagination. It is this deal or nothing.

I will not go on at length, Mr. Speaker, since I have done so in other speeches in the House and outside, but today I simply want to say to Canadians that there are alternatives. One does not have to accept a bad deal in place of other options that are open to us as a nation. I wish to put it in context. When the Government started negotiations there was a surplus in our commercial trade of some $20 billion in the very year the negotiations were launched. As I said in another context when talking to a business person, only a Conservative would be so stupid as to remind the U.S. Congress, most of whom were quite asleep on this particular point, that we had a $20 billion surplus. Mentioning that point woke many Americans up to that reality. But we had a $20 billion surplus when the negotiations started, and even this year when the figures came out, I believe last Thursday, they showed that the surplus up to October of this year was running at a $10.1 billion in terms of trade with the U.S.

The point I want to make here is that, in terms of the so-called *status quo*, we are doing quite well in terms of our trade with the United States. One might even say that we have been winning the competition. As a Canadian, what pleases me particularly is looking at some of the new areas. It is not only as the hewers of wood and the drawers of water that we have been doing well in recent years.

My research staff have prepared some data comparing our exports to the United States from 1980 to 1986 to see how well we have been doing. Some interesting patterns emerged. In the manufacturing field, crushing and milling machinery and parts, we exported to the United States some $7.4 million in 1980, and in 1986 that had gone up to $19.5 million. In construction machinery and equipment we exported $36 million in 1980, which had gone up to $76 million in 1986. In parts for pulp and paper industrial machinery we exported $49.8 million in 1980, and that was up to $60 million in 1986. In aircraft assembly we exported $561 million in 1980, and that was up to $1.150 billion in 1986. In radar equipment and related devices and parts we exported $5 million in 1980, and $33 million in 1986. In commercial telecommunications equipment we exported $122 million in 1980, and that was up to $260 million in 1986.

The point I wish to make with only a few of those statistics is that there has been an interesting and important development of the Canadian economy in the last 10 to 15 years, which one can begin to see in this six year period of statistics. Finally, we are getting away from being simply an exporter of raw materials. We have been winning the competition. I wish to remind the Prime Minister that we do not have to take a back seat to the United States of America. We are doing very well.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** Among other things, my Party has stated that we should build on those strengths. We can have bilateral arrangements in certain sectors with the United States. We should pursue a reduction in tariffs where there is unfair access to the United States, most effectively, as others have argued in this debate, through the GATT working with other smaller-sized nations to deal with that big economic giant, the United States, to receive fairer trade practices. We have said that we should expand our efforts in trade to the Pacific Rim, to South America and Central America. We have lost some of our older markets in Europe because this Government has concentrated so much on the United States. We should be going back to some of those markets in Europe.

All of this should be embraced, in our judgment, in an over-all industrial strategy, in a mixed economy, recognizing provincial jurisdictional authority, and worked out with the provinces and the private sector to put in place an over-all industrial development strategy, geared to achieving one day full employment. That can be done. The Austrians, the Swedes, and the Japanese have done it, and it is time that we did it, because we can do it. There are other options, I say to the people of Canada, than this big giveaway which the Conservatives want them to accept.

• (1450)

The second argument, which the Government has attempted to use, whether it is in the House or out in the country, has been that all confident and imaginative Canadians are for this deal—whether they be male, female, westerners, easterners, central Canadians, farmers, or auto workers, that everyone of a positive, imaginative, and confident bent is for this deal, and everyone who does not fit into those categories of positive human attributes is on the other side. It argues that all those who have fear and apprehension and are lacking in confidence are opposed.

If we are going to make a guess about this, it is exactly the reverse of what the Government is going to say. However, I am

not going to indulge in the same propaganda as the Government on the other side. I am not going to say that all people of confidence, imagination, and determination are opposed to this deal. I am just saying that all the people of that kind that I know are opposed to this deal, and I want to put it in some kind of perspective.

Let us look at the country in which we live. As a Canadian and as a person who came of age, reached maturity or adulthood in the fifties, I would like to reflect upon our country. Let us look at what has happened in this Canada of ours since 1945. There has been a profound change in almost every respect. As a country we no longer defer to Great Britain. In the 1911 great debate on free trade the slogans used were: "Keep Canada British". Well, it was not even British then. There was a certain major province on the other side of this province which was ignored in that sloganeering, but we understand, with an historical perspective, why that slogan might have been the case in 1911. We are no longer, as I say, a nation which is deferential toward Britain, to say the least. However, for many years I think that was the case. Canadians had a sense, if they were to make it in whatever field they were in, whether it was in sports, creative arts, or business, that they had to do it in the United States. There was a transformation from Britain to the United States in the psychic imagination of Canadians, consistent with our development.

If there is anything that is true of our generation today, that is behind us. If there is anything that is true of Canadians in their adult years now, it is the recognition of this great country of ours. I do not care what the field is, whether it is business or the arts. I happen to like fiction, but I can read a Margaret Atwood, a Margaret Laurence, an Alice Munroe, or a Mordechai Richler in the knowledge that they are not simply good Canadian writers but that they are among the very best in the English language in the world.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** If one listens to music, one could name a Glenn Gould or an Angela Hewitt, again the best in the world. If one goes into a cinema, what are the two top internationally recognized movies? One came out of the Province of Quebec in this past year, *Le déclin de l'empire américain*, and another came out of Toronto. They are internationally recognized. If one looks at our athletes, at virtually every aspect of Canadian life, one finds that for a nation of 25 million people we do not have to boast that we are the best in the world, but I am telling you, Mr. Speaker, that we are right up there. We are second to none in our confidence and in our creative capacity.

It is precisely this generation of Canadians who are saying to the Conservatives that only a Conservative Prime Minister at this time would say that to be a confident, creative, self-assertive Canadian one has to be American. How ridiculous can they get?

We say that the Government does not have the mandate for this deal. Whether we consider energy, services, automotive parts, Crown corporations, the broad future of this wonderful nation of ours, our tradition of a mixed economy, or our particular blending of liberty and equality which is different from that of the United States, we do not need, we do not want, and we must not have this package of proposals which the Conservatives want to foist on the people of Canada. Instead of ignoring the democratic rights of our people to understand the details and implications of this deal by forcing it through and signing it on January 2, the Government should live up to its democratic obligations, recognize that it did not discuss it in 1984, has no mandate for it today, and ought to have a general election on it early in 1988.

**Some Hon. Members:** Hear, hear!

**Mr. Deputy Speaker:** Further to the Order made earlier this day, perhaps we could now revert to motions and recognize the Hon. Minister of State.

* * *

## BUSINESS OF THE HOUSE

**Mr. Lewis:** Mr. Speaker, as you have just suggested, the next order of business prior to Private Members' Hour is to call the motion that is presently on the Order Paper in respect of the adjournment of the House.

There have been discussions among the Parties, and I would just inquire at this time whether or not there is any disposition among my colleagues to amend the motion presently on the Order Paper immediately prior to Your Honour calling the same.

**Mr. Benjamin:** Amended to what?

**Mr. Lewis:** Then, Mr. Speaker, if there is no disposition to amend the same, I would ask—

**Mr. Gauthier:** Mr. Speaker, I rise on a point of order. I fear that I did not catch the purpose of the intervention that the Minister was making; I was being disturbed by colleagues. I wonder whether he could repeat the proposition so that we all understand what he wants and what he is talking about.

**Mr. Lewis:** There were discussions with respect to the date of the return of the House, and I just asked the House if there was disposition to seek an amendment to the motion prior to it being put.

[*Translation*]

**Mr. Deputy Speaker:** The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I am quite open to any proposal which the Government might wish to make to amend its own motion. I wonder what

amendment it has in mind, but I am willing to listen to it and perhaps also to accept it.

[*English*]

**Mr. Lewis:** Mr. Speaker, I would be perfectly prepared, as my colleague knows, to make that amendment, but not without completing consultations with the House Leader of the NDP.

It is my signal from him that there is no point in proceeding any further, so I suggest that the amendment be put, unless he wishes to make a comment at this time.

**Mr. Riis:** Mr. Speaker, to be very clear about it, there have been extensive discussions between the Parties. We have come to an agreement, and the agreement is reflected on the Order Paper.

## ROUTINE PROCEEDINGS

[*English*]

### MOTION TO ADJOURN

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board))** moved:

That when the House adjourns on Friday, December 18, 1987, it shall stand adjourned until eleven o'clock a.m., Monday, January 18, 1988:

Provided that;

At any time before that date, should any bill or bills be awaiting the giving of Royal Assent, the Speaker or the Deputy Speaker shall convene a meeting of the House at a time to be fixed by the Speaker or the Deputy Speaker by notifying the Chief Whip of each party, for the sole purpose of the giving of Royal Assent to any bill or bills;

Upon the completion of the giving of Royal Assent, the Speaker or Deputy Speaker shall adjourn the House until the date specified in this order;

The provisions of Standing Order 5 shall apply during the period of adjournment; and

For the purposes of Standing Order 4, the first sitting day in 1988 shall be deemed to have been January 11, 1988.

**Mr. Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

**Mr. Deputy Speaker:** The House will now proceed to Private Members' Hour.

• (1500)

## PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

### INTERNATIONAL PEACE AND GOODWILL DAY

MEASURE TO ENACT

**Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington)** moved that Bill C-238, an Act respecting international peace and goodwill, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to present to this House for consideration and second reading debate an Act respecting International Peace and Goodwill Day. The purpose of this legislation is to change the name associated with December 26 from Boxing Day to International Peace and Goodwill Day in honour of Canada's commitment to world peace and goodwill among all nations and people.

This Bill is a direct result of my great concern about the world's present situation and what kind of future we are building for ourselves. The recent historic summit between Soviet Leader Gorbachev and President Reagan gives hope and optimism for moving away from the so-called policy of mutual assured destruction by which nations hold each other hostage to nuclear terror and destruction. This is only a small step forward, and it is imperative that we continue to remind the world that we have a long way to go on disarmament and relieving human suffering throughout the world. Hopefully the Government will support this proposal or at least refer the subject material to an appropriate legislative committee for further study.

There is nothing more important that we could discuss here or anywhere than the survival of the human race. I strongly believe that we are masters of our own fate. We, as Members of Parliament, representing peace loving Canadians have an opportunity to stress the importance of international peace and goodwill further by supporting this initiative. Never before in the history of the world has there been a more crucial time to demonstrate the need for peace and goodwill. We are living in a world constantly threatened by nuclear war. We are living in a world constantly threatened by conventional forces. We are collectively held hostage in fear as each new act of terrorism is committed. Acts of terrorism and the building of arms must be stopped.

Nuclear war became a very real threat to the world once the first nuclear bomb was dropped on Japan. No other country has experienced the horrible reality and aftermath of nuclear war. We have a duty to ourselves and the rest of the world to ensure that this does not happen again.

Until recently, instead of trying to stop the growth in numbers of nuclear weapons, we became obsessed with equalling our powers, not limiting them. We have lived in a world where the major global powers have been preoccupied with preparing for nuclear war, not preventing one. There are

presently enough nuclear weapons in the world to kill every human being several times over. We have seen some very real and positive steps taken toward limiting the arms race. It was most heartening to see the two superpowers, President Reagan and General Secretary Gorbachev, come together and sign a treaty scrapping 2,000 U.S. and Soviet medium and shorter range nuclear missiles within the three year period.

Decades ago Canada chose not to acquire nuclear weapons. This was a practical contribution to the control of nuclear arms. We must as individuals continue to encourage and facilitate any meetings or discussions to further the goal of world peace, and I believe that changing the name of Boxing Day would go a long way to remind everyone of the importance of peace and goodwill. I hope there will not be excuses such as minor technical problems used as a smokescreen to discourage serious consideration of this Bill.

As a Member of this House at the time, I remember changing the name of Dominion Day to Canada Day. I suggest this would not be any more of a problem than that change. I objected to that substitution and I would like to have seen that national holiday called Dominion of Canada Day with the short title for those who wished either Dominion Day or Canada Day.

Today the whole world seems to be growing in its awareness of the terror and futility of the arms race. The United Nations continues to promote world peace at a time when all citizens of the world are becoming more and more aware of the need and urgency to seek peace and goodwill and lasting peace. We must redirect our thinking and rid ourselves of any arrogance toward this earth and each other and replace those negative attitudes with respect and love for this planet. It is our home, and we are responsible for the shape of things to come for future generations. Our citizens are crying out for world peace and, as Members of Parliament, we have a duty to seek that which our citizens want.

We are a fortunate country and have long enjoyed benefits of a peaceful and prosperous nation, living in a free and democratic society. Our history shows how often Canada has been in the forefront by helping other countries through troubled times.

We have consistently demonstrated our compassion and goodwill toward others. We can be proud of our example to the rest of the world. This is another opportunity for Canada to take the lead. Designating December 26 as International Peace and Goodwill Day will demonstrate to the rest of the world that Canada, and Canadians, are committed to the goal of world peace.

Such a change in name will not detract from any of our traditions. No one is more aware of customs than I. My strong belief in our traditions is on record as a descendant of the United Empire Loyalists who carved society out of this harsh Canadian climate. I believe that such a name change will, in fact, enhance our historical view of Boxing Day. The traditional concept of this day being one to honour and celebrate goodwill toward mankind will be expanded and enriched as we include the whole world with our goal of world peace and goodwill. Unless we recognize the imminent danger that we face, not just as Canadians, but as human beings, we run the risk of losing everything.

Our goal today should not only be to respect our traditions but to learn from our mistakes and make a positive legacy for future generations so that they will have an opportunity to enjoy and appreciate what we so often have a tendency to take for granted.

We must continue to work toward world peace if we are to have a world in which to carry on our traditions. There are many concerns, challenges and battles which face all of us on a daily basis, but without lasting peace this may be our last challenge. It is only fitting that we mark a day of peace directly following the day we celebrate the birth of the Prince of Peace. This can be a concrete reminder to us all where our hope should be placed.

In conclusion, may I again stress that the creation of International Peace and Goodwill Day will demonstrate to the world Canada's commitment to continue seeking world peace and goodwill while maintaining the principles of our traditions. I urge Members of this House once again to support this legislative proposal.

**Hon. William Rompkey (Grand Falls—White Bay—Labrador):** Mr. Speaker, I congratulate the Hon. Member for Hastings—Frontenac—Lennox and Addington (Mr. Vankoughnet) for bringing this Bill before the House at this time. It is very timely. I had even hoped that peace and goodwill would come to the House of Commons this week, the week before Christmas.

**Some Hon. Members:** Oh, oh!

**Mr. Rompkey:** It has been one of the most pugilistic and intense weeks with more packed into it, not with acrimony but certainly with liveliness, than I have seen in a long while. The motion is timely from that point of view.

• (1510)

Of course, the motion is also timely in terms of what is happening in the world. It comes on the heels of the Reagan-Gorbachev summit and the goodwill that flowed out of that. I believe that that summit conveyed optimism and hope for the future to all of us. I welcome the measure from that point of view as well.

Of course, the very season of the year suggests that this is an appropriate topic to bring forward this afternoon. However, it is worth while pointing out that Boxing Day indeed flows from Christmas Day itself.

Growing up in St. John's, Newfoundland, I can recall when we still had mail delivery. That was before the present Government got into power. As well, other things were

delivered to the house. Those who burned coal had coal delivered, those who drank milk had milk delivered and so on.

On Boxing Day, boxes were put together for those who delivered and collected, for the garbageman, the milkman, the deliverer of coal and the like. It flowed out of Christmas Day and the spirit of that day was indeed that which was fundamental and essential to Christmas itself.

The meaning of Boxing Day is that it is a day on which one continues to give and on which the spirit of Christmas continues. That is the tradition in Canada. Oddly enough, I suppose, if I were to continue that line of argument, Mr. Speaker, you could tell me that I was a Conservative. However, some things are worth holding on to.

On the other hand, I see the wisdom of what the Hon. Member has proposed. I think his Bill is laudable. I wonder, though, if we need to express those feelings on Boxing Day, if we actually need to change the meaning of Boxing Day. For instance, there is the practice of Boxing Day sales. How many housewives will be inconvenienced if there is no Boxing Day? I know many people who buy their New Year's gifts, next year's Christmas cards and gift-wrapping paper on Boxing Day at Boxing Day sales. Many people would think that that tradition should continue as well. Certainly the retail community would feel that way.

I wonder if we need to express the thought expressed by the Hon. Member's motion on Boxing Day itself. Perhaps we could have Boxing Day and still express international goodwill.

I think it is very appropriate that we are discussing this today in this Chamber. Historically, Canada has expressed this feeling possibly more than most. The record of this country is one of peace-keeping. We have provided an atmosphere of compromise in which international incidents, issues and problems could be and have been resolved. I think it is appropriate that this topic come up in the Canadian House of Parliament today.

I want to support the spirit of the Hon. Member's proposal, but I wonder if we actually need to do away with Boxing Day itself in order to achieve what the Hon. Member wants. I think we should focus on it for one day and indeed every day of the year. When the preacher preaches to those who are in church on Christmas morning, he will in all likelihood say that the spirit of Christmas should not simply pertain only for that one day of the year but indeed throughout all the year. While I appreciate that, I still think it would be useful to have one day set aside for that in order to focus people on the issue. Whether the day needs to be Boxing Day is a matter that is open to question.

I congratulate the Hon. Member for bringing this measure forward today. I certainly support in principle what he is trying to do. I would conclude by offering those who are in the Chamber and those who are not all the goodwill for this Christmas season and for when we next sit again.

**Mr. Lorne Greenaway (Parliamentary Secretary to Minister of State (Forestry and Mines)):** Mr. Speaker, I would like to compliment both Hon. Members who have just spoken on this Bill. I think there is very little we can find to say that would not be in favour of what the Hon. Member is proposing. The substance of the Hon. Member's Bill is good. He did mention, however, that there could be some technicalities that might make it difficult. My job is to point out several of these technicalities that would make it difficult for the Government.

Bill C-238 proposes in substance to amend the Canada Labour Code in order to change the name of Boxing Day to International Peace and Goodwill Day. However, I doubt if such a gesture would make any concrete or substantive contribution to international peace and goodwill. Should Canada alone speak for the world community? Would not this laudable effort be best directed to the United Nations?

I realize that the cause of world peace is not a trivial one. However, with all due respect to the Hon. Member for Hastings—Frontenac—Lennox and Addington (Mr. Vankoughnet), I am afraid that the proposed change is unlikely to achieve the goal it espouses. Even if by passing the Bill we would be promoting world peace, I fear the whole exercise would be beyond the scope of the Canada Labour Code. The Code deals with the rights, safety and well-being of Canadian workers, an issue distinct from the precise matter at hand.

We must also remember that not all workers are subject to the Canada Labour Code. Roughly 90 per cent of Canadian workers are regulated by provincial labour laws and none of the provincial statutes recognize Boxing Day as a paid holiday.

The federal Government and all the provinces and territories have legislation of broad application dealing with paid general holidays. However, the list of holidays and details concerning employees' rights to these holidays vary from one jurisdiction to the next.

Under the Canada Labour Code, Part III, Division 4, nine general holidays in a year are to be observed as paid holidays. These are New Year's Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.

The Code also provides that under certain conditions, an alternative holiday may be substituted for any of the nine holidays specified. Should a holiday occur on a day on which an employee does not normally work, he or she must be granted a day off with pay in lieu of the holiday either at a time convenient to the employer and employee or by the addition of a day to the annual vacation leave.

If Christmas Day, New Year's Day, Canada Day or Remembrance Day fall on a Saturday or Sunday that is a non-working day for an employee, the employee must be given a holiday with pay on the working day immediately before or after the general holiday. These provisions regarding alternative days off do not apply, however, to employees covered by a

collective agreement that entitles them to at least nine paid holidays a year.

The Code lays down the general principle that an employee in a federal undertaking who does not work on a holiday is entitled to regular pay for the day. If the employee is paid by the week or month, wages must not be reduced by reason of his or her not working on a holiday. If the employee is paid on any other basis, he or she must receive the equivalent of the regular wages for a normal working day.

The regular rate of wages for an employee whose hours of work vary from day to day or who is paid other than on an hourly or daily basis is the average of daily earnings exclusive of overtime for the 20 days worked immediately preceding the holiday. An employee in a federal undertaking required to work on a general holiday is entitled to regular wages for the day and, in addition, to time and one-half the regular rate for all time worked. In other words, the employee is paid two and a half times the usual rate.

• (1520)

Different provisions apply to those employed in continuous operations who are required to work on a holiday. A continuous operation is defined to include any industrial establishment in which, during a seven-day period, operations normally continue without cessation until the end of that period. For example, the operation of trains, planes, ships, trucks and other vehicles, telephone, radio, television, telegraph or other communication or broadcasting services, or any other operation normally carried on without regard to weekends or holidays. An employee who works on a holiday must be paid regular wages for the day and must, in addition, be paid one and a half times the regular rate for the time worked, or must be granted holiday with pay at some other time. This may involve either a day added to annual vacation or another day off where convenient to the employee and employer. Or, where a collective agreement so provides, the employee must be paid for the holiday on his or next non-working day. However, an employee not entitled to wages for at least 15 days during the 30 calendar days immediately preceding the holiday is entitled to one-twentieth of the wages earned during those 30 days.

There are some situations in which an employee is not entitled to holiday pay. An employee is not entitled to pay for a general holiday that occurs in his or her first 30 days of employment with an employer, but if required to work on a holiday he or she must be paid time and one-half the regular rate. If employed in a continuous operation, he or she may be paid at the regular rate for work done on a holiday.

At the provincial level, as I mentioned, none of the labour laws recognize Boxing Day as a paid holiday. Obviously, some collective agreements may provide such a holiday, and in most provinces, provincial or municipal laws oblige retail establishments to close on Boxing Day, although this does not entitle employees to a paid holiday. Therefore, the change proposed by this Bill would not only be purely symbolic, it would also affect a very small proportion of Canadian workers.

Therefore, I urge Hon. Members not to support this Bill.

**Mr. Jim Edwards (Edmonton South):** Mr. Speaker, I listened with great care to the comments not only of my friend, the sponsor of this Bill, but the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey). He made a statement that I know was in jest but I believe in the honest record-keeping of this august Chamber, so I would point out that it was truly a previous Government that stopped delivering the mail on Boxing Day. I think Canada Post is more interested in a different kind of boxing these days.

As my hon. colleagues are well aware, not every duty of a Member of Parliament is a pleasant one. It is with considerable reservation that I stand in this House barely a week before Christmas to oppose a Bill whose intention is to promote peace and goodwill. I hope a few months hence I will not be rising, in the second or third week of May, in order to oppose a Bill whose purpose is to promote motherhood. Therefore, at the risk of sounding like the Grinch, I must oppose this Bill. Not because I am any less interested in peace and goodwill than my hon. colleague, but because the change to the Canada Labour Code he is recommending would be nothing but a symbolic change which would make no meaningful contribution to the worthy cause he is advocating.

To begin with, the Canada Labour Code applies to a rather small proportion of the Canadian workforce, that is, employees in industries under federal labour jurisdiction. Such enterprises include interprovincial or international works such as railways, highway transport, telephone, telegraph and cable systems, pipelines, canals, ferries, tunnels, bridges, and shipping, as well as all forms of broadcasting, banking, air transport, grain elevators, and some 40 Crown corporations. Also included are industries declared by Parliament to be for the general advantage of Canada, such as uranium mining.

In addition, the occupational safety and health provisions of the Code apply to the federal Public Service, operating employees in the transportation industry, and workers involved in the exploration for and development of oil and gas in certain Canada lands. As well, the industrial relations provisions of the Code apply to all industries in Yukon and the Northwest Territories.

Generally speaking, all other enterprises fall within provincial or territorial jurisdiction. Therefore, even if we were to pass the Hon. Member's Bill, Boxing Day would become International Peace and Goodwill Day for less than 10 per cent of Canada's workforce. Furthermore, even if we were to change the name of the holiday to International Peace and Goodwill Day, does anyone in this House seriously believe that any substantial number of Canadians would drop the old, familiar and short name in favour of a new, 10-syllable name?

I recall a contest in my own City of Edmonton to find a cute name for the Edmonton Coliseum. "The Igloo" was suggested.

Various other cute names were put forward. I think several thousand entries were obtained. Of course, it was called the Edmonton Coliseum.

Let us be realistic. The only practical effect of the proposed amendments would be to create an interesting new bit of Canadian trivia. We could have this question: What is the official name of Boxing Day in the Canada Labour Code? That could take its place next to: How many Canadian provinces do not touch on salt water? As far as I can see, that would be the only practical effect of the proposed change.

In addition, this Bill seems to assume that Canadians will not mind doing away with the fine old traditional name of Boxing Day. On the contrary, I think it is a wonderful name and a great many people in this country would object to doing away with such an interesting and distinctive name which has become part of our Canadian culture.

Although Boxing Day is British in origin, our observance of the holiday and our use of the term is a trait that truly sets us apart from our friends and neighbours to the south. In fact, in light of the debate which immediately preceded this debate today, I think all of us, including those who support furiously and fervently the free trade initiative, want to preserve our Canadian culture. That goes without saying. So let us preserve Boxing Day.

It is true that many Americans have never even heard the term and are slightly shocked that we associate a season of peace and goodwill with fisticuffs. As we know, the term Boxing Day has nothing to do with the sport of boxing, although there is more than one theory as to its origin. The prevailing view is that it is the day on which Christmas boxes are given to errand boys, postmen and those entitled to gratuities. Another theory holds that the day after Christmas was the day on which poor boxes in english churches were opened and their contents distributed to the needy. According to this theory, the boxes were opened the day after Christmas because, hopefully, they had been filled to bursting the day before by generous church-goers filled with the holiday spirit. Still another theory holds that on the day after Christmas rich homes would pack leftovers from their Yuletide celebration into boxes and distribute them to the poor so they could enjoy their own modest feast. Finally, Sir, there is the modern wag who advanced the theory that the term derives from the practice of everyone boxing the gifts they received in order to return them to the stores.

Whichever of the serious theories we accept, it is obvious that Boxing Day is based on concepts of charity and concern for others. Indeed, it is interesting to note that even today in Canada Boxing Day is often the time when people show their concern for others by participating in blood donor clinics. On the other hand, symbolic changes such as this Bill proposes can often be worse than ineffectual. They can give the false impression that something of substance has been done for world peace.

I know that the Hon. Member who sponsored this Bill labours mightily for world peace. It is his top priority. So what I am saying today I say with some hesitation and reservation. It is easy to pay lip service to the cause of peace. It is quite another thing to address the ingrained problems of oppression, injustice, inequality, and human suffering that deny humanity that elusive goal.

• (1530)

We know that Canada is at the forefront of international peace efforts and especially involved in the role played by the International Labour Organization. The ILO is the oldest United Nations agency. Created in 1919 under the Treaty of Versailles, the organization pursues the objective of promoting lasting peace through the reduction of poverty and the improvement of working conditions throughout the world.

In line with the preamble of its constitution, which proclaims that universal and lasting peace can only be established if it is based on social justice, the ILO's main activity since its establishment has been the adoption of conventions, which are subject to ratification, and recommendations, which provide guidance on the formulation of national policies, legislation, and practices.

Over the years the ILO has adopted more than 160 conventions and 170 recommendations which together form the International Labour Code. These conventions and recommendations cover many subjects including basic human rights—such as freedom of association, equal pay, and the elimination of discrimination in employment—labour administration, industrial relations, employment policy, social security, and occupational safety and health. Once adopted by the conference, ILO conventions can be ratified by member states.

Each member state is required to bring the conventions and recommendations adopted by the conference to the attention of its national legislative authorities. When a country ratifies an ILO convention it undertakes to comply with the provisions of that convention and to report regularly to the ILO on the measures taken to that end.

Canada's relationship with the ILO goes back to the very beginning. Indeed, Canada was among the 45 founding countries of the organization in 1919 and has been a strong supporter of the ILO's objectives and programs ever since. An interesting historical footnote is that when the ILO headquarters in Geneva was believed to be threatened during World War II, Canada invited the organization to move temporarily to McGill University in Montreal where it remained from 1940 to 1948. I know you, Mr. Speaker, remember that very well.

Throughout the history of the ILO Canadians representing governments, workers, and employers have actively participated in ILO activities. In many instances, Canadians have been elected to the organization's highest offices.

In 1966 and again in 1986 Canada hosted the regional conference of American states which are members of the ILO. This conference meets every five or six years to address issues of common concern to the countries in the region which consists of North and South America and the Caribbean.

Canada's financial contribution to the ILO, which is the eighth largest of any member state, is in the order of $5 million annually, which represents approximately 3 per cent of the organization's budget.

It is through efforts such as these, rather than symbolic changes, that Canada can work for world peace and goodwill. In summary, when the Hon. Member introduced the motion before the House today, he acknowledged that Boxing Day follows the birthday of the Prince of Peace. I submit that it would be fundamental and indeed most fitting to do everything in our power to remember the Prince of Peace on December 25 and to extend goodwill to all. Therefore, I ask Hon. Members not to support Bill C-238.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I suppose it is fitting that on the day Parliament rises for the Christmas break we have a discussion on designating December 26 as International Peace and Goodwill Day.

This raises a number of questions for me. For many years in this House I have listened to my good friend and colleague, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), make many speeches to the effect, I suppose, of setting aside every day for international peace and goodwill.

I am not questioning the intentions of the Hon. Member who submitted this idea, but to set aside one day of the year to focus our attention on international peace and goodwill would be to miss a real opportunity. I think Canadians all believe that Canada has a unique role to play in international peace and goodwill.

Canada is seen by many nations as being a non-aggressor, a nation with no imperialistic tendencies. We have been known for some years for our international peace-keeping forces, for much good works in development, and for playing a role in international peace conferences and promoting the peace movement internationally as well as at home. I would much rather have the Government propose to target every day for international peace and goodwill and take a number of steps toward achieving the goals implicit in that designation.

We just witnessed the signing of a major treaty between the two superpowers, which was a major step toward arms reduction. Yet, the Government continues its policy of testing the cruise missile. It is very clear that we must now take steps to remove ourselves from the testing of this deadly first-strike weapon.

As a matter of fact, the Secretary of State for External Affairs (Mr. Clark) made the commitment to the people of Canada that once the treaty was signed and a step toward arms reduction took place Canada would extract itself from this testing program. Of course, such has not been the case.

The Hon. Member for New Westminster—Coquitlam has, on a number of occasions, urged the Secretary of State for External Affairs to ensure that Canada take a much more significant role in encouraging the peace process in Central America. On many occasions she has urged the Minister to make contact with the United States administration and encourage them to back off in their support for dictatorial regimes in Nicaragua and other regions of the world. Other than lip service, we have not seen very much.

Suggestions were made, again by the Hon. Member for New Westminster—Coquitlam, that the Government now take a leadership role in encouraging the superpowers to continue the process of arms reduction. Again, such has not been the case.

It is, therefore, with some frustration that I speak to this private Member's Bill. I respect the motive of the Hon. Member in wanting to designate December 26 as International Peace and Goodwill Day rather than Boxing Day. I applaud and support the general intention. However, I would much rather see the Hon. Member take the initiative to urge the Government which he represents to take meaningful steps toward international peace and goodwill. I have mentioned only three initiatives which could be taken. There are many others.

I appreciate the motive of the hon. back-bencher of the Government, but it would be much more appropriate to expand this concept to ensure that Canada plays a major leadership role in moving the world toward more peace and goodwill, especially in terms of the reduction of the arms buildup.

Therefore, my feelings are rather mixed. I support the intention, but I do not believe that if we set aside December 26 as International Peace and Goodwill Day we will have made a major step forward. I believe that would tend to divert attention from the real and meaningful initiatives which the Government of Canada should be taking with regard to international peace and goodwill.

• (1540)

**Mr. Barry Turner (Ottawa—Carleton):** Mr. Speaker, I am pleased to have an opportunity to participate in this debate on Bill C-238, an Act respecting International Peace and Goodwill Day. As you know, the Bill was first read on December 1, 1986, just over a year ago. As other Members have said, it is also very appropriate that we should be reviewing this Bill at this time of Christmas and the spirit of peace and goodwill toward all.

There are three important comments in the preamble of the Bill which I want to review. The first states:

> Whereas the people of Canada endorse the objective of world peace;

I think we all agree with that. The second states:

> Whereas they seek earnestly to achieve this end;

I think the record of Canada has been exemplary around the world in this respect. Third, it states:

> And whereas they seek to set an example of their commitment to the nations of the world;

Again, Canada's example has been unquestionable.

The Bill itself deals with changing the name of a national holiday, which is a very serious matter and one which I believe deserves very solemn and strong consideration by Members of the House.

My colleague, the Hon. Member for Hastings—Frontenac—Lennox—Addington (Mr. Vankoughnet), is to be commended for his initiative in introducing this matter, because the pursuit of peace, whether it is the formal recognition of a day in Canada, through discussions in this House, through efforts at conferences or through Canada's middle power role with the superpowers, is something that we can and should never lose sight of.

However, let us consider the holiday which this Bill seeks to change, Boxing Day, December 26. As is observed in the useful book *High Days and Holidays in Canada*:

> The day is almost a continuation of Christmas, for the customs associated with it are practically the same. Boxing Day, the name given by the English to the day after Christmas, is a bank holiday with them. On that day, Christmas 'boxes' are given to errand boys, postmen and those who are entitled to gratuities . . .

This pleasant holiday observance has been embraced by Canada in name, certainly, although I dare say the spreading of "tributes" to errand boys, postmen and, in our context, newspaper boys and girls, laneway shovellers and so on, is done in advance of Christmas rather than the day after.

My colleague from Newfoundland referred to the days when the milkmen used to deliver milk to the house. I remember my mother and father giving them an extra gift at Christmas. While we always forgot to give something to the horse, the milkmen certainly received a gift. These days, we normally give gifts to service people who help us throughout the course of the year before Christmas.

However, the traditions of Boxing Day in the other sense have stayed. It is a day of rest and relaxation, of spending time with our families and associating with the joys of Christmas. It is a day that we spend visiting our relatives and counting our blessings. Usually it is also a day of rest and recuperation from the pressures and stress often associated with the preparation for Christmas Day. Our grandparents, mothers and fathers, aunts and uncles and godmothers can all testify to the tremendous efforts that go into preparing for Christmas Day.

We must consider whether this is the appropriate atmosphere for Canadians to spend a day paying honour and tribute to international peace and goodwill. Perhaps we should rethink the matter somewhat.

As I said a moment ago, one can hardly be opposed to the notion that international peace and goodwill are worthy subjects for being honoured, perhaps even with a national holiday. However, when one is in the overindulged, post-Christmas Day, when we are full of food and fun, I question whether it would be appropriate to pick that day as the internationial day for peace and goodwill.

As my colleague, the Member for Kamloops—Shuswap (Mr. Riis) said, we should not downplay the importance of pursuing peace and goodwill, not just on one day, but on every day. I think of the strife we see throughout the world today with the problems in Lebanon in the Middle East, the conflict in Northern Ireland, the Gulf war between Iran and Iraq, where hundreds of thousands have died. There is conflict between Sikhs and Hindus in the Punjab. There is the conflict between the Tamils and Sinhalese in Sri Lanka. There is tremendous strife in Central America. I visited Africa recently, where I saw the strife in Zimbabwe, Angola, and Mozambique. There is tremendous strife in the Republic of South Africa.

I think of what we saw in South Korea yesterday and today. There is political strife in Afghanistan between the people and the Soviet military. We saw tremendous conflict in Haiti. One need not look very far to see examples in the world where there is no peace.

Let us focus on the more serious issues for a moment. International peace has long been of major concern to Canada, and our commitment to peace as well as our tolerant attitudes toward all peoples hold true today. Canadians are particularly fortunate to live in what has been called "a peaceable kingdom". There have been no real wars on our soil in more than a century and a half, nor has there ever been a war of Canadian origin or for a Canadian cause.

Canadian leaders infinitely prefer to make treaties rather than to take up arms. Indeed, right at the beginning of our nationhood, when the Provinces of Canada were united in a Confederation in 1867, the legal document making it official promised Canadian citizens "peace, order and good government". I am reminded of my own Christmas message which I sent to my constituents yesterday when I talked about the peace, order and good government we have in our country.

Occasionally we may have a political skirmish, as we saw today in the House dealing with the free trade agreement, but that is how we settle our disputes. We do it in this chamber, not with bayonets and bullets in the streets of our towns and villages.

[*Translation*]

None of them would question the fact that there is peace and order in this land. Canada has proven its attachment to world peace and its concern for human rights. Our constant support to the efforts of the United Nations, our decision to create a special fund for disarmament and our condemnation of human rights violations in South Africa, Latin America and many other regions in the world are tangible proof of our will to promote a climate of equality for all human beings.

[*English*]

I would remind Hon. Members that in our observance of Remembrance Day we pay our respects to those who have made possible international peace, or as much of it as we can enjoy these days. On Remembrance Day we pay tribute to those who made the supreme sacrifice, and those who served their country as members of the Armed Forces in the two World Wars as well as in the several peace-keeping actions in which Canada has been engaged for the United Nations. In that sense, every day, not just Remembrance Day or Christmas Day, should be a day for us to remember in the pursuit of international peace and goodwill.

• (1550)

Some years ago there was a movement to initiate a national holiday that would recognize Heritage Day. Frankly, I think that this proposition is a very reasonable one. Perhaps I might share a couple of Mr. Pierre Berton's thoughts on the matter when he spoke of the importance of creating what might be known as Heritage Day. In a Heritage Canada publication Mr. Burton suggests, " . . . if we are to have a holiday—and I believe it is inevitable—surely we ought to use it as a tool to mark some aspect of our nationality and culture. Our major summer holiday, July 1, celebrates our political past. What is needed now, in February, is a day on which we can celebrate our non-political past. That day clearly is Heritage Day, which falls on the third Monday in February—an ideal time for such a holiday".

We all recognize the importance of creating a special moment during the year to pursue peace. Personally, I do not think that Boxing Day is the best day to do that. We have had tremendous traditions that that is a day that comes just after Christmas. But in that spirit I wish to say to you, Sir, to all Members in the House, and to our constituents, a very Merry Christmas and a Happy New Year.

**Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, I would like to make a few remarks on this Bill. I certainly appreciate the spirit with which it was brought forward by my hon. colleague.

Boxing Day has been traditional all through my life, perhaps because I come from a background with English parents. Boxing Day is often celebrated in Canada as strongly as it is in Britain, because of our ties with that country.

The idea of a holiday or the designation of a day for peace and goodwill is something that we should all take very seriously. International peace and goodwill is something that Canadians have worked for over the years, and certainly nowhere more fervently than at the United Nations. The time that I have spent down there in the last two to three years has brought to me even more of an awareness of how important is international peace.

As was mentioned by a previous speaker, we are very lucky in Canada because we have not had a war on our shores for many years. The part of the country that I come from is actually the battleground of the War of 1812. In the farm on which we live we have breastworks that were left from the original battle of the War of 1812. As we till the land, we still turn up musket balls, arrowheads, and pieces of pottery from settlements that took place during that war.

International Peace is very important to Canadians. It is something that we must always have in mind, and something that we must work towards not only on our own shores but also on distant shores. Canada's role in peacekeeping operations around the world is one that we can be very proud of, and certainly one that is envied by many other countries. I have received comments from people working in peacekeeping forces around the world who speak with a great deal of pride for Canadians, not only for their talents and expertise in keeping the peace, but for their dedication and the amount of effort that we put forward in the United Nations where we are seen as a leader.

In the crucial arms reduction talks that have been taking place, Canada's motion at the United Nations and the resolution that it brought forward on the verification of peacekeeping treaties and the arms reduction treaties set a precedent. It was one that had been worked on for years, and it was finally the Canadians who were able to bring the resolution and receive unanimous consent. International peace and goodwill should be honoured and respected not only in Canada but around the world.

For that reason, it is difficult to talk against the Bill, because I believe in the spirit of it and the spirit with which it was brought forward. However, my reluctance is that I am not sure that Boxing Day should be the day that is changed to represent this particular title.

Canadians should not need a day entitled International Peace and Goodwill Day to remind them that this is something to which that we are committed. The theme of international peace and goodwill is something that should be on the minds of Canadians every day. I do not think that it is necessary to have a holiday set aside with that title.

The Hon. Member for Ottawa—Carleton (Mr. Turner) stated that Remembrance Day is something that was recognized as a holiday some years ago. I can remember when I was a child in school that November 11 was always a day that we had off for remembrance. Now that has changed. It has changed because the remembrance of the fallen heroes, and the reason for November 11 is something that is celebrated within the schools. It is an opportunity to teach children the need for remembrance of what those veterans did for us.

This year on November 11, instead of having a service at the cenotaph in my home town of Grimsby, the whole service was held within the public school. All the children attended. The stage within the auditorium was set up as a cenotaph, covered with artificial grass, with a replica of the monument. The entire proceedings took place within the auditorium of the school. That hour of remembrance was an education period for

the children, those who had never seen war, and hopefully never will, or hear about it, or read about it. Certainly it brought to them the need to remember the fallen soldiers and the dedication given by the veterans from this country, and their families who stayed at home and suffered the loss of those who were overseas.

It is important that we teach our young people, not through giving them a holiday to celebrate something but through teaching them within the classrooms and with the spirit of example that we show as adults, the need for international peace and goodwill. Our young people will gain more and will have more respect for the term international peace and goodwill through learning and through example of the dedication that we give to those particular words, as opposed to having a holiday where they can go out and forget. Usually when it is a holiday, young people go out and enjoy themselves. They don't always remember what the holiday stands for, rather they remember the time that is available to them.

I would sooner see a day set aside entitled International Peace and Goodwill Day, and that that day be dedicated through the school system across this country to a total day of education on what international peace and goodwill means, so that it is not only at Christmastime that we think of goodwill towards men, but we think about it all year round, with a day set aside for instruction within the schools as to the meaning of international peace and goodwill, and one that brings in not only the teachers but also perhaps the people from the United Nations. The United Nations Committee has people across the country who I know would be very willing to get involved in this. There are people within our own Armed Forces and the Department of National Defence who would be available to go out and speak to the children and show them why international peace and goodwill is so important.

This type of educational program and also stressing the meaning of international peace is so much more important than taking a day and setting it aside as a holiday. When people go out and have a holiday, they do not really think about the name of the day or the importance of that day. For that reason, Boxing Day is not necessarily the appropriate day to change to International Peace and Goodwill Day.

[*Translation*]

**Mr. Deputy Speaker:** Order, please. The hour provided for consideration of Private Members' Business is now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

[*English*]

It being 4 p.m., and pursuant to the order made earlier this day, this House stands adjourned until Monday, January 18, 1988 at eleven a.m. pursuant to Standing Order 3 (1).

At 4.01 p.m. the House adjourned until January 18, 1988, pursuant to Special Order.

# HOUSE OF COMMONS

**Monday, January 18, 1988**

The House met at 11 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

GOVERNMENT RESPONSE

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to 69 petitions, being Petition Nos. 332-3313, 332-3338, 332-3371 to 332-3382 incl.; 332-3415, 332-3423, 332-3436 to 332-3469 incl.; 332-3472 to 332-3475 incl.; 332-3480 to 332-3487 incl.; 332-3489 to 332-3491 incl.; 332-3505, 332-3514, 332-3519 and 332-3534.

* * *

### RAILWAY SAFETY ACT

MEASURE TO ENACT

**Hon. John C. Crosbie (Minister of Transport)** moved for leave to introduce Bill C-105, an act to ensure the safe operation of railways and to amend certain other acts in consequence thereof.

**Mr. Speaker:** Shall the Hon. Member have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

### PETITIONS

PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, pursuant to Standing Order 106, it is my honour and, indeed, a pleasure to present a petition on behalf of a number of western Canadians who indicate that the Conservative Government has really no mandate from the people of Canada to conclude a trade deal with the United States.

The petitioners believe that the proposed trade deal would deny Canada the policy freedom to determine its own economic future, and would undermine our ability to build a society distinct from that of the United States. Since they also believe that the trade deal denies Canadians secure access to the United States market, which was the key objective of all of these negotiations, they are asking that Parliament dissolve now and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

REQUEST THAT GOVERNMENT ALLOW ELDERLY WORKERS FULL UI BENEFITS

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I wish to table a number of petitions from people from all parts of Quebec who are asking the Government to withdraw the so-called Bouchard Bill aimed at older workers—mainly workers in our shipyards—who have lost their jobs and as a result of this Bill will be penalized because they will not be able to draw unemployment insurance benefits. The petitioners are asking the Government to amend the Bill and allow older workers to draw their full unemployment insurance benefits.

[*English*]

PROPOSED FREE TRADE

**Mr. Dan Heap (Spadina):** Mr. Speaker, in accordance with the Standing Orders, I have a petition signed by a number of residents of Spadina and other districts in Toronto who point out that the trade deal between the Prime Minister and the President of the United States threatens the sovereignty of Canada, that the Prime Minister has no mandate to negotiate it, and that it will also reduce Canada's ability to plan our economic, social and cultural programs and would integrate us further into the North American defence industrial base.

Therefore, the undersigned ask Parliament to ensure that a national debate take place on the Mulroney-Reagan trade deal

and that this debate should result in a national general election before such an agreement is signed.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the honour and responsibility to present a petition to Parliament signed by Canadians from Willowdale, Toronto, Montreal, Pierrefonds, Westmount, Laval, New Westminster, Coquitlam, Abbotsford, Richmond, Delta, Surrey and Langley, all in British Columbia, and Sudbury and Garson in Ontario.

This petition points out that the Conservative Government had no mandate whatsoever from the Canadian people to conclude a free trade agreement with the United States and, furthermore, the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control effectively foreign ownership, to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions. Furthermore, this proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States of America.

Therefore, these petitioners humbly pray and call upon Parliament to dissolve now and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

• (1110)

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, according to the procedures, I have the responsibility to register with you a petition that has been signed by citizens of Canada from Toronto, Markham, Scarborough, Etobicoke, Ottawa and Brandon.

All of these people are asking that, because the Mulroney Government has no mandate to negotiate a free trade deal with the United States, and because the Mulroney-Reagan trade deal would reduce Canada's ability to plan the economic, social and cultural programs Canadians need, and because the Mulroney-Reagan trade deal would integrate Canada further into the North American defence industrial base, Parliament ensure that a national debate take place on the Mulroney-Reagan trade deal and that this debate result in a national General Election before such an agreement is signed.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, the following questions will be answered today: Nos. 116, 218 (corrected), 220, 224, 225 and 227.

[*Text*]

DPW—RENTAL SPACE

Question No. 116—**Mr. Fontaine:**

1. Does the Department of Public Works put at the disposal of third parties, on a temporary basis, space rented by or belonging to the Department?

2. In 1984, were any government capital assets unused and, if so (*a*) what is a complete list (*b*) in each case, what was the (i) description (ii) owners' names?

3. In 1984, was space unused due to lack of decision or budget and, if so, what space?

4. In 1984, did the Department rent space unused by the public service or Crown corporations and, if so (*a*) to whom (*b*) what were the terms?

5. Between 1980 and 1984, did the Department buy land and, if so (*a*) from whom (*b*) for what intended use (*c*) what is the current use?

**Hon. Stewart McInnes (Minister of Public Works):** In so far as Public Works Canada is concerned:

1. The Department leases space, which is not required for government occupancy or which is used to support government occupancy, e.g. cafeterias and canteens, to third parties on a temporary basis or on a fixed term basis.

2. In April 1984, the Department had on inventory 655,725 square metres of space in 592 buildings and 1,304,289 square metres of land, situated in 75 parcels, which were unoccupied. (See table below). The Department has an inventory of 255,413 square metres of space and 1,403,317 square metres of vacant land. See table below for a regional comparison.

3. Of the April, 1984, unoccupied inventory, 253,232 square metres of space located in 38 buildings and 855,936 square metres of land in 18 parcels were under study or pending decisions.

4. The Department let space and land, which was not required for government occupancy, to 539 third parties. The quantities were 184,720 square metres of space and 1,466,445 square metres of land. (See table below). To this day, the space let to third parties is 182,158 square metres of space and 1,174,823 square metres of land. See table for data comparison.

5. Between 1980 and 1984, the Department acquired interests in 1,246 parcels of land.

Vacant Space/Lands Comparison
1984/1987

| Region | 1984 | | Current (1987) | |
|---|---|---|---|---|
| | Buildings | Space | Buildings | Space |
| Atl. | 199 | 121,188 | 102 | 68,466 |
| Que. | 60 | 65,332 | 59 | 58,536 |
| NCR | 49 | 69,415 | 54 | 53,300* |
| Ont. | 72 | 175,542 | 35 | 38,256 |
| Wst. | 118 | 174,825 | 68 | 23,967 |
| Pac. | 94 | 49,423 | 30 | 12,888 |
| Total | 592 | 655,725 | 348 | 255,413 |

| Region | 1984 | | Current | |
|---|---|---|---|---|
| | # of Parcels | Land | # of Parcels | Land |
| Atl. | 1 | 15,555 | 37 | 112,487* |
| Que. | 29 | 120,638 | 1 | 24,085 |
| NCR | 14 | 5,910 | 4 | 386,400* |
| Ont. | 10 | 20,993 | 5 | 37,096* |
| Wst. | 13 | 4,841 | 17 | 9,710 |
| Pac. | 8 | 1,136,352 | 3 | 833,539 |
| Total | 75 | 1,304,289 | 67 | 1,403,317 |

*Includes lands not identified in 1984

Third Party Lettings
1984/87

| Region | 1984 | | Current | |
|---|---|---|---|---|
| | Space | Land | Space | Land |
| Atl. | 46,327 | 9,853 | 16,222 | 23,337 |
| Que. | 14,637 | 466,193 | 21,828 | 267 |
| NCR | 76,232 | 15,604 | 95,874 | 0 |
| Ont. | 14,568 | 773,901 | 8,684 | 932,059 |
| Wst. | 9,774 | 7,076 | 22,801 | 0 |
| Pac. | 23,182 | 193,818 | 16,749 | 219,160 |
| Total | 184,720 | 1,466,445 | 182,158 | 1,174,823 |

GRANTS TO ORGANIZATIONS IN METROPOLITAN TORONTO

Question No. 218—**Mr. Redway:**

Since September 4, 1984, did the Department of National Defence make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

**Hon. Perrin Beatty (Minister of National Defence):** 1. Yes.

| | $ | | | |
|---|---|---|---|---|
| | 1984-85 | 1985-86 | 1986-87 | 1987-88 |
| Royal Canadian Naval Association | 9,125 | 9,490 | 9,490 | 9,490 |
| Naval Officers Association | 24,700 | 25,690 | 25,690 | 25,690 |
| Military Studies—York University | 40,000 | 40,500 | 90,000 | 92,700 |
| Royal Canadian Military Institute | 6,151 | 6,107 | 6,011 | 6,092 |
| Ontario Rifle Association | 5,645 | 8,315 | 7,405 | 7,180 |
| Canadian Institute of Strategic Studies | 50,000 | 50,000 | 100,000 | 100,000 |

2. The above are annual grants which are included in the DND Main Estimates and are paid for the following purposes:

(*a*) Royal Canadian Naval Association and the Naval Officers' Association—to promote and maintain interest in military affairs generally and particularly in the welfare and development of the Naval Forces.

(*b*) Military Studies—to develop a domestic competence and national interest in military and strategic issues of current and future relevance to Canada's national security.

(*c*) Royal Canadian Military Institute—to provide the means of maintaining contact with the civilian population and retired service officers to encourage the promotion of military science and disseminate to the public accurate and current information on military affairs.

(*d*) Ontario Rifle Association—to promote the skill of small arms usage as a contribution to the defence of Canada.

(*e*) The Canadian Institute of Strategic Studies—to encourage an understanding of strategic issues, Canada's role and position in the world within both the Canadian public and the government.

PERMITS UNDER EXPORT CONTROL LIST

Question No. 220—**Mr. Riis:**

Between January 1 and November 1, 1987, did the government authorize permits for the export of goods falling under Section 7 (military goods) of the Export Control List for (*a*) Chile (*b*) Honduras (*c*) El Salvador (*d*) Guatemala (*e*) Colombia (*f*) Angola (*g*) Mozambique (*h*) Sri Lanka (*i*) Indonesia (*j*) Pakistan (*k*) South Korea (*l*) Taiwan (*m*) Philippines (*n*) Syria (*o*) Iraq (*p*) Iran (*q*) Jordan (*r*) Saudi Arabia (*s*) Kuwait (*t*) Lebanon (*u*) Turkey and, if so, what was the total value of such permits in each case?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** The chart below summarizes by country the number and total value of the permits for Group 7 products, (military goods) issued to the specified countries between January 1, 1987 and November 1, 1987. It should be noted that the values indicated are for authorized exports; values for actual exports may be considerably less.

| Country | Number of Permits | Total Value |
|---|---|---|
| (a) Chile | 4 | $ 1,175,000 |
| (b) Honduras | 0 | — |
| (c) El Salvador | 0 | — |
| (d) Guatemala | 0 | — |
| (e) Colombia | 2 | 7,138 |
| (f) Angola | 0 | — |
| (g) Mozambique | 0 | — |
| (h) Sri Lanka | 2 | 455,000 |
| (i) Indonesia | 2 | 10,196 |
| (j) Pakistan | 18 | 73,152,993 |
| (k) South Korea | 15 | 39,754,289 |
| (l) Taiwan | 0 | — |
| (m) Philippines | 3 | 40,981 |
| (n) Syria | 0 | — |
| (o) Iraq | 0 | — |
| (p) Iran | 0 | — |
| (q) Jordan | 1 | 100,000 |
| (r) Saudi Arabia | 15 | 72,272,385 |
| (s) Kuwait | 3 | 9,512,000 |
| (t) Lebanon | 0 | — |
| (u) Turkey | 10 | 23,598,358 |

FREE TRADE AGREEMENT

Question No. 224—**Mr. Caccia:**

1. In 1987, what studies have been conducted to assess potential impacts on the environment resulting from free trade negotiations?

2. Are studies (*a*) being conducted to assess potential environmental impacts of the trade agreement reached on October 4, 1987 (*b*) going to be conducted before such agreement is ratified?

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** The Free Trade Agreement is a commercial accord between the world's two largest trading partners. It is not an environmental agreement. The environment was not, therefore, a subject for negotiation nor are environmental matters included in the text of the agreement. Our capability to deal with environmental issues at the national and international levels is unaffected by the FTA as our recently announced federal water policy makes clear. In the appropriate way and in the appropriate forums Canada will continue to pursue with vigour the objectives of its environmental policies.

On the broader question of international trade and the environment, the GATT has ruled that the environmental policies of a national government cannot be construed as an impediment to trade. Canada has long supported the GATT and will continue to do so.

MARIJUANA

Question No. 225—**Mr. Howie:**

For 1986 and 1987, to date, were any studies conducted by the Department of National Health and Welfare related to marijuana and, if so, how many and, in each case, at what cost?

**Hon. Jake Epp (Minister of National Health and Welfare):** There have been no specific studies of marijuana use for 1986 and 1987 to date. Some questions on marijuana were incorporated as part of a larger survey entitled "A Summary Report on Tobacco, Alcohol and Marijuana Use and Norms Among Young People in Canada—Year 4", which was prepared for Health Services and Promotion Branch by the Canadian Gallup Poll Limited in March, 1986. The total cost of this survey was $230,000.

A copy of the report is available from the Health Services and Promotion Branch—Department of National Health and Welfare—Ottawa, Ontario.

RESEARCH INTO TOBACCO

Question No. 227—**Mr. Howie:**

1. Is the Department of Agriculture currently conducting any in-house research into tobacco and, if so, (*a*) at what research stations (*b*) involving approximately how many person years?

2. In the past year, has the Department contracted out any such research?

**Hon. John Wise (Minister of Agriculture):**

1. Yes (a) Charlottetown, Prince Edward Island (b) 1 person-year
L'Assomption, Quebec 6 person-years
Delhi, Ontario 25 person-years
total = 32 person-years

2. No.

[*English*]

**Mr. Speaker:** The questions as enumerated by the Parliamentary Secretary have been answered.

**Mr. Hawkes:** I would ask that the remaining questions be allowed to stand.

**Mr. Speaker:** Shall the remaining questions be allowed to stand?

**Mr. Gauthier:** Mr. Speaker, the Parliamentary Secretary just answered several questions. There are 23 other questions which are begging to be answered by the Government and the 45 days required for that have expired. I wonder, in the spirit of the new year, if the Parliamentary Secretary could give me the undertaking that he will incite, encourage and possibly promote the answering of these questions so that we may get satisfactory responses.

By the way, I have a vested interest in this. I have a question on the Order Paper which I would love to have answered because I want to act on it quickly.

**Mr. Hawkes:** Mr. Speaker, I did some investigation into the situation over the recent break. I am sure the Hon. Member would agree that the speed with which this Government answers questions is at least 20 per cent faster than the

previous Government. However, I take his concern about the 23 questions into account and will see what we can do.

**Mr. Boudria:** Mr. Speaker, I would like to bring to the attention of the Parliamentary Secretary that there is still a question dated November 24 standing in my name which has not been answered. Whether or not the Government is quicker than any preceding Government is not the point. The rules of the House have changed and there is now a specific requirement under the Standing Orders which did not previously exist, a requirement which was adopted unanimously by the House, providing that Order Paper Questions be answered in 45 days when so requested by an Hon. Member. Question No. 228 is in fact a question requiring a 45-day response.

In view of the fact that November 24 and the subsequent 45 days have long elapsed, I would ask the Parliamentary Secretary to look into Question No. 228 particularly. The question involves the expenditure of funds in relation to the Petro-Canada jet to transport someone from the United States to Canada.

**Mr. Hawkes:** Mr. Speaker, it is always a pleasure to hear the Hon. Member. I think he was wise to point out that we have had parliamentary reform; this Government led the way on parliamentary reform. That is one of the reasons questions are being answered so much more frequently and quickly. We spent many years in Opposition being stonewalled by previous Governments and it is really a pleasure to have the Hon. Member point out to the House that we have moved so much further ahead.

However, I will look specifically into Question No. 228. There may indeed be some kind of a problem of which I am not aware, but we will attempt to find out in the spirit with which we are moving forward on parliamentary reform.

**Mr. Speaker:** Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

* * *

## QUESTION PASSED AS ORDER FOR RETURN

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, if Question No. 133 could be made an Order for Return, the return would be tabled immediately.

**Mr. Speaker:** Is it the pleasure of the House that Question No. 133 be deemed to have been made an Order for Return?

**Some Hon. Members:** Agreed.

[*Text*]

EXPORTS OF MILITARY EQUIPMENT

Question No. 133—**Mr. Stackhouse:**

For each of the years 1985 and 1986, were Canadian-made weapons and equipment, built to military specifications, permitted to be exported and, if so, by country, what were the dollar amounts?

Return tabled.

# GOVERNMENT ORDERS

[*English*]

## GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

**Hon. John C. Crosbie (for Mr. Mulroney)** moved that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it is a great pleasure and privilege to have the opportunity to speak in introducing this Bill at second reading. It is most appropriate that the House should resume its session today for the calendar year 1988 with this legislation which is designed to give a great upward boost and momentum to the cause of overcoming regional disparities in Atlantic Canada.

The Bill was introduced just before Christmas. It was forecast in the Speech from the Throne, and I will refer to that in a few moments. I might point out that it was in 1969 that the former Department of Regional Economic Expansion was established and over the past 20 or 25 years we have seen a variety of programs and expenditures aimed at reducing regional disparities in Canada.

I think it must be said that the Government that was here before us and previous Governments over the last 20 or 25 years have endorsed the principles of overcoming regional disparity and of trying to develop all regions of Canada. In fact, I do not know of any other nation in the world where so much emphasis is put on regional development and on attempting to overcome regional disparities.

In any event, the old DREE was established in 1969. In the early 1970s, there were the beginnings of general development agreements with subagreements for specific purposes. Spending was shared between the federal and provincial Governments, the higher proportion coming from the Government of Canada. Two of the principal industrial incentive programs of the Government of Canada have been the Regional Development Incentives Act and under that Act the Industrial and Regional Development Program.

It should be pointed out, to put it in the proper context, that federal regional development spending under GDAs, ERDAs and under the RDIA and IRDP programs did slacken off, I think would perhaps be the right term, over recent years until

1984-85. For example, there was very little growth in federal government spending in the Atlantic provinces on these major development programs in 1984-85 as compared to 1976-77. In 1984-85, spending under those programs in the Atlantic region was only 10 per cent higher than it was in 1976-77 while spending in Canada as a whole was 77 per cent higher.

The early 1980s was a period of retrenchment on the part of the Government of Canada and that is shown by the fact that spending in the Atlantic region for those programs in 1981-82 was only 3 per cent higher than it was in 1976-77 despite the inflation that had occurred in the intervening period. In addition, the proportion of the Canadian total going to the Atlantic region had declined dramatically during that period.

There has been some improvement in spending under these programs in Atlantic Canada from 1984-85 to the present time, but quite clearly, apart all together from the need for increased spending, it is quite clear that there is a need for changes in approach as well. That is what the present legislation is designed to do.

• (1120)

We all know, at least those of us who are objective, rational and honest in our approach, that there has been considerable improvement in the economic environment in Atlantic Canada under the administration of the Prime Minister (Mr. Mulroney). Some 1,118,000 jobs were created under this Government's policies in effect since September, 1984. In relative terms, jobs have been created in Canada at a faster rate than in any other major OECD nation. Of those, 81,000 were created in Atlantic Canada. That is some improvement but not nearly enough. It is a very considerable improvement, of course, over the record of our Liberal predecessors.

Employment has risen and the unemployment rate has fallen in every Atlantic province, indeed in every province, during this period. In Atlantic Canada total unemployment fell by 30,000 from September, 1984, to the present, compared to an increase of 68,000 under the last Liberal Government of former Prime Minister Trudeau. That is a significant improvement but of course not enough. In September of 1984, when the Mulroney Government took office, unemployment in Atlantic Canada was 17 per cent. By October of 1987, just over three years later, it had fallen to 13.2 per cent; still a significant figure but a decrease of almost 4 per cent.

The number of Atlantic Canada families living below the poverty line decreased during the same period from 16.4 per cent in 1984 to 15.8 per cent in 1986; a small decrease, but nevertheless a decrease. The number of single people in Atlantic Canada living below the poverty line decreased by almost 10 per cent, from 48 per cent in 1984 to 38.6 per cent in 1986. The free trade agreement will of course further reduce the number of Atlantic Canadians living below the poverty line because it will increase the number of jobs, increase real incomes, and reduce consumer prices. This is particularly appropriate for Atlantic Canada because it has for 100 years been seeking ways to improve the terms of trade with our partners to the south. The region is achieving that at last under the leadership of the Prime Minister.

As I said, there has been a considerable improvement in the economic environment in Atlantic Canada since the last election, but of course this is not enough. We are not satisfied with it. The Prime Minister is not satisfied with it. Our Atlantic Ministers are not satisfied with it. It has not been enough and more needs to be done. That is why the present legislation is before us.

On October 1, 1986, in the Speech from the Throne, the Government promised a bold new approach to regional development. That is encompassed in this Bill. The Speech from the Throne said this:

> It is time to consider new approaches, to examine how our considerable and growing support for Canada's regions can be used more efficiently, more effectively and with greater sensitivity to local conditions and opportunities.

That is one of the main features of the approach in this legislation, greater sensitivity to local conditions and opportunities. It went on to say that we are convinced:

> —many positive proposals for new policy initiatives will come from those who live and work in the regions concerned.

That is a central principle of this legislation. The speech went on to say:

> As a first step in achieving improved results from this sustained national approach, an Atlantic Canada Opportunities Agency will be constituted to facilitate and co-ordinate all federal development initiatives in the area. This agency will make full use of the expertise available in the Atlantic region and invite the maximum participation of other Governments and organizations in the area.

That is what the Speech from the Throne in 1986 said and that is what the legislation now before the House does. Mr. McPhail and Senator Murray have put in place the machinery to carry out these pledges in a Speech from the Throne which was one of the most momentous in Canadian history to date. Under it, a whole series of very important policies have been adopted and implemented by the Government, including the free trade agreement, the Meech Lake constitutional Accord, the new approach to defence, child care, and other policies of which we will hear a great deal during the next few months.

The Prime Minister promised to consult with Atlantic Canadians in establishing the new regional development agency promised in the Speech from the Throne. The result is the ACOA which will be operated by and for Atlantic Canadians. It has been devised by Atlantic Canadians. It has not been imposed upon them from someone here in Ottawa, such as a former mayor now in this House or someone who doubtless believes that they understand everything that happens in Canada because they happen to live in the national capital and scoot off somewhere in the region of Ontario to get elected to this Parliament and tell us how the world works outside Ottawa. They of course think that the world is Ottawa. There is a great world out there that is not Ottawa or Ontario. The result, of course, of our approach, which is different—

**Mr. Rompkey:** Or St. John's.

**Mr. Crosbie:** There is life beyond the overpass.

**Mr. Rompkey:** Right.

**Mr. Tobin:** Hear, hear!

**Mr. Crosbie:** That is proven by the fact that last Monday in Gander, I helped celebrate the fiftieth anniversary of the great Gander airport. There was a rapprochement between myself and the people of Gander.

**Mr. Tobin:** As the bubbly flowed.

**Mr. Crosbie:** Following the Speech from the Throne the consultation promised by the Prime Minister was put in place. Mr. Donald Savoie was appointed to consult extensively with representatives from all sectors in Atlantic Canada. He is an expert on and very familiar with regional development and he reported to the Government in May of 1987 as to what the approach should be.

I might mention at this stage that Dalton Camp, a well-known Atlantic Canadian from New Brunswick—

**Mr. Tobin:** Advisor to Richard Hatfield.

**Mr. Crosbie:** —is now serving his country in the Privy Council Office, and any man prepared to go in the Privy Council Office has to be dedicated indeed. He had a great deal to do with this, as well as the six Atlantic Ministers. My colleagues, the Minister of Public Works (Mr. McInnes) and the Minister of National Revenue (Mr. MacKay), both from Nova Scotia, the Minister of State for Forestry and Mines (Mr. Merrithew), from New Brunswick, the Minister of State for Small Businesses and Tourism (Mr. Valcourt), from New Brunswick, the Minister of the Environment (Mr. McMillan), from Prince Edward Island, and myself, your humble servant, worked on the legislation, its planning and administration, now before the House for which we are seeking approval.

After Mr. Savoie's report was received, steps were taken very quickly to implement it. On June 6, the Prime Minister announced the creation of the Atlantic Canada Opportunities Agency at St. John's. He came to St. John's, met the four Atlantic Premiers and others, and announced the new agency there. He said at that time that Senator Lowell Murray, who of course is another Atlantic Canadian and very familiar with the region, would be the Minister responsible for ACOA, and that I would represent him in that respect in the House of Commons. He went on to say that Senator Murray would consult with the Atlantic provincial Governments and private sector representatives as ACOA was set up. At about that time the Prime Minister announced that Mr. Donald McPhail, who was then our Ambassador in Germany, would be the President, I believe, of the agency and that the head office of the agency would be in Moncton, New Brunswick, a city about which we have heard much in the last several years and to which the Government has given much attention.

• (1130)

**Mr. Robichaud:** You will be hearing more.

**Mr. Crosbie:** You will be hearing a great deal more about Moncton because the Government has done a great deal for New Brunswick including paying a great deal of attention to the City of Moncton and the City of Saint John which was in the news just before Christmas when it received a tremendous contract for the construction of six frigates for the Canadian Navy. Those frigates would never be constructed if the NDP was in power because of its "no defence" policy.

**Mr. Tobin:** We didn't have the Russians to bring the parts for us.

**Mr. Crosbie:** Apparently the hon. gentleman does not believe in *glasnost*. When the hon. gentleman needs some parts he will not worry about where they come from. I can suggest one part he needs now up above the nose.

**Mr. Tobin:** Not one of your better lines, John.

**Mr. Crosbie:** On August 31 Senator Murray announced the composition of a 19-member ACOA board, an advisory board with members from each of the Atlantic provinces. This is to ensure input by representative Atlantic business persons into all aspects of the operation of the agency. The purpose of the board is to advise, guide and encourage. On September 3 the board had its first meeting in Moncton. There are four Newfoundland representatives with whom I am, of course, fully familiar. Fred Russell has done an excellent job on the Atlantic Enterprise Board and is a very experienced and capable Newfoundland businessman. He is experienced in the fish processing business, the automobile business, and the shipping business. He is very experienced in employer-labour relations in Newfoundland. Mr. Ed Drover is a dynamic life insurance representative, a fine Newfoundlander from Upper Island Cove.

**Mr. Tobin:** Prominent Tory fundraiser.

**Mr. Crosbie:** I do not know what his politics are, Mr. Speaker. I would not have inquired into that. I do not think the hon. gentleman would know what the politics of Barbara Knight are because she happens to be a civil servant.

**Mr. Tobin:** In Newfoundland? A prominent Tory.

**Mr. Crosbie:** I don't think she has any partisan politics at all. Finally, Mr. Ian Strachan, who I believe ran at one time for the Liberal Party, but the hon. gentleman is not going to mention that.

**Mr. Rompkey:** But then so did you, John.

**Mr. Crosbie:** Mr. Ian Strachan is from Goose Bay. I think if we examine the composition of this board we will see that there are representatives from all Parties except, I believe, the

New Democratic Party. I do not believe there are any supporters of the New Democratic Party on the board of this agency, but there might well be, because we do not investigate these matters.

**Mr. Tobin:** Who are the Liberals, John?

**Mr. Crosbie:** I cannot guarantee that there are any NDP representatives on the board, but there may well be. We could not care less if they are good, sound people. Of course, it is hard to find good, sound NDP people in the area who might be available for this. They are all here in the House.

In addition to the consultation that I have mentioned so far, as a follow-up to that process, the Atlantic Canada Opportunities Agency is at this time having an intensive round of consultations with business and community leaders in 20 centres in Atlantic Canada. This process has been very successful. I will refer later to an editorial from the *Atlantic Chamber Journal* and the APCC President's Report by Jeanne Geldart wherein she points out how successful that process has been. There has never before been as much consultation in the setting up of any government agency.

When this phase ends in the next several weeks, 400 to 500 Atlantic Canadians from the private sector, our educational communities, and labour groups in Atlantic Canada will have had a chance to contribute to the policy and program design options for the Atlantic Canada Opportunities Agency. This is an unprecedented opportunity for groups outside of government to involve themselves in the design of the programs and the agency itself.

We have consulted with and listened to Atlantic Canadians in establishing this agency. The reaction so far has been good. We know that the agency is only starting. We will have to look back in four or five years to see whether it has been more successful than the previous approaches to overcoming regional disparity in Atlantic Canada.

I want to refer to a Saint John, New Brunswick editorial. I quote from *The Citizen*. The editorial discusses previous attempts at regional development under our Liberal predecessors and then goes on to say the following:

> With this track record, it's understandable why some people are greeting ACOA with a certain amount of apprehension.

I have said before that the Liberal Party is interested in overcoming regional disparity and did make efforts to do that, with mixed results. The editorial continues:

> But the make up of this new agency gives us good reason to have hope for the future . . . . The agency is hungry for ideas, Atlantic Canadian ideas, that can help improve the employment situation and general economic atmosphere in the region . . . .

That editorial is dated October 13, 1987.

*The Evening Times- Globe* of Saint John, New Brunswick, had the following to say on November 12:

> The federal government, in giving ACOA a clean slate with which to work, has also given it a corporate status that keeps it out of the clutches of the Ottawa bureaucratic establishment's red tape.

That is a true and essential characteristic of this agency as well. Its head office is in Moncton and its other offices are in the four provincial capitals. In Ottawa there is only a liaison office which has an advocacy role.

**Mr. Robichaud:** Where are the decisions being made?

**Mr. Crosbie:** The decisions are being made in Atlantic Canada. There must be representatives in Ottawa to keep the Ministers advised, to play the advocacy role that is so important, and to help co-ordinate.

Just because the Liberal approach did not work and needed improvement I hope the hon. gentleman will not take a negative approach to this legislation. We are looking for unanimity. I am hoping to have the support of the Official Opposition at least. The New Democratic Party has no record in this area but the Liberal Party has and I hope we will have its support for the principles of the legislation now before the House.

The agency is regionally based. The headquarters is in Atlantic Canada. I want to make the point that the success of the agency will depend on Atlantic Canadians. It will depend on initiatives from the area. Success will depend on the entrepreneurs of Atlantic Canada, on the proposals they put forward, on the amount of get-up-and-go there is in Atlantic Canada. The backing and support for them is here but it is up to them to initiate the enterprises or expand enterprises so that the Atlantic Canada Opportunities Agency can assist.

As was stated in the Saint John newspaper editorial that I referred to "the ball has been placed squarely in Atlantic Canada's court and we now have to run with it. We must show the rest of Canada that we possess more than down-home rural charm". That quote from *The Citizen* of October 13 puts it in a nutshell. That is the way I see it. Through this legislation, through the money being provided, and through the flexibility which is being given, we are putting the ball in the court of Atlantic Canada and it is Atlantic Canadians who must run with it. We have to show the rest of Canada that we possess more than a down-home rural charm, and that we have the get-up and go. We have the ability in Atlantic Canada, given the necessary assistance to succeed.

• (1140)

The agency has been given responsibility for all regional development programs that relate to the Atlantic region. These include the Atlantic Enterprise Program, which is another Mulroney Government initiative.

**An Hon. Member:** A great success.

**Mr. Crosbie:** The Atlantic Enterprise Program has been a great success and a great help in Atlantic Canada, with

interest rate reduction and other programs introduced by that policy.

The agency will also take over the Industrial Regional Development Program, Enterprise Cape Breton and ERDA's.

**Mr. Tobin:** The IRDP is being phased out.

**Mr. Crosbie:** IRDP phased out or not, it is still a program to be administered and will be administered for Atlantic Canada by Senator Murray.

Along with those programs comes the money to administer them. The present level of expenditures under those programs amounts to approximately $196 million—

**Mr. Tobin:** Annually.

**Mr. Crosbie:** —annually, which is a considerable increase over the regional development spending in Atlantic Canada by the last Liberal government. As I described earlier in my remarks, unfortunately their spending had not increased greatly over the 1960s. The spending on these programs for the present fiscal year will be approximately $196 million. The average spending under ERDAs and GDAs by the last Liberal administration in the last three years of their mandate from 1981-82 to 1983-84 amounted to $146 million for these purposes. The average expenditure under ERDA's and GDAs by the present Government during the last three years amounts to $198.5 million, an increase of approximately 35 per cent.

**Mr. Rompkey:** But the same agreements.

**Mr. Crosbie:** Spending has increased 35 per cent in the system of ERDA agreements and GDAs under this Government. Those are simply the facts. The Prime Minister, and certainly we Atlantic Ministers, were not satisfied with an increase in spending of 35 per cent. That is why we have committed an additional $1.05 billion over the next five years. We have already increased the spending that existed when the Liberals were in office in 1984-85 by 35 per cent. We are not satisfied with a 10 per cent, 20 per cent or 35 per cent increase. We have stated that we will continue spending on these programs or similar programs and will add to that level another $1.05 billion over the next five years. Our commitment is for an additional $200 million yearly for five years, which is an increase of twice the spending in this Government's effort to overcome regional disparity in Atlantic Canada. My hon. friends opposite may have some criticism, but I know they will support this program.

Let me refer to the Bill. The purpose is stated in Clause 4, which is:

> To increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region.

That is what we want for the region. We want an increase in earned income, not a transfer in income.

The object of the Bill is described in Clause 12, which states:

*Government Organization Act, Atlantic Canada, 1987*

> The object of the Agency is to support and promote opportunity for economic development of Atlantic Canada, with particular emphasis on small and medium-sized enterprises, through policy, program and project development and implementation and through advocacy of the interests of Atlantic Canada in national economic policy, program and project development and implementation.

Clause 4 and Clause 12 describe the purpose and object of the Bill, with particular emphasis on small and medium-sized enterprises. That is the purpose of the agency, not to spend $1 billion on general infrastructure in Atlantic Canada. This money will not be used for those purposes, which are the purposes of the present regional development spending under current ERDA and other agreements.

This money will not be used for the sewerage out of Halifax Harbour or Saint John's Harbour. That is not its purpose.

**Mr. Rodriguez:** What is happening to ERDAs?

**Mr. Crosbie:** ERDAs will continue at the rate of spending now in effect. The other $200 million a year will help small and medium-sized business create jobs and increase earned incomes throughout Atlantic Canada. That is its purpose, not to pave streets, build roads and so on, as will continue to be done under ERDA type agreements.

In addition, the agency will have an advocacy role. It will be empowered to formulate plans to support economic development in Atlantic Canada in consort with all other federal departments. No federal department will be able to operate in Atlantic Canada without input from this agency. The agency will ensure that any initiative of the federal Government in Atlantic Canada is harnessed to the goal of increasing opportunities for economic development in Atlantic Canada.

As one person said, it is like having a friend fighting for us in Ottawa. In addition to Atlantic Canada Members and Atlantic Canada Ministers, this agency will have the object of fighting for Atlantic Canadians in Ottawa. This never happened before.

**An Hon. Member:** I thought that was your job.

**Mr. Rodriguez:** You will be redundant.

**Mr. Crosbie:** It would be a tremendous accomplishment if we became redundant.

**Mr. Rodriguez:** You will be very soon.

**Mr. Crosbie:** I would sooner be redundant than a complete reactionary, like the Hon. Member and his Party. They are against any change in Canada. I suppose they will be against this Bill because it is a change. They are against free trade because that is a change, and against freedom to move because that is a change. Has Shirley Carr given her permission for you to support this little change?

This agency will also have a co-ordinating role. The Minister is given unprecedented authority to co-ordinate all policies and programs of the Government of Canada in relation to opportunity for economic development in Atlantic

Canada. This provision is contained in Clause 5(2) of the legislation.

Clause 9 provides for another unprecedented power. It gives the Minister the unique authority to transfer, conditionally or unconditionally, funds from ACOA to supplement the funds of another Minister for a project that the Minister of ACOA is satisfied will further the objectives of this legislation. If another minister has a project that is very helpful to Atlantic Canada, the Minister responsible for ACOA can decide to supplement the funding there. He will have the right under Clause 7 to designate areas within Atlantic Canada for specific periods of time. He will select those areas because they provide exceptional opportunities for economic development. This gives the Minister real flexibility so that he can designate as such, an area that has an exceptional opportunity for economic development. That is in addition to his present authority to create special areas under the special areas legislation. If the Minister must create a designated area or a special area in Atlantic Canada, he can do so.

Clause 8 provides another new power. It gives the Minister the right to acquire stock options and to exercise rights under those options in connection with any loan guarantee, or credit insurance, grant or contribution.

• (1150)

The Minister is also empowered to enter into federal-provincial agreements with the provinces of Atlantic Canada subject to approval by the Governor in Council. In that respect he will have the same powers the Minister of DRIE had with respect to ERDA subsidiary agreements.

This is another illustration of the Prime Minister's policy of building a stronger Canada based on co-operative federal-provincial relations. This is not talking about co-operative federalism, as did the last Government under former Prime Minister Trudeau, and then imposing the iron-shod heel on the provinces. No, this is not talking abut co-operative federalism on the one hand and doing the exact opposite on the other hand, what I used to call "jackboot" democracy. Do Hon. Members remember when we had jackboot democracy in this country? My God, if one disagreed with the Liberal administration it put the boots right to you, jack and all. Well, we do not have that any longer. We have co-operative federal-provincial relations.

This will enable federal and provincial governments to work together on priority initiatives to give opportunities for economic development. Its success will in part depend on the provincial governments and their co-operation as well. The Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) will remember that sometimes it is not all that easy to get co-operation from provincial governments. Perhaps he will enlighten us on that when he speaks.

**Mr. Rompkey:** You have had a more recent experience, John.

**Mr. Crosbie:** I mentioned that the key feature of the agency is the Atlantic Canada Opportunities Board consisting of 18 members plus the president. It has been operational for four months. It has had four meetings. It is greatly assisting the agency in performing its duties. It has recommended a number of initiatives which include the Centre for Fisheries Innovations in St. John's, Newfoundland, the New Brunswick Research Productivity Council Revitalization Program, the Atlantic Canada Supply or Development Program, the Office Automation Centre Program, for starters. Its next meeting will be January 26 in Halifax, the great metropolitan centre of Atlantic Canada. That will be its fifth meeting.

It is a coincidence that the Atlantic Ministers meet frequently with Senator Murray. We had a meeting this morning which I had to leave, of course, to come here and introduce the Bill. The six Atlantic Ministers will be meeting with Senator Murray on a regular basis in order to assist this process and ensure that Atlantic Canada takes a central role, which is of tremendous importance in the thinking of the Government and Government structure here in Ottawa.

In Part II of the Bill there is the establishment of the Enterprise Cape Breton Corporation. The corporation will carry on the mandate of the industrial development division of DEVCO. Its objectives are mainly the same as those of the industrial development division under the Cape Breton Development Act. The transfer of the industrial development role and responsibilities to Enterprise Cape Breton will not diminish at all the current level of development assistance and service at Cape Breton or St. John's. It is interesting to see the successful turn in Cape Breton and the atmosphere of greater hope and greater positive prospects. DEVCO will retain a clear commercial mandate to continue the coal mining operations of DEVCO.

Since June of 1987, when the Prime Minister made his announcement in St. John's, Newfoundland, the ACOA has been busy getting itself set up. It has taken over the processes for applications under existing regional development programs such as the Atlantic Enterprise Program. These processes are now being greatly streamlined. You will not believe this, Mr. Speaker, because you are used to how things were done in the past under the former Liberal administration and how much time it took, but 90 per cent of all applications can now be processed at the provincial ACOA offices. They do not have to come to Ottawa at all. Ninety per cent of Atlantic Enterprise Program applications, for example, can be dealt with by Gordon Slade and his people at the office in St. John's or at the offices in Charlottetown, Halifax or Moncton. There has been tremendous streamlining. In the seven and a half months since the agency was established, it has approved 451 applications and has authorized $68 million in contributions to Atlantic enterprises, and it is only getting started under these present regional development programs.

These activities have resulted in creating 1,704 jobs and enabled 2,648 additional jobs to be maintained. Once this

legislation is passed, hopefully, through the House of Commons and the Senate during January and February, it is not unreasonable, I think, to hope or expect that this process could be completed by the middle of February and then the agency will be in a position to start with its own new programs and to really get them in gear.

The suggestion has been made that the free trade agreement might threaten regional development. I think the obvious *non sequitur* relationship of that is easily seen by the fact that this legislation is now before the House of Commons. There is nothing in the free trade arrangement—

**The Acting Speaker (Mr. Paproski):** I regret to interrupt the Hon. Minister but his time has expired. Do we have unanimous consent for the Hon. Minister to continue for a few more minutes?

**Some Hon. Members:** Agreed.

**Mr. Crosbie:** Thank you, Mr. Speaker. I will try to finish up in two or three minutes.

As I was saying, there is nothing in the Canada-U.S. free trade arrangements which threatens regional development. The Prime Minister wrote to Premier Buchanan on December 30. I would like to put on the record what he said, as follows:

> When these negotiations with the U.S. began, I wanted to ensure that our ability to promote regional development policies was preserved. We have done that. I can assure you further that we will continue to maintain our capacity for regional development programs in the course of negotiations intended to develop a new North American regime on trade remedy rules. In short, the federal Government remains fully committed to programs and measures which will deal effectively with regional disparities.

Let me reaffirm here today the Prime Minister's commitment on behalf of the Government of Canada.

I have one further reference I would like to make. Gerald Regan, the former Minister of International Trade in the Government of Mr. Trudeau and former Liberal Premier of Nova Scotia, said last December when discussing free trade and regional development:

> What a bilateral trade deal does is provide us with a chance to create new opportunities rather than just be affected, one way or another, by forces beyond our control—

I want to congratulate Mr. Regan for taking the stand he has. It is never easy to disagree with ones own party—I have been through that—but he has to do it in this case because he feels deeply about Atlantic Canada and about the Canada-U.S. free trade arrangement. He is to be congratulated for having the courage to express those views publicly. I am not surprised by it because I have known Gerry Regan for many years and he struck me as just that kind of person.

Trying to summarize, in conclusion let me say that it is my privilege to assist my colleague, Senator Murray, with this Bill in the House and to speak on the benefits we expect to flow to Atlantic Canadians by the creation of the Atlantic Canada Opportunities Agency and, of course, by the fruition of the free trade agreement, if it comes to fruition during the balance of 1988. It is very interesting to note the remarks of Jeanne Geldart, who is the new president of the Atlantic Provinces Chamber of Commerce, in its recent issue, in which she pointed out that the chamber had been criticized for propagating negative thinking about ACOA before the agency had been given a chance. She acknowledges that this is a possible criticism, but takes a different attitude and view with respect to the Atlantic Canada Opportunities Agency. She said that they were more concerned about perceived failures of earlier regional development programs. In her remarks she pointed out that many business people would like to give the agency a chance, and to fully engage in helping the Atlantic Canada Opportunities Agency in being a success, which they hope that it will be, by taking a more positive approach to the suggestions. She points out how in recent years skepticism has become extremely fashionable and that negativism—

• (1200)

**Mr. Tobin:** Who said this?

**Mr. Crosbie:** Jeanne Geldart, the President of the Atlantic Provinces Chamber of commerce. She points out that there was much skepticism and negativism, probably caused by the fact that Governments before us did not always do what they said they would do in contradistinction to the record of this Government.

In ending her editorial comment she pointed out that if we are to overcome the problems of regional economic disparity and create a new partnership for our Atlantic Provinces in Confederation, the business community must first believe that it is able to do so. That is very true. It must also take a positive attitude, which Madam Geldart says it will be taking toward this agency.

We all know that there will be no miracles. We also believe that this will be much better machinery and a much better organization with much greater powers to assist in overcoming regional disparity in Atlantic Canada. All of this is embodied in the legislation before us. We also believe that we have excellent people to administer and carry this out.

Finally, I note that Mr. John O'Day, who was President of the St. John's Board of Trade last year, feels that this agency will have a very positive impact. He is looking forward to working closely with it. I can assure Hon. Members that the Atlantic Canada Opportunities Agency is looking forward to working closely with all interested Atlantic Canadians, those who are interested in more economic opportunities in Atlantic Canada and greater earned income for Atlantic Canadians. I feel sure that this Bill is a step toward a more prosperous future for Atlantic Canada.

I am looking forward to listening to the comments of Hon. Members opposite. Before I sit down I would like to explain that I have to leave at 12.30 p.m. because of a Bill I introduced earlier today dealing with railway safety on which we have to have a session with the press. I will be following the debate very closely to see what Hon. Members opposite have to

suggest and to see what their comments will be in connection with any improvements they think might be made to the Bill. The Bill will be going to a legislative committee as well and to the Senate.

I would like to say a word of praise for the Prime Minister whose initiative this has been. He has been very much interested in regional development and in assisting Atlantic Canada. He has not lost sight of that despite the many other great national objectives and national triumphs he has had in the last six months, including the Meech Lake Accord and the U.S.-Canada free trade arrangement. He has not forgotten the need for doing something special for Atlantic Canada. He was born in Baie-Comeau which is in part of this area that needs regional assistance. I believe he was educated in New Brunswick, certainly in Cape Breton. Thus he is well aware of our circumstances in Atlantic Canada. He first ran in the riding of the present Minister of National Revenue (Mr. MacKay) in Nova Scotia—

**Mr. Rodriguez:** And then he promptly ran away!

**Mr. Crosbie:** No, he did not run away. There is not one other Member in the House who would do what the Prime Minister did—

**Mr. Althouse:** You are right about that.

**Some Hon. Members:** Hear, Hear!

**Mr. Crosbie:** He left what to all purposes was a safe seat politically and went to run in Manicouagan where in the last election the Liberals won by about 2,500,000 votes! He moved from a safe district to an unsafe district and led us to a great victory. There is not another Member in the House who would risk that, certainly not the mighty mouths who are here today trying to howl down the Prime Minister after this wonderful record that I have outlined for them today.

I would like to congratulate the Prime Minister who has not forgotten us in Atlantic Canada. This will be his great monument in Atlantic Canada, the Atlantic Canada Opportunities Agency. I am delighted to serve with him. I hope that before nine or ten months have gone by we will settle this matter of who will form the Government of Canada for the next succeeding four or five years so that progress and policies such as this can continue to go forward for the help of all Canadians.

**Some Hon. Members:** Hear, hear!

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, it is always a pleasure to come back to Parliament and to see the Minister of Transport, the Hon. Member for St. John's West (Mr. Crosbie) leading off for the Government. A little bit of humour sets a better tone as we return after the Christmas break.

I could not help but reflect as I listened to the Minister's speech that it was like some kind of an election speech. Here was the Minister of Transport, after three years of being in government, reflecting on the record of the previous Government and finding it necessary to read to Members of Parliament, and all Canadians, a little bit of biographical data about the Prime Minister (Mr. Mulroney). He is a man who is supposedly in touch, with his finger on the pulse of the people of Canada.

The Minister started off by saying that this Bill is designed to give a great upward boost to Atlantic Canada. He might have been more to the point if he had said that this Bill was designed to give a great upward goose to Atlantic Canada. In essence, this Bill is nothing but smoke and mirrors. It is nothing but an attempt to get a bigger bang, more publicity, out of a smaller regional development buck.

The facts are straightforward. Over the three years that the Government has been in power regional development spending has decreased by over 30 per cent. Regional development spending has decreased by $3 billion in the three years that the Government has been in power. That is the reality.

What does that leave us? It leaves us with a Government, in the face of an ever shrinking commitment to regional development spending, inventing new names and giving higher local profiles to new agencies in an attempt to give a greater emphasis to a shrinking commitment and a shrinking regional development dollar in Atlantic Canada to the Atlantic Canada Opportunities Agency. In western Canada there is a Western Initiatives Program. Both these programs are designed to cover up, to camouflage, the fact that the Government has reduced both in spirit and in financial terms its commitment to combat regional disparity and to seek as a target some minimal level of services no matter where one lives.

The Minister of Transport, who is a former Minister of Justice, a year or a year and a half ago stood in the House to say that he wanted to bring in a Bill, if he could obtain the consent of the provinces, to do away with the Senate, that unelected chamber that has no role in a modern democracy. I found it passing strange to see that self-same former Minister of Justice stand in his place today as the Minister of Transport acting as an apologist for the real power and the real Minister responsible for the Atlantic Canada Opportunities Agency, Senator Lowell Murray. This same Minister who wanted to abolish the Senate because it was fundamentally undemocratic and fundamentally non-representative has now been relegated to the role of a mouthpiece and an apologist for the Senator who has the real power, to the extent that there is any, for development in Atlantic Canada.

Canadians should be asking themselves why it is that of the 17 to 20 Members elected from Atlantic Canada and the half a dozen Ministers elected from Atlantic Canada in the Conservative Party, not one of those Members of Parliament enjoys enough of the Prime Minister's confidence to be named the Minister responsible for the Atlantic Opportunities Agency. Having reviewed the resumes of every single Conservative Member from Atlantic Canada, starting with the

Minister of Transport, why did the Prime Minister of Canada find it necessary to go to the Senate and pick a Senator to be the Minister responsible for running the Atlantic Canada Opportunities Agency? Is it because the Minister of Transport and his colleagues in the Cabinet from Atlantic Canada lack the confidence, the bravado, and the desire to pilot this agency through with legislation and into new programs, or was it because he wanted to put the Atlantic Canada Opportunities Agency out of the reach of parliamentarians and off into another chamber because this agency is so good, dynamic, and fantastic and it will make such a difference to Atlantic Canada that the Prime Minister in his wisdom did not want it to have a chance to be show-cased in the House of Commons?

• (1210)

It is an extreme contradiction in terms. On the one hand there is this view expressed by the Minister of Transport, the mouthpiece for Senator Lowell Murray, that this is a great upward boost—I call it the "great upward goose"—something the Government wants to brag about. But on the other hand the authority for the agency is vested not in the House of Commons, not with an elected Member from Atlantic Canada, but with a Senator in the other place named for another region of this country. That very fact alone should have people in Atlantic Canada wondering about the new Atlantic Canada Opportunities Agency.

This agency was first announced in the Speech from the Throne in October of 1986, a year and a half ago. It was subsequently reannounced during the by-election which sent my friend from St. John's East to Parliament, with all of the accompanying extravaganza. We did not receive the first inkling of a piece of legislation for this new agency until the very last day the House sat before the Christmas break. That is the high profile and the importance that the Government attaches to this new agency. A year and a half after he announced it, the Minister, on behalf of his boss, Senator Murray, has finally stated in the House that he would like to introduce legislation.

What happened in the intervening 18 months? I hold in my hand a thick sheaf of press releases issued by the Minister of Transport's boss, Senator Lowell Murray, on behalf of the Atlantic Canada Opportunities Agency. Every one of them begins with the words, "Senator Lowell Murray", or in some cases, "the Minister of Transport on behalf of Senator Lowell Murray," announced today such and such a program. There are all kinds of them. This Atlantic Canada Opportunities Agency has obviously been busy.

When one goes through the announcements, one discovers that every single program announced has funding that comes out of existing federal government programs and existing grants that have nothing to do with the Atlantic Canada Opportunities Agency. Lo and behold, when ACOA is examined under a microscope, rather than from the dramatic distance of the Minister of Transport's words, it is discovered that not one single penny, not a red cent, has been spent by the Atlantic Canada Opportunities Agency since its announcement 18 months ago, and since its official kick-off in June of last year by the Prime Minister in the middle of a by-election in St. John's, Newfoundland.

Not one penny has been expended. Yet today we hear the Minister of Transport telling us that we ought to be pleased because, unlike previous programs, 90 per cent of the applications can be rapidly expedited, faster than was ever done before. The Minister of Transport knows that not one single application has been expedited, and not one single penny has been spent by the Atlantic Canada Opportunities Agency since it was announced 18 months ago. Let us get the facts straight before we allow the Minister of Transport to get carried away with his message, perhaps to carry away some of the people of Atlantic Canada as well.

The true measure of how autonomous, relevant, and independent minded this new board will be that runs the Atlantic Canada Opportunities Agency is perhaps best measured by what has happened in the City of Moncton. In the City of Moncton the closure of the CN Shops has already cost some 850 jobs. Those jobs are permanently lost. This is in the self-same city that is the headquarters for the Atlantic Canada Opportunities Agency.

How did the Atlantic Canada Opportunities Agency and the appropriate Ministers respond to this great loss of jobs in the City of Moncton? I can tell you how they did not respond, Mr. Speaker. A few days ago CN put out another press release announcing that the remaining 350 employees at the CN yards in Moncton will be receiving notices of their jobs being lost in the near future. I am told that as of September 30 the CN Shops will be closed. The answer to the first 850 jobs being lost is to wipe out 350 more. That is right in the backyard of the headquarters of the Atlantic Canada Opportunities Agency. This latest announcement and death blow for Moncton comes despite the fact that the Minister of Transport and his predecessor, the gentleman who is currently the Deputy Prime Minister of Canada (Mr. Mazankowski), both assured the people of Moncton that the Government of Canada was going to find a solution to the dramatic loss of jobs in the City of Moncton. Neither the Minister's predecessor nor the Minister have delivered on the solemn commitment given in the House, repeatedly and in particular in answer to questions from my colleague, the Hon. Member for Westmorland—Kent (Mr. Robichaud).

There will be a board of 16 or 18 members. If one listened carefully, at least to the names read out and put on the public record by the Minister of Transport of board members from Newfoundland, three of whom are well known Conservative fund raisers and Party supporters, and in the last month one of whom had a front page exposé on his Tory Party connections and was proud to talk about them in the *Sunday Express*. When I listened to those three or four names of prominent, hard core Conservative fund raisers, and if I assumed from that list of names that in the other Atlantic Provinces people were drawn for similar reasons, then one has to ask—and this

is very important—to what extent will this board be an independent semi-autonomous agency that functions independent of thought and action of the governing Party of the day?

How can Atlantic Canadians be issued the challenge of the Minister of Transport that "Ottawa cannot solve your problems, you must solve your own problems; you come with the solutions and we may or may not come with the money", when the board that has been set up to expedite that process is made up of intimate friends of the Party in power today and Conservative fund raisers? How can anyone be expected to believe that this board will operate independently, notwithstanding the views of the Minister of Transport and his colleagues from Atlantic Canada, and notwithstanding the views of the boss of the Minister of Transport, Senator Lowell Murray?

It seems to me that, as I stated, we have been given the golden goose, not a golden boost. It does not lay golden eggs. On the one hand we have been told to solve our own problems, and on the other hand our so-called independent voice has been stacked with friends of the Government who will take their instructions from the Government. That is the reality; there is no independent voice.

Why is that important and such a major point in this debate today? I will tell you why, Mr. Speaker. Over the last two or three years, and I humbly submit particularly in Atlantic Canada, there has grown a degree of cynicism about the so-called objective means through which individuals and businesses receive grants from government, the likes of which we have never seen. There has been a proliferation of new lobby companies, a proliferation of people who will represent you to the Government and you pay if you get what you ask for. One of the better known companies is GCI, Government Consultants International and this week's *Report On Business Magazine* has a huge article on it. The company is headed up by former Conservative Premier Frank Moores.

• (1220)

Why is it important that all of the board members on ACOA are Conservatives? The article points out that this new lobby company, set up by former Conservative Frank Moores of Newfoundland, a good colleague and friend of the Minister of Transport, has established a new system to lobby on behalf of clients. It is called a pay if you win system. If you are looking for a fishing license you hire GCI, give it a flat retainer—or lobster licences in recent days—of $25,000 and if, miraculously, you get your licence—I am told there is a pretty good batting average—you continue to pay $5,000 a month for three years. This is all outlined in the *Report on Business Magazine*.

On the one hand we have an agency with a so-called billion dollars in new funds. It is not new funds and I will come to that. We have a so-called independent board made up of the most blue-backed dyed-in-the wool Conservatives the Government could find and we have a new system in place in Ottawa, a new ethic, pay if you win, pay as you go and hire GCI former Conservative Premier Frank Moores and Mr. Doucet, another well known name around these places. That is the new Ottawa, Mr. Speaker.

So what do we have here? GCI is acting for Petro-Canada, a Crown corporation. GCI is acting for Canadian National, another Crown corporation. Is GCI acting for ACOA? This is the same GCI which charged Mr. Snarby $2,000 for a licence plus a $500 a month retainer after he was turned down by the Minister of Fisheries (Mr. Siddon) and by all of the bureaucrats in Ottawa. Having been turned down, and on appeal at every level rejected again, miraculously Mr. Snarby got a licence that formerly he could not get. Is that the way ACOA is going to do business?

**Mr. Crosbie:** What about Francis Fox?

**Mr. Tobin:** Or Mr. Fox. It does not matter. This kind of lobbying is unacceptable and this kind of development in Ottawa under the Government is unacceptable to all the people of Canada no matter who is employed and who is involved. You can name whatever names you want.

**Mr. Crosbie:** You are not too convincing.

**Mr. Tobin:** This is the same company that just recently helped a Nova Scotia company get lobster licences. It was on the national news, rejected by the Premier of Nova Scotia, the Minister of Fisheries of Nova Scotia, the opposition leaders of Nova Scotia and the fishermen of Nova Scotia. This is the same company that helped the same Halifax company get a licence. GCI took on the assignment for an initial fee of $10,000 but told the client that if it got the licence it would have to cough up an additional $25,000 a year for four years. GCI denied that and said it was charging $25,000 a year for three years, not four years. It said "We have been misrepresented". So a public relations firm for a fee of $85,000 arranges lobster licences for a so-called free market—some free market—and a free enterprise firm—some free enterprise firm—in Nova Scotia.

This so-called billion dollar agency is established with a board of directors no more independent of the Minister of Transport than the Minister who tags along at his side. The board of directors is made up of appointments not named by agencies and groups in the region. The Atlantic Chamber of Commerce was not asked to name somebody; nor was the Development Association Movement of Newfoundland and nor were the various agencies for development in Atlantic Canada. The Government polled to find out who were the staunchest Tories in the land and named them to the board. The Government is telling us that the board is to be autonomous.

As I said, in the Prime Minister's Ottawa, we are paying for contracts and licences as a way of life. Frankly, it terrifies me that that kind of board has been named which will have access to such amounts of money, and responding to the wishes of the

Minister of Transport or his boss in the Senate, Senator Murray. They are part of an administration in which paying for access and paying for the right decisions has become commonplace. It should never be commonplace.

The Minister of Transport in announcing this Bill today talks about decentralization as if it were a wonderful new thing. The Minister knows that in 1982 a system of federal development co-ordinators was established in Atlantic Canada.

**Mr. Robichaud:** The Minister is leaving.

**Mr. Tobin:** He has to go to his press conference to launch another, no doubt, great initiative.

Federal development co-ordinators were named in 1982. Each of these co-ordinators were tasked with the responsibility of co-ordinating the efforts of all federal line departments in each of the provinces. There was one for each of the Atlantic provinces. That led to a much decentralized decision-making process.

ACOA is expanding that process. One could almost argue that it is moving away from decentralization to some extent because now there is a head office in Moncton whereas before each province had a federal development co-ordinator officer who reported directly to Ottawa. One did not have to go through Moncton or any other regional office, but directly to the Minister in Ottawa. We have the same system except now we have another layer of bureaucracy so that there is no direct line of communication between New Brunswick's federal co-ordinating officer and Ottawa. New Brunswick, Nova Scotia, P.E.I. and Newfoundland must all go through the Atlantic regional office. I do not know whether one can call that further decentralization. I suspect in reality it may to some extent be the opposite.

The Government says there will be a billion dollars or a little more than a billion dollars in funding over five years, $200 million a year for the entire Atlantic region. If you break it down that way it does not sound as intimidating, but there are many of us who question this notion that it is new funding over five years. I noted earlier today during the Minister's speech, and he did not disagree, that IRDP will be phased out in June of this year. I do not need to tell you, Mr. Speaker, because of your extreme sensitivity and great awareness of all the regions of Canada the importance of IRDP and the role it has played in Atlantic Canada and elsewhere in the country. That program which the Minister said is being transferred to ACOA will be phased out in June. As part of the reorganization of DRIE, no doubt other programs—this one has been confirmed—are on the block to be phased out.

How can the Government in good conscience on the one hand claim in excess of $1 billion in new money, moneys over and above what would have been spent in any case, when in the next breath the Minister in this House admits that IRDP, among others—is being phased out. There is no indication yet where the moneys that would have been spent under IRDP are going or whether there will be a replacement program.

What is occurring is a consolidation of the DRIE, a consolidation of existing programs and elimination of some of those programs, and as those programs are eliminated the funds will be used to pay for new programs under ACOA. It is not new money; it is not a new initiative. It is certainly not $1 billion in new money.

The Minister chose during the course of his remarks to talk about free trade and regional development. The Minister will know that in the weeks leading up to the issuing of the final text of the free trade agreement, I and many other members of my Party, in the House and elsewhere, have categorically, repeatedly, day after day put the question to the Prime Minister. We asked him if there would be language in the final text which would specifically exempt regional development programs from U.S. trade law. That question, clearly, simply and without preamble, was put repeatedly to the Prime Minister of Canada.

• (1230)

While a direct answer to that question was very carefully never given, as I know from reviewing the transcripts, the Prime Minister or whoever else was answering in his absence always left the impression that there was nothing to be concerned about, that regional development would be covered and not to worry about it. I challenge any Hon. Member of the House to read the final text of the free trade agreement and to show me where there is a written exemption from U.S. trade law for regional development programs, because no such wording or exemption exists.

In the face of the lack of an exemption and of previous rulings made by the U.S. Commerce Department, Atlantic Canadians are correct to be concerned about free trade and regional development. That is why the Atlantic Provinces Chamber of Commerce, during committee hearings in Atlantic Canada, refused to endorse free trade. It refused to endorse it because of the uncertainty that existed at that stage over whether or not an exemption would exist.

I invite Hon. Members to read the softwood lumber ruling of last year made by the U.S. Department of Commerce. They will find within that ruling made by the U.S. Department of Commerce an almost categorical and complete list of all the regional development programs in this country that are countervailable and subject to U.S. trade law. We all know that one of the clauses in the free trade agreement provides that all existing rulings made by the Department of Commerce or the U.S. courts on trade action stand.

Given that the softwood lumber decision stands, given that almost all of our regional development programs are listed as being countervailable, and given that there is no exemption for regional development programs in the final text, how can the Minister of Transport rise in his place and tell us today that we ought not be concerned about the future of regional development programs?

That brings me to my last point. We are told, though it is difficult to know, that the Government has designed the Atlantic Canada Opportunities Agency to respond to the private sector, period. There is nothing wrong with designing a program to respond to the private sector, providing that there are complementary programs to continue the work of building up the infrastructure and the public sector at the same time.

To clear away the smoke and mirrors so that the people may understand what is happening, basically what is happening is that the Government of Canada has said that it is out of the business of infrastructure in Atlantic Canada. It is no longer interested in that. Whether it is highways, wharves and harbour development, water and sewer, educational facilities, post-secondary and primary or otherwise, or any of those kinds of programs or infrastructures, the basic underpinnings of the ability of any region to be competitive, the Government of Canada is out of the business. The Government will tailor this program and these funds primarily to respond to the private sector, period.

If a person lives in a part of Atlantic Canada in which the basic infrastructure is not up to national standards and is looking to ACOA to solve the problem or to assist in that problem, forget it. If a person lives in Halifax, Moncton, Saint John, St. John's or Charlottetown where there is basic industrial infrastructure in place, then that person can apply. It might be wise for that person to call GCI so that it would represent him, but he can apply. However, those who live in parts of Atlantic Canada which do not even have basic decent highway systems, where every summer the choice is between running the fish plant or having a bath at night because there is not enough water for both, where the school system is dilapidated and falling down around their ears, and there are far too many places like that in Atlantic Canada, then ACOA is not for them. It is not their agency. ACOA is a closed door.

No conscientious Member from Atlantic Canada, recognizing that continued reality of Atlantic Canada, a reality of which we are not proud and not happy, can accept that this is the primary development initiative of the Government of Canada. We cannot accept that the philosophy that those who have nothing will get nothing and those who have infrastructure may hire GCI and might get a grant is the philosophy of winners and losers, and that those who happen to be the losers in a losing region are told: "Tough luck, buddy, move to Toronto". No, I cannot accept that kind of philosophy.

When DREE was established in 1969, exactly the opposite prevailed as the *raison d'être* for establishing a department focused entirely on regional development. The philosophy was not that we ought to pour money into the region for a 10-week cycle but that we ought to recognize that before we can cultivate and build an entrepreneurial spirit in the private sector we must first put in place the underpinnings, the infrastructure necessary to be on an equal footing and to be competitive in the Canadian or the Atlantic market-place.

A lot of progress was made. The Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) and I represent a part of Newfoundland where only in the last 10 to 15 years, and really only in the last five or six years, a highway covering an area of 500 miles of coastline has been completed. Just 15 or 20 years ago the highway was a cow path. The best bet to get up the coast was by boat. There has not been a paved road up the northern peninsula for all that long. We are just now in the process—

**Mr. Johnson:** Only since the PC Government got in.

**Mr. Tobin:** The Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson) knows what I am saying. The road was finished before the PC Government got elected.

What are the Hon. Member for Grand Falls—White Bay—Labrador and I doing now? We are now trying to get basic infrastructure like water and sewer into these communities to allow industrial and secondary development in the fishery. However, the ACOA program is not interested in that kind of development.

We endorse the basic principle of more autonomy and more decisions being taken in the region. However, we only endorse it when it is real, when the board has a mandate to be autonomous and not merely an echo sounding-board for Tory thought in Ottawa. We endorse the principle of targeting a region to try to come to grips with regional development programs, but not when the Government walks away from the responsibility, objectives and aims of developing the infrastructure of the region.

We look forward to seeing this Bill brought to committee. Indeed, we look forward to giving the many agencies and groups in Atlantic Canada which are not represented on this board and were not even invited to participate on it an opportunity to have their say about the Atlantic Canada Opportunities Agency. Before this process is finished, we shall be proposing amendments to ensure that this agency, if it is to be established, functions as an agency that works on behalf of the people of Atlantic Canada on the initiative of Atlantic Canada and not as an agency that functions as a pre-election ploy on the part of the Conservative Government of Canada which finds itself in desperate need of raising its profile in the Atlantic region.

**Mr. Jack Harris (St. John's East):** Mr. Speaker, I have listened with great interest to the Minister of Transport (Mr. Crosbie) speaking on behalf of the Senate on this issue. I have also listened with great interest to my hon. friend, the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), speaking on the same issue. I am pleased to have an opportunity to put to the House my views on what is probably the most important economic issue for Canada from now until the end of this century; that is, the issue of regional development. That is not just my view or that of my Party, it is also the view expressed by the Economic Council of Canada in its report released September 30, 1987. That Council looked at the next

five years and said that the national economy is likely to expand steadily in coming years but uneven regional growth will be the country's major economic problem.

• (1240)

In dealing with that issue we do not require a Government response which is either a hoax or an attempt to baffle and confuse the people of Canada, particularly Atlantic Canada, into thinking it has done something where others have failed. I will repeat the figures quoted by the Hon. Member for Humber—Port au Port—St. Barbe with respect to the Government's reduction in the amount of money spent on regional development in Atlantic Canada. Over the last three years it amounted to a reduction of $1 billion per year. The Government has replaced that with what it calls $1 billion, but it is actually $200 million a year. That tells the people of Canada how important the Government thinks the most serious economic problem in Canada is. The former Minister of Regional Industrial Expansion was criticized for cutting $3 billion from regional development funding since 1984. It was also pointed out that the share of regional development dollars did not flow to the east or to the west as one might expect, but into central Canada.

The Minister of Transport quoted from the Throne Speech. That speech also said that spending more money by itself has not solved the problem. How hypocritical can the Government get? It takes $3 billion from regional development funding and then lectures Canadians on how spending money by itself will not solve the problem. I can tell you for sure that removing $3 billion from regional development will certainly not solve the problem. Giving back $200 million a year over five years is not going to solve the problem.

Since Confederation, I suppose, we have had certain regional disparities. Given the elaborate attention paid to the idea of regional development by previous Governments we would expect to see these disparities narrow. Yet that has not happened. In fact, the disparity in the unemployment rate between Ontario, where it is the lowest in the country, and the Atlantic provinces has increased over the last five years, not decreased. Relatively speaking, Atlantic Canadians are worse off now than they were five, six or seven years ago. That is not progress. In fact, it underscores exactly what the Economic Council of Canada has said, that regional disparity is the most serious economic problem we face.

It is not merely an economic problem either. It affects individuals and communities all across Atlantic Canada. People have to face the prospect of unemployment and the loss of dignity associated with the inability to contribute to the economy and their own lives. Youth unemployment is extremely serious. The ability of women to participate in the labour force has been diminished.

The Minister of Transport tried to brag about the past three years of Conservative Government, particularly with respect to Atlantic Canada. Yet Atlantic Canada fared very badly with respect to regional development. During the first 18 months of Conservative Government the expenditure in Newfoundland, which has the highest unemployment rate in the country, was 1 per cent of the dollars available for regional development. If unemployment and other economic problems were spread evenly across the country on the basis of population we would have expected to get at least 2 per cent. Yet, no, under a Conservative Government Newfoundland received 1 per cent.

During that period of Tory administration, we have seen a reduction of regional development spending and a distortion of the spending in favour of central Canada at the expense of the region that needed it most, Atlantic Canada.

**Mr. Manly:** Where was Crosbie?

**Mr. Harris:** Where was the Minister of Transport then? Where was Senator Murray then? Where were the other Ministers and Members from Newfoundland and the other Atlantic provinces when this was going on?

Even during the five-year period from 1981 to 1985 Newfoundland received on average 4.5 per cent of federal regional development dollars, or four and a half times the amount it received in the first 18 months of the Tory Government. Therefore I ask the House to reflect on what the Minister has said, given those astounding figures.

The Government has decreased regional development funding by $3 billion from 1984 to the present and yet it pretends that the Atlantic Canada Opportunities Agency is going to provide us with an answer to development in Atlantic Canada. The Government takes away $1 billion and gives back $200 million. That amounts to 20 cents on the dollar and it appears to be all we can expect. It is a hoax, a sleight of hand that the Government is trying to perpetrate on the Canadian people.

It has been suggested that what is happening is a decentralization of decision-making in all of Atlantic Canada. That is another hoax. Not only that, it is a derogation of the responsibility of the federal Government which is trying to get rid of the responsibility for regional development. We have heard the Minister of Transport say today that Atlantic Canadians are responsible for their own destiny, just as the poor are responsible for their poverty. The approach is to blame Atlantic Canadians; it is their fault, and they have to solve the problem. We have had enough of it.

One of those famous Atlantic Ministers who is going to be responsible for ACOA calls it the last kick at the can. The Atlantic Canada Opportunities Agency will be the last kick at the can as far as development programs for this region are concerned. In March of last year the former Public Works Minister stated that they had tried just about everything in the Atlantic region. They are now throwing up their hands. Two hundred million dollars a year will be the last kick at the can for Atlantic Canadians.

• (1250)

The Minister of Transport has said that setting up a board and allowing decisions to be made in Atlantic Canada is the last kick at the can, and they will wait four or five years to see if it works. The people of Atlantic Canada will not wait four or five years to have a hoax foisted upon them by the Government. The people of Atlantic Canada cannot afford to wait four or five years to have the Government of Canada look after their most serious problems.

The Minister of Transport says that decentralization is taking place and decisions will be made in Atlantic Canada. However that is not what the Senator said. In June, 1987, he said that the decisions will be made by him here in Ottawa. That is what Senator Murray said when asked where decentralized decision-making will take place. The final decisions will be made here in Ottawa by the Senator and if we have any questions about them we will ask the Minister of Transport to ask the Senator what he has to say about them.

The Government will take away $1 billion a year and put back $200 million, 20 cents on the dollars. The Government is telling Atlantic Canadians that it is now up to them to make a success of it. The Government will give them 20-cent dollars to work with and will put the responsibility on them. If this fails after four or five years the Government will blame Atlantic Canadians. It has absolved itself of responsibility for regional development.

The Government has set up a board of cronies and appointees with a few government people from the various provinces. I understand that this board represents the regional decision-making. However, in the legislation itself the board has no power, no decision-making authority. It is estalished by Section 18 of the Act. It is to be appointed by the Governor in Council on the recommendation of the Minister. The object of the board is to assist the agency in the exercise of its powers and in the performance of its duties and functions. It is only to assist the agency. It has no decision-making power and no authority. Nowhere throughout the rest of the Act is there any mention of what role the board will play. It exists and can be called together from time to time by the president who operates under the direction of the Minister.

The Minister has already said that the decisions will be made by him in Ottawa. That is another part of the sham that the Government is trying to foist upon the people of Atlantic Canada. The Government has put all the Atlantic Canada regional development programs under one department, which is a good thing. At least there is a focus for Atlantic Canada in this legislation.

There will be input from business people, a very narrow sector of the Atlantic economy, but there are no representatives from a very substantial part of the Atlantic Canada enterprise, the co-operative sector. There are no representatives from the very substantial regional development councils, associations, and corporations which exist in Atlantic Canada. These people are concerned about development in their parts of the country, but there is no representation by them. We have only business people, insurance executives, fundraisers for the Tory Party, and one person at least from each of the provinces who appears to be a representative of a government secretariat. There will be some input from Atlantic Canada but the decision-making has not changed substantially. We are not receiving any new thrust or effort through this legislation.

In the history of regional disparity there has been no improvement in Atlantic Canada. Elizabeth Beale is an economist and specialist analysing the Atlantic regional problems and related policy. She is the chief economist of the Atlantic Provinces Economic Council. She has reported that there has been very little improvement in any of the major indicators of regional disparity between the Atlantic provinces and the country as a whole since the 1960s. The gap in the unemployment rate is proportionately the same as it was 15 years ago. Personal income has risen but that is not related to earned income. It is attributed primarily to the increase in personal transfers. There has been no narrowing of the gap between Atlantic Canada and the rest of the country. That is deplored by this Party. The Government's record in regional development is atrocious, as is its attitude and that of the Minister of Transport.

We were not really surprised when the Minister of Transport said that people in Atlantic Canada should stop belly-aching, that they are better off than Bangladesh and the Third World. That is the bench-mark of the Government and the Minister of Transport. That is why he takes away a dollar and gives back 20 cents and then says that success depends on Atlantic Canadians, that the Government will wait four or five years to see whether it works. That is the Government's attitude on regional development and that is why the Government must be replaced.

Regional development must be a national effort taken seriously by the federal Government and the Cabinet. It must be integrated into the national economy. It is fine to say that decision-making has been decentralized and put in the region and that we have flexibility. We need flexibility. The Government had to admit—

**The Acting Speaker (Mr. Paproski):** Before I call it one o'clock, the Member will have another 20 minutes to speak when we recommence after Question Period. It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

## STATEMENTS PURSUANT TO S. O. 21

[*English*]

### ENVIRONMENTAL AFFAIRS

ACID RAIN—SUGGESTED PRESENTATION TO UNITED STATES OF BILL FOR DAMAGES

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, last week Canada's Secretary of State for External Affairs (Mr. Clark) met with his U.S. counterpart to discuss common issues. We are told that in that conversation the Secretary of State raised the question of acid rain and pretended that there is hope in obtaining cuts in the U.S. pollution coming into Canada.

Has the Secretary of State for External Affairs forgotten that because of the Prime Minister's (Mr. Mulroney) decision to endorse the five-year U.S. clean coal technology program, the U.S. administration does not have to listen to Canada? Canada is now stuck with that endorsement and the Secretary of State knows it. Clearly the Government goofed.

If the Secretary of State really wants to obtain acid gas pollution cuts in the United States, he would assemble the costs and prepare a bill for damages to be presented by the Prime Minister to President Reagan at the April summit in Washington and resume the global strategy abandoned in 1985, namely, to put pressure on the United States to cut emissions.

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### NATIONAL ARCHIVES

CONSTRUCTION OF NEW FACILITY ADVOCATED

**Mr. David Daubney (Ottawa West):** Mr. Speaker, I would like, once again, to express my grave concern about the precarious state of accommodation for Canada's Public Archives. I first raised this issue on June 6, 1986, during the debate on the Archives Act.

On December 8, last year, the Standing Committee on Communications and Culture tabled its report on the Public Archives. It found that the little space available for archival holdings and government records is spread over 14 locations in the National Capital Region. Moreover, this space does not meet the minimum atmospheric and environmental standards for the long-term preservation of our national heritage. The committee recommended the construction of a new Public Archives facility, located close to the National Library buildings.

The picture of burst pipes destroying our historical and cultural treasures, an embarrassment and threat to our sense of identity, was once again brought home during the Christmas recess when water severely damaged many priceless records in the Public Archives building itself.



This is the third time major damage has been caused to valuable collections of the library and archives since I first warned the House about this matter a year and a half ago.

I urge the Minister of Communications (Miss MacDonald) to act immediately on the recommendations of the committee so that we can enter the next century without having lost the records of our past.

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### SCIENCE AND TECHNOLOGY

ESTABLISHMENT OF SCIENTIFIC CENTRES OF EXCELLENCE—TREATMENT OF MANITOBA UNIVERSITIES

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, at the National Conference on Technology and Innovation held just over a week ago, the Prime Minister (Mr. Mulroney) announced the establishment of scientific centres of excellence.

Manitobans were shocked to read statements by unnamed senior civil servants that Manitoba universities would be frozen out of consideration for these institutes as long as Premier Pawley was the Premier of Manitoba.

Manitobans, from labour, business and government, and members of the Legislature in all Parties, protested when the CF-18 contract was awarded to Canadair because it was obvious that the bid submitted by Bristol Aerospace of Winnipeg came in at a lower price. Recent documents released as a result of inquiries by *The Globe and Mail* and *Winnipeg Free Press* indicate that not only was the Bristol bid lower, it was better technically.

People in Manitoba want fair treatment by the Government and they call on the Government, particularly Cabinet Ministers from Manitoba, to see that Manitoba is treated fairly.

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### SCIENCE AND TECHNOLOGY

GOVERNMENT FUNDING—PRIME MINISTER'S ANNOUNCEMENT

**Mr. Bill Tupper (Nepean—Carleton):** Mr. Speaker, last week some 200 of the nation's leaders with an interest in research and development participated in the National Conference on Technology and Innovation, chaired by the Prime Minister (Mr. Mulroney).

In his opening remarks the Prime Minister announced federal funding of $1.3 billion for new science and technology initiatives. Part of these funds is to create centres of excellence at a number of universities across Canada, and the creation of 2,500 undergraduate scholarships in science and engineering.

*S. O. 21*

In his closing remarks the Prime Minister also announced a $10 million public awareness program to make Canadians more aware of the importance of research and development and its economic and social linkages.

Three themes were discussed in the forum workshops. They were revitalizing established industries; developing higher value products; fostering technology intensive firms.

Participants enthusiastically endorsed the new funding for the centres of excellence, the scholarships and public awareness program, but urged the Government to re-examine how tax incentives, advance rulings, and procurement could better assist research and technology intensive companies.

All agreed that the forum marked a new beginning and that Canada had turned a page in developing a knowledge intensive society.

Knowing your interest in this subject, Mr. Speaker, I am sure that you would have been proud to have been there.

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[*Translation*]

## THE COURTS

OPPORTUNITY TO INTRODUCE UNIFORMITY OF SENTENCING FOR CASES OF SIMILAR NATURE

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, last week in Ontario, we saw a case of sexual assault where justice has yet to be done. A woman suffered sexual assault with violence. She was beaten and suffered injuries.

Judge Vanini's decision in this case was shocking and irresponsible. He imposed a sentence of ninety days, to be served only on weekends because the defendant came from a good family. The judge decided the victim had suffered no serious psychological effects and that the defendant should stay in his family environment for the sake of his rehabilitation.

Mr. Speaker, I am amazed at the lack of concern and lack of sensitivity shown by Judge Vanini in this case. The judge seems to be punishing the victim and protecting the aggressor. The kind of stereotyping we see constantly in Canada's courts must stop.

Mr. Speaker, I want to ask all Canadian judges to seriously consider their attitude to women and what they suffer in cases of sexual assault, and I want to ask the Government to implement as soon as possible the recommendations of the Archambault report on sentence harmonization.

## REGIONAL DEVELOPMENT

GOVERNMENT'S PERFORMANCE

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, until the middle of the 80s, Quebec's outlying regions were neglected by the previous Goverment as far as regional development was concerned. The northwestern part of Quebec, the Saguenay—Lac Saint-Jean area and the North Shore, as well as the Gaspé, the Lower St. Lawrence and the Magdalen Islands have always had special needs.

In 1984, the new Government, the team led by the Right Hon. Prime Minister (Mr. Mulroney), made these outlying areas one of its priorities for regional development.

In 1987, as part of the renewed federal policy for economic development, the Department of Regional Industrial Expansion, at the request of Cabinet, started a thorough evaluation of the economic requirements of these rural regions.

At Sept-Îles on December 22 last year, the Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. de Cotret) proposed a new regional development plan. Federal and provincial authorities have agreed to co-operate so that the plan can become effective as of April 1, 1988.

Mr. Speaker, while the Opposition is still talking about these issues in Ottawa, we Conservative Members are doing something about them.

* * *

## THE COURTS

OPPORTUNITY TO INTRODUCE UNIFORMITY OF SENTENCING FOR CASES OF SIMILAR NATURE

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, last week the women of this country were shocked to hear that a man convicted of sexual assault in Sault Ste Marie received only a very light sentence.

A report published by the Metro Toronto Action Committee on Violence against Women and Children submits that judges in our judicial system tend to be more lenient with men of their own socio-economic class when these men are found guilty of sexual assault. This conclusion supports the arguments of many feminists who work with victims of sexual violence.

There are still so many stereotypes and myths that influence decisions made in criminal courts. The federal Government and the provinces must find a way to educate judges who preside over courts responsible for prosecuting sexual assailants.

It is imperative that Canadian women have access to a truly impartial judicial system. Otherwise, women who have been assaulted will be victimized a second time by the sentences handed out to the men responsible for these crimes.

• (1405)

[*English*]

## ADMINISTRATION OF JUSTICE

IMPOSITION OF LIFE SENTENCES FOR MURDERERS URGED

**Mr. Gerry St. Germain (Mission—Port Moody):** Mr. Speaker, I rise in this House today with sadness in my heart and deep, sincere sympathy for the friends and relatives of the three innocent people brutally murdered in Chilliwack, British Columbia. An alleged repeat murderer not only murdered these three but also murdered the sister of one of my constituents in 1971.

It was just last year that some Members of this House voted against the reinstatement of capital punishment. They did this in spite of the wishes of the majority of Canadians who wanted changes to deal with the inefficiencies in our present judicial system. One of the main arguments was the fear of prosecuting an innocent person. Well, Sir, since that vote was taken we have lost four innocent people at the hands of alleged repeat murderers.

My respect for this House dictates that I accept its decision. However, I feel it is incumbent on this House to deal immediately with the system that has proven ineffective in dealing with those who brutally murder innocent people. We cannot bring back those already lost, but we can prevent recurrences of this nature, and we must act now.

I believe we must develop a system that incarcerates murderers for their entire natural life. Failing that, this House should reconsider its position on capital punishment.

* * *

• (1410)

## LABOUR RELATIONS

GRAIN HANDLERS' STRIKE AT PRINCE RUPERT—BINDING ARBITRATION PROPOSED

**Mr. Maurice Foster (Algoma):** Mr. Speaker, it is time for the Government to act to get grain moving through the grain port at Prince Rupert in British Columbia. This strike, which has crippled a large percentage of western Canada's shipments of grain for export, is having a serious affect on western grain farmers.

Last Friday the Leader of the Official Opposition (Mr. Turner) called on the Minister of Labour (Mr. Cadieux) to meet with the two sides involved in the Prince Rupert grain terminal strike this weekend and to persuade them to accept binding arbitration. He said that the Minister should be ready to suggest the name of an arbitrator to the parties.

Prairie farmers continue to face severely depressed grain prices. Prices are the lowest since the Great Depression. The last thing farmers need is to have grain backed up for weeks on end. It is estimated that the farmers have already lost over $50 million.

The Leader of the Official Opposition has said that the grain transportation system is backed up, that elevators are clogged, and that farmers cannot deliver their grain. In addition, the Canadian Wheat Board is losing sales and Canada's reputation as a reliable supplier of grain is suffering. Both sides in the dispute must recognize that in failing to agree to binding arbitration they run the risk of having it imposed on them through legislation.

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## LABOUR RELATIONS

GRAIN HANDLERS' STRIKE AT PRINCE RUPERT—CALL FOR BACK-TO-WORK LEGISLATION

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, have you ever been robbed? Once again thousands of western Canadian grain farmers have been robbed of valuable grain sales, robbed of much needed income because of 69 union members and four grain companies unable to settle a strike at the Prince Rupert exporting grain terminal.

Over the years strikes and lockouts of grain handlers, longshoremen, rail unions and inspectors have taken the very food from mouths of farmers and their families. When grain producers right across western Canada are suffering from drastically reduced commodity prices while the average salary of a grain handler at Prince Rupert approaches $40,000 when benefits are included, farmers have a right to be steaming hot mad.

I urge the Government to legislate grain handlers back to work immediately and, further, to declare all aspects of grain handling and transportation systems affecting Canada's grain exports an essential service in order that the interests of western grain farmers and all of Canada best be served.

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## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

ISSUANCE OF ALL-NEWS TELEVISION LICENCE TO CBC

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, while individual Tory MPs lobbying on behalf of a private company remind us of the long-promised lobbying legislation, the spectre of these backbenchers, who have loathed the CBC since the days of *Julliet*, pressuring the Cabinet to intervene and quash the CRTC decision to award the all-news TV service to the CBC reminds Canadians that the hallmark of the Government has been political interference and political manipulation.

Blatant political patronage, the abuse of conflict of interest guidelines by certain Cabinet Ministers, and the politically motivated CF-18 decision were events which led the Commons Broadcasting Committee to advise the Government not to overturn CRTC decisions on broadcast licences. However, Tory backbenchers want the CRTC not to be an independent agency that acts at arm's length from the Government but to be subject to political intervention and political manipulation.

The CBC, with its ready access to 153 news gathering cameras in Canada and over 400 available world-wide, is a broadcasting strand which binds the Canadian fabric together and which provides Canadians with a sense of unity. While the federal Government has now inextricably linked us economically with the United States and moved us closer in both social and economic terms as well as in political terms, for the Cabinet now to intervene and bow to these company lobbyists would be yet another step toward the Americanization of Canada.

* * *

• (1415)

## HOUSING

LACK OF AFFORDABLE ACCOMMODATION IN TORONTO AREA

**Mr. Alan Redway (York East):** Mr. Speaker, of all the many concerns and problems that my constituents discussed with me over the Christmas recess, the lack of affordable housing in the greater Metropolitan Toronto area was the one raised most frequently.

Whether it was a young person looking for an apartment in a market where the rental vacancy rate is only 0.1 per cent, or a couple trying to buy their first home in a market where even the most modest house costs over $200,000, or a senior citizen facing a substantial rent increase with no prospect of alternative accommodation, all had first-hand experience with the problem, and understandably all are looking to Governments for solutions and for leadership.

There are no instant solutions, but the Minister responsible for Canada Mortgage and Housing Corporation can help to provide leadership by making federally owned land in Metropolitan Toronto available for affordable housing projects. One of his own consultants estimated that 15,000 such housing units could be built on federally owned surplus land at Downsview Airport.

How about it, Mr. Minister?

[*Translation*]

## YOUTH

JOB CREATION—GOVERNMENT'S PERFORMANCE

**Mr. Gilles Grondin (Saint-Maurice):** Mr. Speaker, as the Official Opposition critic for Youth, I have a duty to criticize the irresponsible attitude taken by the Minister of State (Youth) (Mr. Charest) in his announcement last week on Challenge 88. Young Canadians are right to be upset. This announcement remains well below what they have a right to expect, and shows the Conservative Government has not made any effort at all to help them. The former version of the Program has not been improved, except with respect to drop-outs, and on top of that, the budget is less than what it was four years ago.

In 1984, the Liberal Government spent $200 million on its job creation program for youths. In 1988, all the Conservative Government has to offer is a paltry $180 million. And I refuse to buy the excuse by the Minister of State (Youth), who says that this budget freeze is normal and acceptable considering the drop of unemployment among young people. So many young people are still unemployed that it is hardly appropriate for us to sit back and relax. Drop-outs are not necessarily young people who are not interested in continuing their education. Many have to drop out because they cannot afford a college or university education. In many of Canada's regions, the unemployment rate has risen to unacceptable levels. This is also true in Quebec, where youth unemployment is around 13.7 per cent. There is no excuse for letting this Program stagnate.

What about the national youth strategy! More than two years ago, the Minister promised us this strategy, and since then: Nothing! Improvisation is the name of the game. Too bad for the Minister, because now people will be able to say at the end of his mandate that if he had really tried, he would have been a star player and probably the recruit of the year in the national improvisation league!

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# ORAL QUESTION PERIOD

[*English*]

## SOVEREIGNTY

CANADIAN ARCTIC—SIGNING OF CANADA-UNITED STATES AGREEMENT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is for the Prime Minister and it concerns misleading statements made by two of his Ministers on defence matters.

First, I would like to deal with statements made by the Secretary of State for External Affairs who stated in the House of Commons on September 10, 1985, in response to opposition prodding, that there is—and I use the Secretary of

State's own words—"no substitute for Canada's full sovereignty over the waters of the Arctic . . . Full sovereignty is vital to Canada's security—it is vital to Canada's—identity . . . We will accept no substitute . . . Any co-operation with the United States—shall only be on the basis of full respect for Canada's sovereignty". Those were the words of the right hon. gentleman.

In view of the fact that last week the Secretary of State for External Affairs negotiated and signed an agreement with the United States which fails to recognize Canadian sovereignty over the Arctic, which makes no mention of American submarines patrolling our waters, and which in effect clearly weakens Canada's legal claim to the Arctic, why would the Prime Minister tolerate a senior Minister and colleague negotiating and signing an agreement with the United States which clearly violates a declaration and undertaking that he gave to the House of Commons?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, before that agreement was signed the United States did not acknowledge its need to seek Canada's consent before the transit through our Northwest Passage of U.S. government owned or operated ice-breakers.

As a result of that agreement, the United States now acknowledges and has a legal obligation to seek Canada's permission before there is a transit through our Northwest Passage of government owned or operated ice-breakers. That is a small but significant step forward in emphasizing Canada's control over our North.

• (1420)

As the Leader of the Opposition will understand, one of the ways to establish sovereignty is not to talk about it in empty phrases, as the Liberal Party did for so many years, but actually to go out and assert control. That is what we are doing.

**Mr. Prud'homme:** Bring back Flora.

[*Translation*]

REQUEST FOR CLARIFICATION OF ALLEGED CONTRADICTION RELATING TO AGREEMENT SIGNED WITH UNITED STATES

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, by his actions, by signing the contract with the United States, the Minister contradicted the clear statement he made in the House. I repeat, he said: "We will accept no substitute. Any co-operation with the United States shall only be on the basis of full respect for Canada's sovereignty". That was quite clear. There was no misunderstanding.

I repeat: Why did the Secretary of State for External Affairs mislead this Parliament during the debate? Why did he negotiate and sign an agreement with the United States that clearly contradicts what he said before the Parliament of Canada?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the Leader of the Opposition is repeating in French the question he just put in English. Maybe he never heard of simultaneous translation. It's a fact of life in Canada, and it is also a fact there has been no change in the Canadian position on our sovereignty and our control over the North. The change is that before the agreement was signed with the United States, the U.S. did not recognize it was necessary to seek and obtain Canada's consent before they could go through with icebreakers controlled or directed by the U.S. Government. It was not necessary before, but now it is. That is a step forward, a very concrete step, and concrete steps help demonstrate our sovereignty.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, the Minister is as vague in French as he is in English, and as contradictory in either language. He is to be commended for his bilingualism.

* * *

[*English*]

## NATIONAL DEFENCE

BIDS FOR CF-18 MAINTENANCE CONTRACT—MINISTER'S STATEMENT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, we also learned over the parliamentary recess that a second Minister has misled Canadians on defence matters. The Minister for Regional Industrial Expansion told the House of Commons on October 31, 1986, that the two bids for the CF-18 maintenance contract were:

> —very close on technical merit and on cost.

Documents produced by the Government's own experts and only revealed under Access to Information legislation demonstrate clearly that the Minister was not telling the truth and misled the House.

In these circumstances involving a contract worth over $1 billion, can the Prime Minister tell us why that Minister is still among his colleagues in the Government of Canada?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, I would like to respond to my right hon. colleague by saying that it was not on December 31 but on October 31 when I made that statement.

**Mr. Turner (Vancouver Quadra):** I said October 31.

**Mr. de Cotret:** It is a statement that I stand by. I mentioned very clearly that on the price side the two bids were very close. I mentioned in reply to further questions in this House that there was a differential of $3.5 million on a $100 million contract for four years. I maintained that the bid by Canadair, as I mentioned then, was one of $104.4 million and the bid by

Bristol was $100.54 million. I maintain, as I did then, that on the technical criteria, which was the second evaluation criteria, Canadair had a score of 843 out of 1000 and Bristol had a score of 926 out of 1000. Given that they were both excellent companies, both very qualified, with the price differential very slight, we felt very strongly as a Government that the technology transfer for the benefit of Canadian industry would be best accomplished by giving the contract to Canadair than by giving it to Cast-18 or Bristol.

* * *

• (1425)

[*Translation*]

## EXTERNAL AFFAIRS

SITUATION IN HAITI—GOVERNMENT POSITION

**Hon. André Ouellet (Papineau):** Mr. Speaker, my question is for the Secretary of State for External Affairs. By refusing to take part in that electoral charade yesterday, the Haitian people showed how much they are striving for justice, change and democracy. Is the Conservative Government now willing to admit its mistake in endorsing for months the military junta of General Namphy, and what does the Canadian Government intend to do to force General Namphy to hold truly democratic elections?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, first, I would like to congratulate the Hon. Member on being appointed spokesman for his party on international issues. We both have a lot of experience in this House, and I hope and trust that we shall be able to work together effectively.

In my statement this morning, I said that the Canadian Government believes that yesterday's events represent a clear judgment by the Haitian people that the elections were not a democratic success. They do not give a democratic verdict in our opinion. We shall review our relations with Haiti, including our development assistance. As the Minister for External Relations indicated last week, the Canadian ambassador to Haiti will be here next week to consult with the Government on possible means to ensure that Canadian activities can promote the evolution of democracy in Haiti and also benefit the Haitian people.

CONVENING OF MEETING OF MOST IMPORTANT COUNTRIES INVOLVED IN AID TO HAITIAN PEOPLE—HOLDING OF INQUIRY—GOVERNMENT POSITION

**Hon. André Ouellet (Papineau):** Mr. Speaker, I accept the comments of the Secretary of State for External Affairs as the least that the Government can do under the circumstances.

First, I would like to ask the Minister whether he is willing to call on behalf of the Canadian Government a meeting of the major contributors of assistance to the Haitian people to exert pressure on General Namphy as soon as possible.

Second, is the Minister able to assure us that there will be a full investigation of Canadian assistance to Haiti to guarantee that our money will no longer be used to finance the Machiavelian plans of the military junta?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Three things, Mr. Speaker. I am willing to consider the effectiveness of the first proposal of the Hon. Member. If it can be effective, I would intend to pursue it.

Second, the Canadian Government has already consulted all countries which have important relations with Haiti, namely France, the United States and neighbouring Caribbean countries. My colleague, the Minister for External Relations, has met directly with the prime ministers of certain neighbouring countries in the Caribbeans.

Third, I believe that it would be very useful for Hon. Members and other people to learn about the situation in Haiti as concerns development assistance and other matters. I hope that our ambassador will be able to meet directly with parliamentarians and other interested parties when he is here. Tomorrow, the Minister for External Relations will meet with non-government organizations which operate in Haiti to discuss the most effective means to take concerted action because, in our view, our objectives should be, first, to ensure a truly democratic situation in Haiti, and second, to maintain the historic support of the Canadian people to the poorest members of Haitian society.

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## NATIONAL SECURITY

ALLEGED PRESENCE OF TERRORIST IN CANADA—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I wish to direct my question to the Solicitor General.

According to an article published in today's *Globe and Mail*, Canada is the home of a terrorist. For a few months now the Government has had information concerning this individual.

My question is quite straightforward: Why did the Government not arrest this terrorist?

• (1430)

[*English*]

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I can advise the House that in the summer of 1986 a Mr. Mohammad applied for landed immigrant status to Canada through our office in Madrid, Spain. As a result of inquiries made to Spanish authorities a positive response was obtained and, as a result, our liaison officer in Spain advised Immigration that there was not a security problem. That

information was obtained, I may say, because of false and misleading information which this Mr. Mohammad gave to our officer in Spain.

When we subsequently received additional information, we again conducted interviews of this Mr. Mohammad in Canada and, after a number of months, obtained a positive identification of this gentleman. That was in the late spring of 1987. The information was then turned over to Immigration which has been proceeding since that time to institute deportation proceedings against the gentleman in question.

GOVERNMENT ACTION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, since the information made available and now confirmed in the House by the Minister reveals clearly that the individual in question lied in his application to come here as a bona fide immigrant, could the Government explain why nothing substantial has been done for many months? Why have charges not been laid? Why has no action been taken to ensure that this person is removed from Canada?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, as I have already advised the House, the gentleman in question was interviewed here in Canada immediately after his arrival. Fingerprints and other documentation were obtained at that time. It then took a number of months to obtain a positive ID from the other countries in Europe as to the proper identification of this gentleman.

The House must understand that he is of Lebanese background. There has been a great deal of turmoil and problems in that country. It took until then to make a positive ID. The information was then turned over to Immigration officials who, since that time in the early summer of 1987, have been preparing their case against the gentleman in question.

REQUEST FOR DEPORTATION OF INDIVIDUAL

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, while the Government has been busy bringing in bogus legislation allegedly dealing with the refugee problem, keeping out, if it had its way, all kinds of illegitimate—

**Some Hon. Members:** Right!

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** —all kinds of legitimate refugees—well, the people of Canada understand very well the bogus games the Government is up to in passing the buck.

Having heard the answer of the Minister, I want to ask him again, when we have a clear violation of the Immigration Act by a known terrorist, why has the Government not acted promptly to get that known terrorist out of Canada?

**Mr. Crosbie:** Pass the legislation.

**Hon. James Kelleher (Solicitor General of Canada):** As the hon. gentleman knows, as soon as the positive ID was obtained, the information was turned over to officials in Immigration. There is a due process under the Act which has been followed and that indeed is being done and has been done, and I think Immigration is now in a position to proceed further on the matter.

GOVERNMENT POSITION

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, the bottom line is that as a result of the Government's negligence a convicted terrorist was allowed to obtain landed immigrant status in Canada. As a result of the Government's gross negligence, a threat to the national security of Canada and Canadians has been created. Is the Solicitor General prepared to assume responsibility on behalf of the Government for this bizarre series of events, and will he not admit today in the House that this individual is in Canada because of the negligence of the Government and its officials?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, as I have already advised the House, the gentleman is in Canada because he gave false and misleading evidence to our liaison officer in Spain. That official checked with authorities over there, found nothing, and advised Immigration here that he had not found anything. As a result of that he was allowed to come to Canada.

Immediately upon obtaining additional information, CSIS interviewed the gentleman, got fingerprints, and over the course of the next number of months found evidence that positively identified him as a terrorist. That was then turned over to Immigration officials who are pursuing their case with respect to deportation.

ADMITTANCE OF INDIVIDUAL THROUGH PEARSON INTERNATIONAL AIRPORT

**Mr. Sergio Marchi (York West):** Mr. Speaker, my supplementary question is directed to the Minister of Immigration. Given that immigration officials at Pearson International Airport were placed on an urgent alert in advance of this individual's arrival in Canada on February 27 of last year, why did they admit him to Canada rather than intercepting and, as a security precaution, detaining him at that time? Will the Minister ensure, as advocated by a committee report dated 1986, that changes are introduced immediately to the role that CSIS plays in immigration security clearance, because it is not doing it to the degree Canadians deserve in order to protect the integrity of and confidence in the system.

[*Translation*]

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, the same false information given to the security agency in Spain was used to gain access to Canada.

The individual in question used 21 different names for identification purposes and when he arrived at the Canadian

border the name appearing on the official visa did not match any on the lists we had. This is why the individual was admitted.

But again, Mr. Speaker, I want to correct a false statement made by my colleague from York South—Weston to the effect that Canadian security was jeopardized. That same day or the day after this individual entered Canada we were aware of his whereabouts. He was followed by the security agency, or the RCMP in this case. At no time ever did this individual constitute a threat.

As to the second part of the question, Mr. Speaker, the Minister of Employment and Immigration is quite satisfied with the security agency services. There is no question of changing the system.

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[*English*]

## TRADE

PROPOSED UNITED STATES OMNIBUS TRADE BILL—MINISTER'S DISCUSSIONS WITH U.S. SECRETARY OF STATE

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I would like to direct my question to the Secretary of State for External Affairs who met last week with U.S. Secretary of State Shultz. Did the Minister discuss with Mr. Shultz the omnibus trade Bill which was so importantly stressed by the external affairs committee in its report, and did he obtain assurances that that Bill will not apply to Canada?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the answer to the first question is yes. The answer to the second question is that the United States is fully aware of our concerns and, we believe, bound by the agreement that was signed in Washington with respect to the primacy of the Free Trade Agreement relating to trade relations touched by that agreement after January 1, 1988.

[*Translation*]

INQUIRY WHETHER MR. SHULTZ PROMISED REJECTION OF TRADE BILL BY PRESIDENT REAGAN

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I have a supplementary question. This important question requires a direct answer. Did Mr. Shultz give the assurance that this trade bill would be turned down by Mr. Reagan? Did he give this assurance?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, this is another matter entirely. But the reply concerning the relationship between the Omnibus Trade Bill and the Free Trade Agreement signed by Canada and the United States is to the effect that in the free trade document itself, there is a committment made by the United States which deals directly with the issues raised by the Hon. Member and which provides Canadians with the necessary guarantees.

* * *

• (1440)

[*English*]

## FISHERIES

ISSUANCE OF NEW LOBSTER FISHING LICENCES IN NOVA SCOTIA

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Minister has issued four new offshore lobster licences against the advice of his own advisory board and of the Minister of Fisheries for the Province of Nova Scotia. Premier Buchanan of Nova Scotia, the Maritime Fishermen's Union, and the Eastern Fishermen's Federation have called for the immediate cancellation of these licences.

Will the Minister respect the integrity of the lobster fisheries management system and cancel these licences immediately?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I certainly shall respect the integrity of the lobster management system which allowed me to add four licences to the over 6,000 lobster licences in Nova Scotia on a basis which was biologically sound and managerially prudent.

**Some Hon. Members:** Oh, oh!

**Mr. Siddon:** The selection process was absolutely fair and according to a set of criteria prepared by my own officials. If the Member wants to ask further questions I can certainly elaborate on this initiative which will produce new employment and new economic growth in Nova Scotia, which I hope the Hon. Member would support.

**Mr. MacLellan:** Mr. Speaker, that selection was anything but fair. It was done in secret and the licences were given to Tory hacks. The selection had nothing to do with scientific research and everything to do with political patronage.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order. I know the Hon. Member would not want to get into debate in a preamble, which he is getting very close to doing. The Hon. Member will put his question.

GOVERNMENT POLICY

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, why is the Minister of Fisheries and Oceans using lobster pots for even more Tory pork-barrels?

**Some Hon. Members:** Oh, oh!

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, speaking of lobster pots and pork-barrels, I ask that the House consider the basis on which six of the eight original offshore lobster licences were awarded to one particular family by a Liberal Government, and the Hon. Member can decide for himself what the politics of that family were.

The offshore lobster fishery has the potential for significant new development as have a number of other offshore fisheries in that province such as the offshore clam fishery.

It is passing strange that whenever we have an opportunity, based on scientific advice and according to a fair selection process, to create more jobs and employment, the Opposition is forever critical.

**Some Hon. Members:** Oh, oh!

* * *

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

MONTREAL'S EAST END—REQUEST FOR ADEQUATE AID PROGRAMS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have a question for the Minister of State for Science and Technology who is also responsible for the lack of action in the development of the Montreal East area since his government came to power three and a half years ago.

Following the losses of 400 jobs at Vickers and 150 more at the CIP over the Holiday season the number of unemployed in that area has increased to over 20,000. Would the government be prepared to support training and retraining programs for the workers who have been laid off in the Montreal East area, those especially who are over 50 years of age? Could the Minister assure the House that any assistance program directed at Montreal East will take into account both the human problems of the unemployed workers as well as the financial and competitive difficulties faced by the companies in that area?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, this government has always been concerned with the financial, economic and human problems of the Montreal East area. My honourable friend has just referred to the period since 1984. For his information, I should like to provide him with a few statistics on what this government has done for the Montreal East area.

The Federal Government has directly approved seventy six projects representing a total cost of $294.6 million, with $256.7 million in admissible costs, nearly $40 million in authorized payments, which have resulted in the creation of 2,468 new jobs and the preservation of 2,499 old ones. And this, Mr. Speaker, does not even include the 2,000 person-years of employment at Bombardier for the building of locomotives which I announced recently in Montreal East.

OUTLOOK FOR FUTURE OF MONTREAL'S EAST END—GOVERNMENT POSITION

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, the Minister neglected to mention that he failed to respond to a report submitted by the Montreal East economic renewal committee in September. The people and unions of Montreal East are still waiting for the Minister's response. According to the report, 1,000 workers are unemployed, 7,500 have been laid off and 10,000 are living on welfare. My supplementary to the Minister is as follows: Does the Government intend to maintain Montreal East as a major centre for heavy industry or will it just be a location for service industries where all these people would then have to work, selling hamburgers at MacDonald's?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, first of all, I would like to respond to the preamble to the Hon. Member's question. We have examined the report on Montreal East, and in the spirit of co-operation we have maintained with all Canadian provinces, I discussed the report several times with my Quebec counterpart. We are now preparing a joint comprehensive and positive response to the recommendations of the Pichette report. I am meeting my counterpart again this Friday when we will try and finalize a joint position for the federal and provincial governments which will respond to the economic, financial and social needs of Montreal East.

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## REGIONAL ECONOMIC DEVELOPMENT

OUTLOOK FOR FUTURE OF OUTLYING REGIONS OF QUEBEC—GOVERNMENT POSITION

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Up to the middle of the 80s, rural regions in Quebec had been neglected by the previous Government as far as economic development was concerned, and federal action on regional development in Quebec had focussed on the more industrialized regions in the southwest. Could the Minister give the House an indication today of the kind of economic development plan the federal Government has in mind for Quebec's outlying areas?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, as you know,—and I am sure this will interest the Hon. Member as well—as far as regional economic development is concerned, we have embarked on a program that focusses particularly on outlying regions, which tend to experience major problems with respect to employment

and economic development. Mr. Speaker, we have also made a conscious effort to involve local communities in this initiative. We want to see consultation. We want community participation, not only in regional programming but also in the implementation of regional programs across this country. We have already demonstrated this in the Atlantic Region and Western Canada, we are now doing so in Quebec and Ontario, and we intend to continue this policy. Community involvement is the key to success in regional development!

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## SHIPYARDS

REQUEST THAT JOBS BE SAVED IN QUEBEC

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. During a TVA year-end television program the Prime Minister indicated that all Quebec shipyards had rosy future prospects. In addition, speaking to Radio-Canada's journalist Pierre Nadeau, he stated that Quebec shipyards were going full spin and that there was no reason to push the panic button before 1990 or 1991. Again the Prime Minister misled the people of Quebec and the shipyard workers: the rosy hue turned to a funeral-parlor mauve after two Quebec shipyards—Vickers and Sorel's—died and the only thing going full spin are the 635 lay-offs. Now that the Conservative Government has shut down two Quebec shipyards and laid off 635 workers, can the Prime Minister tell us what he is going to do to support and help these 635 workers and salvage what is left of Quebec's naval tradition, namely the Lauzon shipyards?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, it was precisely to save jobs that the federal Government and the Quebec Government took the initiative of which you are aware. The restructuring plan was unveiled by the Quebec Government. Under this plan and with a major federal contribution the industry will be in a position to streamline its operations. It will end up with more—not fewer—jobs; three times as many jobs at Lauzon, twice as many jobs at Sorel. That is part of the restructuring plan.

REQUEST FOR WORK

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I have a recording of the Prime Minister's comments. Enough is enough! I would like to know what the Prime Minister meant when he told Quebec workers that their province's shipyards were operating "full spin". What is the Prime Minister's answer on that? Those people want to know the truth. What will there be for those 635 workers? Mr. Prime Minister, you were saying to Mr. Nadeau, in your deep voice : "Look now, Mr. Nadeau, about those 635 workers, the shipyards are operating full spin". What does that mean, "full spin"? People in Quebec want to work! Give them work, give them contracts for Quebec shipyards!

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, since the Hon. Member referred to job creation and helping workers, it should perhaps be remembered that since September 1984 in Montreal, 116,000 new jobs have been created over the last three years, as compared to a net loss of 4,000 jobs in Montreal over four years under the Liberals. So there you have it, Mr. Speaker—116,000 new jobs created in Montreal under the Conservative Government over three years, as compared to a net loss of 4,000 jobs under the Liberal administration when the Hon. Member for Montreal—Sainte-Marie was sitting in this House of Commons but did not say one word against the Liberal Government that was killing Eastern Montreal's economy.

Mr. Speaker, on that point, of course the Hon. Member knows too well that almost a third of the frigate contract is going to Quebec through a very large, nearly $900 million contract to Paramax. Secondly, perhaps my hon. friend should read the statement made by Minister Daniel Johnson where he said the award by the Canadian Government of the frigate contract to Marine Industries Ltd. shipyards will in no way impair the rigourous restructuring plan developed by that company. The Quebec Government's plan to restructure shipyards was clearly in place and the award of the contract to St. John's, New Brunswick, which was in great need of that help from the Canadian Government, changed nothing to the impact on employment in Montreal.

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## EXTERNAL AFFAIRS

PRETENCE OF ELECTION IN HAITI—GOVERNMENT POSITION

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, my question is for the Secretary of State for External Affairs. The government has announced this morning that it does not recognize as valid the elections in Haiti. They have known for a long time that these elections would not be democratic. Why have they remained silent all that time? Now it is too late!

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we have not remained silent. We think that it is up to the people administered by a governement to judge the efficiency of that government. The people of Haiti have now decided. There is evidently no support. The people have not voted. There is no support for the elections that were held yesterday. The challenge now for us, for the friends of Haiti, is to find ways to restore the democracy in Haiti and help the people of that country. That is the objective of our government.

• (1450)

[*English*]

GOVERNMENT POSITION

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, it was clear to everyone that these elections held yesterday were bound to be a manipulated tragedy. Is it not possible that had the Canadian Government and other Governments condemned in advance what was going to be inevitably a travesty, the tragedy of yesterday and the actions of now might have been avoided?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, to come to that point, since the Hon. Member has raised it, I believe that the eloquent statement made by the electors at Haiti who stayed home was all the more effective because it was clearly a statement that they made themselves.

The challenge for us now is to find ways not just to talk about helping Haiti, but to find practical ways in which this country, France, the United States and neighbours in the Caribbean can come together to encourage democracy in that country as well as to help the impoverished citizens of one of the most impoverished countries in the world. Indeed, it is a country with whom we have had long and important relations.

I misheard part of the statement of the Member for Papineau who made an accusation with regard to the misdirection of aid funds. We have investigated that. There is no basis to that allegation.

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## THE ADMINISTRATION

JUDICIAL FINDING OF FAILURE BY MINISTERS TO OBEY COURT ORDER

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is directed to the Prime Minister. On January 8 the federal Court of Appeal, in a unanimous decision, found both the Secretary of State for External Affairs and the former Minister of Employment and Immigration, the present Minister of Communications, guilty of contempt of court for failing to obey a court order. In other words, two of his Ministers now stand convicted in their personal capacity of a serious offence, characterized as a quasi criminal offence, convicted by a court of law for failing to carry out their duties as Ministers.

What is the Prime Minister's reaction to this conviction of his Ministers, and what is the position of the Government?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, in the absence of my colleague, the Minister of Justice who is away on other government business, I can advise the House that the Minister of Justice today instructed the officials in his Ministry to commence proceedings for leave to appeal this particular conviction. As a result, the matter is presently before the courts and, as the Hon. Member well knows, I cannot comment further on a matter that is going to be under appeal.

**Mr. Kaplan:** We are accustomed to the non comments of the Solicitor General on matters involving members of his caucus and the courts.

DECISION TO APPEAL FINDING

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, does the decision of the Government to appeal mean that Ministers are not to be held accountable in court for failures like the one that resulted in this conviction? Is it the Government's position that the Ministers are not responsible for their Departments? I think the Prime Minister himself should be answering a question of this importance.

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I am very concerned that the Hon. Member appears to be suggesting that my two colleagues should not be able to avail themselves of a right of appeal. Is he suggesting that they do not have that right?

With the greatest respect, I do not think that the Hon. Member should be making suggestions about what has or has not happened or about the results until we have heard the decision.

**Mr. Speaker:** There will be two more questions—the Hon. Member for Winnipeg North, followed by the Hon. Member for Fraser Valley East. That will close Question Period.

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## NATIONAL DEFENCE

AWARDING OF CF-18 MAINTENANCE CONTRACT

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, my question is directed to the Minister for Regional Industrial Expansion. The decision to award the CF-18 contract to Canadair instead of Bristol in Winnipeg incensed all Manitobans. The Leader of the New Democratic Party asked the Government, first, for assurances that the decision had been made on the basis of the competitive aspect of both bids. We also asked that the relevant documents be referred to the Auditor General for study and report to the House. I ask the Minister why the Government did not agree at that time to that proposal?

• (1500)

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, subject to consulting *Hansard*, if I recall properly at that point I indicated very clearly that all

relevant documents would be referred to the Auditor General. He reports directly to this House and will have access to all the relevant material. I will verify the record to ensure I have made that commitment. Obviously, through the normal process, the information was made public, subject, obviously to the caveat I mentioned back then, that some of the confidential commercial information, before its release, had to be cleared by the companies involved.

**Mr. Speaker:** A short supplementary, please.

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## SCIENCE AND TECHNOLOGY

ESTABLISHMENT OF CENTRES OF EXCELLENCE—POSITION OF MANITOBA UNIVERSITIES

**Mr. David Orlikow (Winnipeg North):** I would like to ask the Minister to assure the people of Manitoba that the report in the *Winnipeg Free Press* several days ago that the universities of Manitoba would not be considered as possible recipients of scientific research centres of excellence because Manitoba has a New Democratic Government is incorrect, and that Manitoba universities will be given a fair opportunity in the competition for these centres of excellence.

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, I would like to give the strongest assurance that all Canadians, all Canadian provinces, all Canadian universities and all Canadian researchers will be treated equally by this Government.

**Mr. Speaker:** This will be the last question.

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## ADMINISTRATION OF JUSTICE

CONVICTED MURDERER-RAPIST CHARGED WITH TRIPLE MURDERS WHILE OF PAROLE

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, my question is directed to the Solicitor General of Canada. On December 13 a convicted murderer-rapist, who was out on full parole after serving only seven-and-a-half years of a life sentence, murdered three innocent people in Chilliwack, a 34-year-old mother, her 12-year-old daughter and her 12-year-old friend.

Why was a convicted deviant sexual offender who had committed a heinous murder and rape in 1971, and who was subsequently convicted of indecent exposure in 1986 while out on parole, again let out on full parole to go and murder three people?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, let me first express my horror to this House and to the families and relatives of the victims over what happened. I can advise the House that this individual was convicted of non capital murder in 1972. After nine years in prison, he was paroled under very strict terms in 1981. In 1986 his parole was revoked for a 21-day period for indecent exposure. Again, after a full hearing by the vice-chairman of the National Parole Board, he was again released in 1986 on very strict terms. He was receiving medical and psychiatric treatment at the time of this tragedy. We were shocked and surprised, as was everyone else.

There is going to be a full inquest conducted by the coroner of British Columbia into this case in either February or March of this year.

**Mr. St. Germain:** Supplementary, Mr. Speaker.

**Mr. Speaker:** I know there are some Members who would like to pursue this longer, but I am conscious of the time. I will, of course, be very generous in recognizing those Members tomorrow.

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## POINT OF ORDER

ALLEGED USE OF TAPE RECORDER IN THE HOUSE

**Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I wonder if you could clarify something for the House. I saw the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) with a tape recorder on his desk and he was waving it in the air. If the Member was using it in the House and it is against the rules, where do we stand on that issue, please?

**Mr. Speaker:** Perhaps I can assist the House. I also noticed the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) with a recorder in his hand. I thought perhaps he wanted an immediate Translation or recording of what was taking place. There has been some indication that perhaps the Hon. Member, in an excess of enthusiasm, wished something on that tape to be put through the recording system of the House. That is an ingenious approach, but, of course, it is out of order. However, I listened and found that I could not hear anything except the Hon. Member for Montreal—Sainte-Marie who, of course, has never been shy about ensuring that we could hear the question that he put.

The Hon. Member has raised a point in which he is absolutely correct. If an hon. member was doing what may well have been attempted, that would be out of order. I am sure all Hon. Members would refrain from doing it again.

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, the Hon. Member for Montreal—Saint-Denis had that tape.

**Mr. Turner (Vancouver Quadra):** Montreal—Sainte-Marie.

**Mr. Prud'homme:** The Hon. Member for Montreal—Sainte-Marie had that recorder. I wish to draw to the attention of the Chair that at no time was the Hon. Member trying to use a recorder to tape the deliberations. That would be out of order. In any case, the rules are very clear, we cannot do that in committee or in the House even though everything is now made public on television.

What the Hon. Member had in his hand was a tape of a speech that was made. He only wanted to emphasize that he had in his hand the proof of what he was saying.

**An Hon. Member:** You are on light ground.

**An Hon. Member:** Sit down.

**Mr. Prud'homme:** I am not on light ground. If I was, Mr. Speaker would have ruled me out of order right away. So that is the explanation.

[*Translation*]

**Mr. Speaker:** The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor on a point of order. The Hon. Member may continue.

[*English*]

**Mr. Prud'homme:** I will conclude by saying it is an non-issue because the Hon. Member was not trying to be out of order by taping what was going on, even though, as I said and as I will repeat, every deliberation is now on television. However, it is still against the rules to tape in a committee room or in the House, but that is not what the Hon. Member from Montreal—Sainte-Marie was trying to achieve. He just wanted to emphasize by showing that he had in his hand proof of a speech made by the Right Hon. Prime Minister (Mr. Mulroney) somewhere concerning a certain debate. That was all. I do not think my hon. friend should have even raised that question.

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[*Translation*]

## HOUSE OF COMMONS

APPOINTMENT TO INTERNAL ECONOMY COMMISSION

**Mr. Speaker:** I have the honour to inform the House that Mr. Jean-Robert Gauthier, Member for the electoral constituency of Ottawa—Vanier, has been appointed member of the Board of Internal Economy to replace the Hon. André Ouellet, Member for the electoral constituency of Papineau, for the purposes of and pursuant to the provisions of Chapter 39 of the Statutes of Canada, 1985, entitled an Act to amend the House of Commons Act.

[*English*]

## POINT OF ORDER

WITHDRAWAL OF EARLIER REMARK

**Mr. Bob Brisco (Kootenay West):** Mr. Speaker, During Question Period the Hon. Member for Oshawa (Mr. Broadbent) raised a question with respect to a purported foreign terrorist in Canada. I made an intervention or interjection which inferred that the terrorist was a refugee. I have no idea whether or not that remark was recorded by *Hansard*. However, I take no comfort in whether it was or was not recorded. I simply want to categorically withdraw the remark as being terribly wrong in casting a reflection upon refugees that was clearly unintended.

I unequivocally withdraw my remark whether or not I have been identified as the person who made that untoward comment.

**Some Hon. Members:** Hear, hear.

• (1510)

**Mr. Speaker:** The Hon. Member for Kootenay West (Mr. Brisco) has made an intervention in the best tradition of this House. The Hon. Member has the thanks of other Hon. Members, as was indicated by the applause and by the Chair.

When the House rose at one o'clock the Hon. Member for St. John's East (Mr. Harris) had the floor.

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# GOVERNMENT ORDERS

[*English*]

## GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of the motion (Mr. Mulroney) that Bill-103, an Act to increase economic opportunity in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and the Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**Mr. Jack Harris (St. John's East):** Mr. Speaker, I have indicated that there are certain aspects of this legislation which improve upon the previous approach taken. That is to say, under one ministry will be all of the programs for regional development related to Atlantic Canada. I would expect there to be more sensitivity than we have come to expect from the Governments of Canada, whether they be under the current administration or previous Liberal ones, to the two programs as they affect Atlantic Canadians and Atlantic Canadian businesses.

In this regard I need only refer to the Atlantic Enterprise Program which was introduced by the present Government.

In February of this year the Government had to respond very quickly to the criticisms which were launched immediately against the program by business people in Atlantic Canada concerning its threshold requirements. Initially, the program provided for loan insurance and interest buy-downs for projects in excess of $250,000. This refers to the program which was announced in the 1986 Budget.

The immediate reaction from Atlantic business people was that that would not apply to very many projects for capital improvement and that it would not provide any major initiative for development of capital projects in the Atlantic region. Within a matter of months the Government was required to announce, through the then Minister of State for Small Businesses, that the thresholds would be lowered from $250,000 to $100,000 and that interest buy-downs would be lowered from $250,000 to $25,000. This was in keeping with the scale of many projects and businesses in the Atlantic region. That is only one small example of what we in the New Democratic Party see as insensitivity by the members of Cabinet and by the Government to the needs of Atlantic Canada and to the importance of regional development to Atlantic Canada.

These difficulties that Atlantic Canadians have in getting a response from the Government of Canada to their needs are not new. They existed under the Tories. They existed prior to that under Liberal administrations. During the first five years of the DREE program under the Liberal administration, from 1969 to 1974, the per capita spending in the Province of Newfoundland was $9 per year. That was the annual average expenditure for the first five year period of the program. In the last five year period the per capita expenditure was down to $7. In the next year, which was a year under the Tory administration, the per capita expenditure for industrial incentive grants was down to $3. So we experienced a decrease, not an increase, in expenditures for this type of program. This was a program which was absolutely necessary, not only in terms of the interests of Atlantic Canada but in terms of the interests of the whole of Canada.

As I indicated before lunch, regional imbalances are the major economic problem of Canada. Since August of this year we have heard in the House statements by the Prime Minister (Mr. Mulroney) and other Ministers bragging about their performance. Figures released by the OECD Organization for Economic Co-Operation and Development show that Canada's economy as a whole has been very good compared to other OECD nations. Our unemployment rate has dropped to a five year low of 9.1 per cent in the past year. However, not all Canadians have shared the sustained growth that Canada has experienced over the last several years. In the industrial heartland of Canada, in southern Ontario and in parts of Quebec, we are back to pre-recession levels. However, in the western provinces and in Atlantic Canada such is not the case.

The underlying message in all of this is that economic growth in Canada, powerful as it may be, will not cure the widening imbalances between regions. We are developing a two-tier system wherein there are two types of Canada's, a Canada for the economic heartlands and one for the fringes of the country, including Atlantic Canada. That is not good enough. It is not good enough for Atlantic Canada. It is not good enough for Canada as a whole.

Not just Members of Parliament from Atlantic Canada ought to be concerned about this matter. They are not the only ones from whom we should hear speeches on this subject. Members of Parliament from wealthier ridings, from ridings which have sustained economic growth, ought also to be concerned about the importance of regional development and about correcting regional imbalances.

Mr. John Crow, the Governor of the Bank of Canada, is one of many Canadians who has expressed concerns about regional imbalances. He has said that these regional imbalances could eventually drag down the whole economy. That is but one reason to support regional development. It affects the whole economy of the country. A more important reason to support regional development is that the people of Atlantic Canada deserve to have the same opportunities as do other Canadians in terms of employment. They deserve a share of the wealth of this great country.

The same report that the Prime Minister was so happy to quote in August and September of this year, put out by the Organization for Economic Co-operation and Development, flagged to all industrialized countries the starkness of regional disparities in Canada's growth rates as a major problem. The agency has been quoted as saying that while such differences are a common feature of the Canadian economic scene, their intensity was unusually pronounced last year. That is an indictment against this country's approach to regional development. It is an indictment against the lack of concern that central Governments, both Tory and Liberal, have had for the regional development of Atlantic Canada. We in the New Democratic Party wish to see that change. We wish to see a national commitment to reducing the unemployment rate in Atlantic Canada.

• (1520)

The Minister of Transport stated in the House today that, "We will wait for four or five years and see if it works. We are putting in $200 million a year for five years and we will wait for four or five years and see how it works. The success of this is in the hands of the board that we have appointed". Atlantic Canadians, it is all your problem now. We are turning it over to you. We have taken away $1 billion per year, we are giving you back $200 million. In four or five years we will come and see how it has worked.

Instead of that, there ought to be a five-year commitment from the Government, or from any Government of Canada, to reduce the disparity between Atlantic Canada and the national

economy by 20 per cent per year. That is the type of commitment we expect from a Government that is serious about reducing regional inequities in this country. Let us put into the legislation that that is the goal and the objective of the agency, and that the Government is committed to making moneys available on an annual basis to achieve those results. Have the agency make an annual report to Parliament on the progress that it has made. That would be a real commitment to the reduction of regional disparities. All Canadians would then know, without even thinking about it, that if the unemployment rate in Ontario was the same as it was in Newfoundland, that would require a national project and would be a matter of national concern. It is a matter of national concern now because it is Newfoundland, just as much as it would be if it were Ontario, Quebec, or any other province.

Atlantic Canadians deserve better from this country. They deserve a commitment from the Government of this country to reduce the regional disparities. We want targets in the legislation, and we want input on that board from sectors of the economy in Atlantic Canada other than the private sector. We need to have input from the co-operative sector. We need stronger commitment from labour, an involvement by regional development corporations and associations, and a stronger input from the voluntary sector and organized labour. These commitments are needed if this Government is to be seen as taking seriously any commitment to regional development.

There is a concern that there is a lack of political will to do what needs to be done about regional development. That is the cases. It is exists in this Government. I quoted what was stated by the former Minister of Public Works, a Minister from the Atlantic region, who stated that "this is the last kick at the can". The five year commitment of $200 million a year for all of Atlantic Canada is the last kick at the can. This is all we can do. After that there ain't no more. If that is all that this Government can do for the next five years for Atlantic Canada, it does not deserve to be the Government of this country, and Atlantic Canadians will not support it.

Prior to the Government's involvement in 1984, the Liberal Government had a chance for 15 years, with the exception of the brief interregnum of the Government of the Right Hon. Mr. Clark. During that 15 year period the commitment to regional development decreased; it did not increase. In fact, the former Liberal Party regional development critic, a Member from Nova Scotia, admitted that his Party lost the political will to stimulate economic growth in the last years of former Prime Minister Trudeau's Government. That is an admission that the political will and the commitment was lost.

Indeed, when the Leader of the Official Opposition (Mr. Turner) was Prime Minister, one of his first acts was to remove any Minister responsible for regional development. At that time, for the first time in 20 years, there was no one at the Cabinet table who was responsible for regional development. There was not one person whose responsibility was to see that regional development was to take place in this country. That was the extent of the loss of political will of the former Liberal administration which existed up until September, 1984. That was when it ended. Since 1984 this Government has shown how badly it treats regional development as an issue.

A very poignant way of expressing the concern of this Government's approach to regional development was expressed in *The Ottawa Citizen* in May, 1987. The article states:

> The Conservative government's approach to regional development seems to have one potentially fatal flaw: As in Charles Darwin's theory on survival of the fittest, some parts of the country may never flourish.

That is what has happened with the Government. It has one approach, and that is, if you are fit you survive, and otherwise you die. By taking money away from regional development in Atlantic Canada it is hanging Atlantic Canada out to dry, and all Atlantic Canadians will be the losers.

The people of Canada will rely on the New Democratic Party to make a commitment to a national effort on regional development; a commitment to attempt seriously in a targeted, programmed way to reduce economic disparities in this country, in a reasoned, carefully planned staged manner over a short period of time, and make the commitment to provide the funds to make that possible.

This can be done by way of the tax system. We know that the tax system as it presently exists favours the large corporations over the small. The economic reality of Canadian corporate structure is that the larger you are the less taxes you pay as a percentage of your earned income. Obviously that favours survival of the fittest. The fittest are those who will have more money to spend and co-operate with the Government to become larger at the expense of smaller enterprises. These smaller enterprises exist in the regions of this country.

Over the last 25 years we have seen a decrease in spending in the Atlantic region for regional development. In the late 1960s when DREE was first started, one-half of its budget went to Atlantic Canada. In the last year of the Liberal's power this had fallen to 22 per cent. In 1983-84 the Liberals spent $30 million less in the Atlantic region than in 1975-76. The people of Atlantic Canada cannot look to the Liberals for an answer. They cannot look to the Government for an answer. They will have to look elsewhere, to the New Democratic Party for a commitment on regional development.

**Hon. J. Robert Howie (York—Sunbury):** Mr. Speaker, today we have heard from several Members of Parliament from the Atlantic provinces on this very important measure. Like the previous speaker, they made some excellent points that are worthy of consideration. This also is an example of the high calibre of debate that we receive in this House from Members of Parliament from Atlantic Canada.

Since the establishment of DREE in 1969, substantial attention has been devoted to the problem of regional disparity as it manifests itself in the Atlantic region. In fact, the experiences of the federal Government in trying to meet the special needs of this region predate DREE. There were a wide variety of initiatives undertaken beginning in the late 1950s.

There have been a multitude of broad strategies and individual initiatives. One survey identifies nine major and significant policy shifts since 1963. In addition, there have been major studies of the successes and failures undertaken by Governments and by independent agencies and scholars. The late DREE published regional and provincial reports; a select committee of the Senate produced a very insightful document; the Macdonald Royal Commission, the Atlantic Provinces Economic Council, and the Cape Breton Advisory Committee have all reported recently.

Given the time which has now elapsed since the first attempts to address the problem, and given the amount of information and analysis now available, it should be possible to arrive at coherent and effective new policies. It is now urgent that this be done.

• (1530)

Governments, and particularly the federal Government, now have a severely diminished capacity to redistribute wealth because of their deficits and their strained sources of revenue. We appear to have reached the point where corporations feel able to demand that provincial Governments compete with each other in offering extravagant concessions in order to obtain development. What all the reports tell us basically is that regional development policies have failed utterly to lessen disparities between the Atlantic provinces and the rest of the country. It is possible to argue, hypothetically, that in the absence of those policies the disparities would be even greater, but that thought provides very little comfort. The statistical demonstrations of this failure are legion.

We know that social policies and equalization payments have raised disposable incomes closer to the national average and allowed the Maritime provinces to sustain levels of health and educational services which would otherwise be impossible. These, in turn, generate local economic activity. Compensatory policies not only signal a commitment to the right of all individuals to basic standards of living and of services in all parts of the country, but they also signal a rejection of the idea of leaving the Atlantic region to the mercy of market forces, which could well have the effect of emptying it entirely. Direct government activity, such as military installations, also contributes to the standard of living. This is to the good, and so is decentralized administration and procurement in the region. It is one thing to raise disposable incomes, however, and another to increase the production of wealth and thus to lessen the dependency of the Atlantic region.

Efforts to stimulate economic development and diversification have not led to increases in earned incomes relative to the rest of the country, or lessened dependence on public sector spending in general, and federal spending and transfers in particular. Federal transfers to Governments and individuals in Atlantic Canada exceed revenues by $7 or $8 billion a year and account for 75 per cent of gross provincial product. That is a tragedy. This is true despite the achievement of specific objectives related to the creation of economic infrastructure and the stimulation of designated growth centres.

It is alarming to note that the low pay-off received from economic incentives has been consistent across several administrative approaches and changes in the nature of the incentives offered. There are some positive lessons to be gleaned. One is that projects do not outlast the incentives if they never made economic sense in the first place. They do not change the reality which discouraged investment in the first place, and they turn out to be a terribly expensive and demoralizing form of make-work project. The best DREE investments, by contrast, were in the expansion or modernization of existing viable enterprises, usually small to middle-sized and locally owned or controlled. It would be tempting in a time of fiscal restraint, but simplistic, for the federal Government to say that grants, tax incentives et cetera have not worked and thus should be abandoned. It would be simplistic because there is no evidence that these policies themselves are the problem or are unnecessary to generate economic growth. The truth is that traditional policy supports are almost certainly necessary, but apparently have not been sufficient to turn the Atlantic economy around. We must, therefore, recognize the fundamental problems which incentives and subsidies did not fully address.

Atlantic Canadians have to contend with a small market for their products. Although particular interest groups may see themselves threatened by prospects of freer trade with the United States, regional representatives should in general welcome the possibility of new economic opportunities in an expanded market. They and the Government of Canada must quickly identify the possible advantages and plan to seize them.

It has often been observed that some of the traditional disadvantages of Maritime industry, notably geographic ones, should not discourage the development of high technology industries, not to mention industries for which the region may in fact be uniquely suited. For example, several marine-related industries have been mooted in recent years. We should, therefore, be asking why outside capital is not attracted to genuine economic opportunities, especially when they are sweetened by incentives. It should equally be asked why these opportunities are often ignored even by indigenous entrepreneurs. If we knew why the Atlantic provinces were not considered attractive places to invest and why corporations hesitate to transfer highly skilled people there, we might understand why infrastructure and special incentives have not been sufficient to attract and hold industrial activity outside of natural resource exploitation. This is a roundabout way of posing a highly delicate question. Do the Atlantic provinces have characteristics which positively discourage or prevent investment? Do they produce enough skillful and ambitious entrepreneurs and managers, develop enough scientific and technological expertise, train a sufficiently qualified and

disciplined workforce to be taken seriously by outside investors? Do we drive out the best and brightest of those we do manage to produce?

The subjects of education, manpower training, research, entrepreneurship and investment incentives are related and fundamental to a realistic analysis of economic disparity.

We must acknowledge the problem and begin to consider fundamental changes or no amount of compensatory spending and short-term incentives will alleviate the chronic dependency of Atlantic Canadians. Our ability to match brains with the rest of the industrialized world will ultimately determine whether we can achieve the goals of social justice and humanity which all of us want.

At the present time the economy of the Atlantic provinces appears to be going through a crisis of confidence. This crisis is both economic and psychological. It is thus imperative that the Government of Canada undertake a new initiative to expand and diversify the economic base of the Atlantic region. This new initiative by the federal Government must be strong and determined and, by its nature, must be seen to be strong and determined. It, too, must have its economic and psychological effects but they must be growth promoting and confidence building.

Since the creation of the Atlantic Development Board in 1962, substantial amounts have been spent by the Government of Canada to encourage economic development in the Atlantic provinces. Very little of this money, however, has gone to the private sector to encourage directly the expansion of employment in manufacturing. Most federal funds have gone to provincial Governments to expand the infrastructure or the social overhead capital of the region.

Any survey of federal spending for regional economic development in the Atlantic provinces over the last two decades will reveal that direct incentives to industry have been relatively small, indeed so small as to be most unlikely to have any significant impact on the process of economic development. The fact is that there has never been a determined and realistic effort by the Government of Canada to expand and diversify the industrial base of New Brunswick and the other Atlantic provinces. Industrial incentives in aggregate have been relatively weak, weak in relation to those available in central Canada and perhaps, more important, the will in Ottawa to promote industrial change in Atlantic Canada has been extremely weak.

Citizens of New Brunswick and other Atlantic provinces contrast the enormous efforts and expenditures made by the federal Government to expand the automobile and aircraft industries of central Canada with the puny and perfunctory efforts at industrial development east of the Quebec-New Brunswick border.

Industrial development can only succeed if there are strong incentives for industry and there is the will in Ottawa to assist in using these incentives to promote economic change. Regional industrial development must also become an important and pervasive objective of all the key economic Departments of the federal Government and must be co-ordinated to maximize its impact. In the past, industrial development in the Atlantic region has only been of peripheral interest.

What is the Government's response? The Government's response is before us today in the Bill to establish the Atlantic Canada Opportunities Agency. The Atlantic Canada Opportunities Agency, ACOA, has been designed by the Government of Canada to ensure the creation of a more favourable environment for sustained regional economic growth within which the people of Atlantic Canada will share increasingly the opportunities for employment and earned income available to other Canadians. The agency's prime objective is to reduce economic disparity between Atlantic Canada and the remainder of Canada through action, co-ordination and advocacy. ACOA is responsible for federal business and industrial development programs in the region with particular emphasis on small and medium-sized operations.

Its principal function is to design and deliver such programs, working closely with provincial Government and the private sector, and not as a substitute for the activities of other federal Departments. It has a particular responsibility to foster new enterprises at the local level. It has a strong co-ordinating mandate over all the region, particularly in job creation, training and skills development, local investment promotion, technology infrastructure development and procurement.

• (1540)

One of ACOA's objectives will be to build up the research capability of universities and other post-secondary institutions in Atlantic Canada and to ensure that regional enterprise is fostered. It is responsible for bringing a regional perspective to bear on the design of national economic and social programs that affect Atlantic Canada.

The agency, with its particular emphasis on business development aspects of regional development, seeks to stimulate the entrepreneurial environment of the region to improve the competitiveness regionally, nationally and internationally with small and medium-sized Atlantic businesses and to encourage adjustment generally to changing local and broader economic and market circumstances. The agency, guided by the advice of its board, seeks innovative ways in which to maximize the use of new and existing resources.

The board's views on the design and execution of flexible new programs and on the adequacy and possible modification of existing programs are being sought. In particular, the board advises the agency on ways in which the agency can work competitively with its clientele in programs to enhance economic and industrial growth, on strategies for ensuring Atlantic interests are addressed in the treatment of national issues, on methods for planning and co-ordinating economic

development activities in Atlantic Canada, on possibilities for stimulating productivity improvements and technological innovation in the region, and on needs for improved information, program-delivery systems and analysis of barriers to Atlantic entrepreneurial activity.

The legislation will give the Atlantic-based agency the legal powers and clout needed to implement an innovative economic agenda aimed primarily at small and medium-sized entrepreneurs and based on the vision and creativity of the people of the region. The Bill before us gives far reaching authority to the agency including direct influence on the programs of other federal Departments inasmuch as these affect the economic climate in Atlantic Canada.

Not only are the organizational and administrative characteristics of the Government's new policy in establishing the agency unique, but what sets ACOA apart is also the flexibility of its approach to promoting and supporting entrepreneurship in Atlantic Canada. Greater employment and higher earned incomes are dependent upon assisting entrepreneurs to realize their objectives without the impediments of regional disparity. The agency will have unprecedented authority of its own to assist small and medium-sized businesses, the types of businesses that create the most jobs.

This legislation gives the people of Atlantic Canada their first real chance to design economic policies which affect them directly. Following the Prime Minister's June 1987 challenge to Atlantic Canadians to become architects of their own economic destiny, numerous business and community leaders have been participating in an ongoing consultation with the agency regarding what needs to be done in Atlantic Canada. This dialogue will add well-thought-out program substance to the legislative structure before us today. It will also help devise effective guidelines to gain maximum benefit from the $1.5 billion of new money set aside by the Government for new ACOA programs.

The new legislation will allow the ACOA Minister and the agency to have a great deal of flexibility regarding decision-making in the region. It will allow co-financing of regionally advantageous projects with other Departments and the establishment of designated areas of exceptional opportunities. It will harness federal programs to the common goal of increasing opportunity for economic development in Atlantic Canada.

This is a Bill for the future. It is a Bill which gives Atlantic Canadians direction over their economic future. It is a Bill which places decision-making in the region where it belongs. It is a Bill which gives small and medium-sized enterprises the tools they need to encourage economic growth and stability in the region. It is a Bill which adapts regional development programs to regional needs, not regions to the strictures of development programs. It is a Bill which will help create the environment needed for economic growth. It is a Bill which has the flexibility needed to encourage real growth and prosperity in the region.

I urge all Hon. Members to read this Bill carefully because I know that if they do, they will agree that this is a Bill for a future of growth and prosperity for Atlantic Canada. I will conclude by asking Hon. Members to act quickly on this Bill for the sake of the future of Atlantic Canada and Atlantic Canadians. Thank you, Mr. Speaker, for the opportunity to participate in the debate today.

**Mr. Orlikow:** Mr. Speaker, since this Government took office in September of 1984, $1.5 billion per year has been removed from support for the Atlantic region. Under the provisions of this Bill and with the funding we understand will be available, the Atlantic region will get $200 million per year in each of the next five years. This will mean that even when this Bill is passed and the funding is allocated, the Atlantic regions will still receive substantially less in federal government assistance to develop the Atlantic region than it was receiving when the former Liberal Government was in power. I would ask the Hon. Member how he can square the brave words we have just heard him utter with the reality of what the Conservative Government has done.

Second, how can the Hon. Member and the Prime Minister (Mr. Mulroney) argue that the free trade deal will give the Atlantic region the ability to get involved in procurement in the United States when he knows and the Prime Minister should know that the determined needs of the American Government and large American corporations are very large? Even if Canadian companies can get into the market, something that is doubtful, the contracts would go to companies in Ontario and Quebec, companies which are much larger and could therefore bid much more successfully for those supposed American contracts.

**Mr. Howie:** Mr. Speaker, I would like to thank the Hon. Member for his very in-depth and well researched question. I think he has posed two very vital and important questions. The Hon. Member spoke of reality, so I would like to give him some.

The Atlantic agency has been given responsibility for all regional development programs relating to the Atlantic region including the following: the Atlantic Enterprise Program, the Industrial Regional Development Program, Enterprise Cape Breton and the economic regional development agreements. Along with these programs came the money to administer the programs.

The present level of expenditures under these programs amounts to approximately $196 million. That is a considerable increase over the regional development expenditures in Atlantic Canada by the last Liberal Government. Average expenditures under IRDAs and GDAs by the Liberal Government in the last three years of its mandate, 1981 to 1984, amounted to $146 million. Average expenditures under IRDAs and GDAs by this Conservative Government in the last three years amounted to $198.5 million. That is an increase in expenditures of over 35 per cent.

The Prime Minister and all Atlantic Ministers were not satisfied with this increase in expenditures and have therefore committed to the Atlantic provinces an additional $1.05 billion over the next five years, an additional $200 million yearly for five years.

The Hon. Member asked a question relating to freer trade. I am very glad to hear a realistic interest in that subject now being undertaken by his colleagues.

Living in New Brunswick and reading American newspapers, I have observed that in the New England states, there is a very low unemployment rate. There are large advertisements appearing in *The Bangor Daily News* every day asking for employees. There are not enough people to fill the jobs.

We can learn a lesson by getting into that market. We can build on the excellent universities which exist in the area. We can use the New England states, our natural trading partners along the Atlantic seaboard, as a market for our goods to enable us to expand. One mill owner has indicated that he will be expanding to the tune of 200 more employees which, while not much to people from central Canada, means an awful lot to us in Atlantic Canada.

In addition, what do the Americans want from the maritime provinces? I think they would like access to our two deep-water ports, Halifax and Saint John. If the Hon. Member examines the configuration of the Atlantic shelf as it extends out on the seaboard, he will find it is relatively shallow, with two big exceptions. Halifax and Saint John stick out into the Atlantic like two hungry jaws facing the Persian Gulf, from whence come the largest ships in the world. One of the things we can sell the Americans is a transportation facility extended all along the Atlantic seaboard.

• (1550)

I want to thank the Hon. Member for those searching questions and for giving me an opportunity to address important subjects.

**Mr. Stackhouse:** Mr. Speaker, I caught the reference by the Hon. Member to the development of the universities of New Brunswick, institutions in which I have a special interest because of my family background in that province. I know of the traditionally great love for learning among the people of New Brunswick, and one of the things I have been waiting to hear about in the debate today is the extent to which the educational institutions and programs available to the people of New Brunswick will benefit from this new Atlantic development program.

**Mr. Howie:** Mr. Speaker, as some Hon. Members may know, this is a subject that I consider very important. It was the subject of a Private Members' Motion which all Members of this House approved of and passed. That Bill is now before the Standing Committee on Secretary of State for extensive study.

One of the lessons we learned from the New England states and their development is the necessity to build on the expertise in our universities. That is what they have done, and the spin-off benefits in new industry and research and development have been simply tremendous.

We in New Brunswick have developed a centre of excellence in the form of a forestry complex which has received assistance from all the Atlantic provinces, the federal Government, as well as other provincial Governments. It is developing new techniques and opening a window on research in the vital forest industry. It has blazed a path which I would like to see ACOA follow. I know that in that agency's mandate there is a directive to address that subject, and I am very pleased with that.

One of the things we might do, for example, is to look at the business administration school at the University of New Brunswick and work with it to develop an international marketing concept that could help the private sector in the Atlantic provinces to expand and to develop new markets and new opportunities for growth.

Another thing we can do in concert with our universities is to develop an innovation testing centre, a science mall, which will test new inventions and disseminate knowledge about them to people in the area so we can create more jobs.

Another area we can work together on in the field of education is training. That is a direct responsibility of ACOA. We could work with our universities in developing education, training new entrepreneurs and our workforce in order to help make Atlantic Canada a Mecca for entrepreneurs and highly-skilled people in order to take advantage of freer trade and the other opportunities which exist in our country.

**Mr. Corbett:** Mr. Speaker, I want to congratulate my colleague on putting a very succinct case for the Bill before the House today. There is probably no one in this House, and certainly no one in Atlantic Canada, who is more familiar with the details of regional development and regional disparities than the Hon. Member. I am sure that had he an opportunity, he would have dealt with the provisions of the Bill dealing with financing and co-financing and the co-operative programs, which can be implemented once the Bill is passed. These provisions have one purpose and that is the economic growth of the region.

I would ask the Hon. Member what he would suggest is the single most important difference between the ACOA and previous approaches to the problems of regional development in Atlantic Canada.

**Mr. Howie:** Mr. Speaker, I thank my colleague for his question. There are some significant differences. The depth of the measures open to the new agency is more extensive than under DRIE, DREE, or other programs of the past. I think that decisions being made in the area, after extensive consultations, is a factor, but if I have to name one single thing, and that is what he asked me to do, I would say that the ability of

the agency to focus the resources of all Departments of Government and all agencies as well as its own funding component on the problems in the area is probably the largest and most outstanding difference compared to the former situation.

**Mr. Rodriguez:** Mr. Speaker, I would like to ask the Hon. Member a question with respect to federal government procurement. That is one way in which we can look for economic diversification in the Atlantic region. Industries in the region can develop provided they are assured of the ability to bid on federal government contracts through the Department of Supply and Services. The free trade agreement with the U.S. would preclude an area like the Atlantic region from any such preferential treatment. Therefore, I would like the Hon. Member to stand and explain what appears to be a situation where the Atlantic provinces would not be able to take advantage of any federal government procurement programs.

**Mr. Howie:** Mr. Speaker, I would like to thank the Hon. Member for his question and I will be glad to, in his words, stand and explain how the procurement program works.

There exists in the Department of Supply and Services a program where the Department attempts to procure goods and services for use in the Atlantic provinces from people in the Atlantic provinces. At this point we are not filling the need. We are procuring goods for use in the Atlantic provinces from outside the region. This program, which is designed to address this fault and remedy it, is now in place, working, but it needs an awful lot more fine tuning.

There are a lot more things that can be produced in Atlantic Canada if we give them a market. Federal procurement is one way of giving them that market. That is the reason the program is in place and operating. By combining that program with others under ACOA we could advance the region a great deal. I would like to thank the Hon. Member very much for his suggestion.

**Mr. Harris:** Mr. Speaker, in view of the hour I will make my question brief. I wonder if the Hon. Member is aware of the report of the federal-provincial task force on regional development laid before the First Ministers' Conference in Toronto in November which concludes that the resources applied specifically to regional development over the past 25 years have been small in relative terms. It says expenditures in Atlantic Canada were in the order of 3 per cent of total federal expenditures and are now less than that. It says that greater expenditures could well have had significantly greater results.

In view of that fact, and the reduction in regional development expenditures over the last three years under the current Government of $1 billion a year, replacing it with $200 million a year, could the Hon. Member tell the House whether or not he is satisfied with the level of expenditure on regional development programs in this country?

**Mr. Howie:** I can answer that very simply and say no, I am not satisfied with the level of expenditures on regional development. I will not be satisfied until those of us in Atlantic Canada are at a par with the rest of the country. The Prime Minister (Mr. Mulroney) is not satisfied either. That is why we have this Bill before the House, which I am sure the Hon. Member, being from Atlantic Canada, will want to support.

I also want to indicate to him, as I did to his colleague, that expenditures for regional development in Atlantic Canada have increased by 35 per cent since this Government took office. That is a comparison of the last three years of the last administration and the first and only three years of this administration. I would like to refer the Member to the comparison of annual federal and DREE budgets from 1971-72 to 1983-84 when the Government took over. We did extremely well in the first year in terms of federal budget. We had 1.8 per cent of the spending power. In the last year we were down to 0.6 per cent. Therefore, the Hon. Member can rest assured that we have nowhere to go but up, and we did go up in the first three years we were in Government. The figures I have given are the expenditures, not the budgets. I compared the expenditures in the initial figures I gave to him and his colleague.

• (1600)

I want to thank the Member for his question. No one has a monopoly on the desire to see the disparities erased in Atlantic Canada, no political Party and no individual. All Parties have a very real interest in seeing this project work. We now need constructive suggestions and an awful lot of work. We must all get behind it. Someone said earlier that this was perhaps our last opportunity. I do not know whether it is or not, but it is a great opportunity of which we have to take advantage.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York Centre (Mr. Kaplan)—Administration of Justice—Inquiry why Government opposed appeal of Luc Paquette to have criminal proceedings trial conducted in French / Right to hold trial proceedings in French in Alberta—Position of Prime Minister; the Hon. Member for Scarborough West (Mr. Stackhouse)—Labour relations—Air Canada strike—Suggested suspension of work stoppage; the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart)—Regional economic development—Montreal East—Loss of jobs at Canadian Vickers / Request for particulars.

# GOVERNMENT ORDERS

[*English*]

## GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and the Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**Hon. William Rompkey (Grand Falls—White Bay—Labrador):** Mr. Speaker, I will pick up on the last statement made by the Hon. Member for York—Sunbury (Mr. Howie). He said that no one has a monopoly on compassion for the Atlantic area or on a wish to see the Atlantic area develop and advance. I think that is right. Governments of all stripes have been stymied over the years and the decades in trying to come up with something that will work.

In spite of all efforts by Governments over the years we are still behind in per capita income and the disparities still exist. What we have done until now certainly has not worked very well. I hope that this initiative works. I doubt very much that it is the last initiative. My own people in Newfoundland have been around for 400 years and I doubt very much that we will pack it in tomorrow. Whether or not this is the last gasp or the last kick at the can, I do hope it works.

However, I have very serious reservations and some questions that I want to raise about this particular deal. I do not want to get into a debate with the Minister of Transport (Mr. Crosbie) on who has the best record in the Atlantic provinces. He tried to make the case this morning that what the Liberals did was all bad and inconsequential and that what the Tories have done since 1984 has been excellent and outstanding. I would let the people decide that. The fact that we returned three Liberal Members out of seven in the Province of Newfoundland during the Tory sweep is indicative that the people know what has been done for them and who has been doing it. I think our record stands up in retrospect.

However, I do not think that kind of debate gets us anywhere. We should be asking questions about this particular deal. First, with respect to the $1 billion, the Government is very good at moving money around. It is the old shell game. They take the money away and then give it back and announce that they are giving new money. They did the same thing with R and D last week. In his economic statement the Minister of Finance (Mr. Wilson) reduced incentives for research and development, particularly for technological firms, then the Prime Minister (Mr. Mulroney) announced that the Government was going to give $1.3 billion to research and development in Canada. They take it away one year and give it back the next; it is the old shell game.

We have not yet seen any new money out of the Atlantic Canada Opportunities Agency. The money which has been coming through is from the old DRIE program. We will wait and see whether any new money comes through.

The Minister of Transport said this morning that they were looking for ideas. That is a silly proposition to put forward. There is no shortage of ideas in the Atlantic provinces as to what needs to be done. If he looks on his desk he will see a pile of proposals from the Province of Newfoundland alone on what economic initiatives can be funded. To say that we are doing this because we want ideas from the Atlantic provinces is an absolutely silly proposition.

The Minister of Transport then said that Atlantic Canadians will have to depend on themselves to pull themselves up by their bootstraps. Well, we must give them the wherewithal, the context, and the proper incentives if we expect them to do that.

The main problem I have is that there is no commitment here to infrastructure. The Member for York—Sunbury talked about initiatives which he thought should be taken. He referred to two deep water ports. There is no provision under the Atlantic Canada Opportunities Agency, in so far as I can see, to deal with such things as deep water ports. Indeed, there is no mandate for them to deal with infrastructure at all. It says that they will continue to administer the existing ERDA agreements, but there is certainly no commitment to money.

As a matter of fact, the Minister of Transport made it very clear when he spoke on first reading that this initiative was for business purposes. That is my main criticism of the initiative before us. It is all very well to talk about encouraging business opportunities in Atlantic Canada, but Atlantic Canada is weak in infrastructure. Until such time as you close the gap between the level of infrastructure in the Atlantic region and the level in the rest of Canada there will not be a level playing field and equal opportunity.

You can talk all you like about offering a man money to set up a new fish plant or to apply technology to his fish plant, but if he does not have a paved road over which he can truck fish to market in good quality what is the point of setting up that plant? The same applies if he does not have three-phase power or water and sewer in the community. These are matters which should be addressed but are not addressed in the measure presently before us. There is no provision here at all for infrastructure.

If there is a difference between the policies followed by the Liberal Party when in government and the policies followed by the present Government, this is the fundamental difference. We tried to respond to needs in terms of infrastructure. The Minister of Transport will know that we built roads. My colleague, the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) referred to the road up the northern peninsula this morning. That is one of the roads that was built under previous DREE agreements. The other road which was started was that from Plum Point in his riding to Englee and Roddickton in my riding, but it has not been finished. The

road from Main Brook to the new St. Anthony airport has not been finished either, and nor has the trans-Labrador Highway.

There is an agreement for the TransCanada Highway and something like $10 million a year for the construction of the trans-Labrador Highway, but there is no new highways agreement in Newfoundland for secondary roads. We have had such an agreement before and are lacking that now. There is no provision in the legislation presently before us for carrying on with that kind of work.

I submit that that kind of work is very important. We have to build those roads and water and sewer systems. We have to put in place the necessary infrastructure, particularly in small rural communities, if there is going to be equal opportunity for people to compete in the future. Indeed, I think we should turn the clock right back to the beginning and take a good look at the Atlantic Development Board, the original vehicle to address regional disparity.

In the report which Mr. Savoie made to the Government he recommended the same sort of things. I want to read from a story in *Atlantic Insight* in which they talk about a return to grass roots. They quote Mr. Savoie who was raised in Kent County in New Brunswick.

• (1610)

He says that a return to a more grass-roots, self-sustaining approach would be the better alternative. The article goes on:

> Savoie used the old Atlantic Development Board (ADB) as a model for his new federal agency. Created in the early 1960's—

—created by a Conservative Government:

> —the ADB was given six years to spend $150 million to improve the infrastructure of the region. During this period the area's highways were paved, hydro plants were built and much needed information on the Atlantic economy was collected—

The article goes on to say:

> The board's last president, Ian MacKeigan, the 72-year-old former Chief Justice of the Nova Scotia Supreme Court, remains convinced that the ADB, with its local board of directors and less ambitious mandate, was a very better approach to regional development—

I suggest that this is true. All over Atlantic Canada one can see evidence of projects that were put in place by the Atlantic Development Board and which cannot be put in place by the Atlantic Canada Opportunities Agency. It just cannot be done because it does not have the mandate and has no money to do it.

If we are going to make changes, I suggest we go back to the beginning and model the agencies on the Atlantic Development Board, to give it the flexibility and the money to invest not simply in business ventures but in infrastructure as well.

The Minister of Transport also said this morning that the Atlantic Canada Opportunities Agency will be an advocate here in Ottawa. That suggests one of two things: Either there is no advocate, or the one that exists is not satisfactory.

I resent that as a Member of Parliament. As a matter of fact, one could probaby make the case that this infringes on the rights of Members of Parliament. We are elected as advocates. People vote for Members of Parliament to come here and be their advocate, yet the Government is telling us that the Atlantic Canada Opportunities Agency will be an advocate. I resent that. Either the advocates are not there on the other side of the House or they are not doing their job. I think it is silly to talk about an agency being an advocate for an area.

There will be no benefit from being an advocate with other Departments because this legislation gives no guarantee that the Atlantic Canada Opportunities Agency will have any clout over other federal government Departments. It must be able to influence other Departments, particularly the Department of Transport and the Department of Finance. There is no indication that it will have any influence over those main line agencies.

While we need many new agreements, the one about which I feel most strongly is the renewal of the Labrador sub agreement. We were able to establish under that agreement much needed fisheries infrastructure on the Labrador Coast. We were able to build roads, put in water and sewer systems and were able to build nursing stations. That agreement has expired and there is no money to carry on that work. I would like to see that agreement renewed, but there is no provision for it in this legislation.

The whole issue of free trade has been mentioned. I think it is important to mention free trade in this context as well. I have seen no evidence that the Atlantic provinces will have any great advantage from free trade. As a matter of fact, no economist or other authority has shown me that there will be an advantage for the Atlantic provinces under free trade. I believe present disparities will be entrenched with the free trade agreement. If that is so, I think it is important that special provisions be made for the Atlantic area that would give us the necessary advantage.

The main problem I see with the free trade agreement is the provisions for energy. One of the fundamental economic measures one must take in Newfoundland in order to advance economically is the development of the hydro potential. In Labrador there is something like 10,000 megawatts of electricity. Yet that water is flowing to the sea every day untapped.

When the Premier of Newfoundland gave his support to the free trade deal, he evidently had some sort of commitment from the Prime Minister that he would get involved with the Government of Newfoundland and the Government of Quebec in advancing hydro development in Labrador. Yet Premier Bourassa announced recently a long-term, $1 billion agreement with the United States for the next 15 years with no new sources of energy, no development of the Lower Churchill. I do not know what commitment was given to the Premier of Newfoundland by the Prime Minister but there is no evidence

that any work is going ahead to advance the development of that hydro potential.

It will be even more difficult because of two requirements under the free trade agreement. One is the requirement to sign a long-term agreement with the Americans, assuring them of a continuing supply of energy over a long term period. The second requirement, which is even worse, is that we must guarantee the Americans no differentiation in price. In other words, we must sell to the Americans at the same price as we sell in Canada. Until now we had the flexibility of offering a made-in-Canada price to industrialists and entrepreneurs who want to set up in this country. That will no longer be possible.

I suggest that the free trade agreement itself, in this particular aspect, limits industrial and economic development in the future.

The Atlantic Canada Opportunities Agency also vaguely refers to training and development. It states that one of the mandates was procurement, training and skills development, job creation, technology, infrastructure development.

I hope the record of the Atlantic Canada Opportunities Agency will be better in training and skills development than the record of the Government of Canada thus far. The record of the Government thus far has been to cut back on moneys available to young people for training and job creation. For example, there was the announcement during the Christmas recess that Challenge 88 will be kept at the same level it has been for the past two years. On the one hand, the Government talks about training and skills development yet, on the other, cuts back on existing funds. It has cut back on Established Programs Financing. The Minister of Finance announced that instead of proceeding with a 7 per cent increase over the next five years, he would only proceed with a 5 per cent increase, which means that the Province of Newfoundland will lose $181 milllion over the next five years for post-secondary education.

That is the record of the Government, yet we are told that the Atlantic Canada Opportunities Agency will become involved in training and skills development. There is no more important area with which it can become involved. It should begin with the problem of illiteracy, which is the greatest sore on the body politic. When we consider the level of illiteracy in this country, it begins with a rate of some 17 per cent in British Columbia, 20 per cent in Central Canada, and reaches a figure of 42 per cent in Newfoundland. While the program should begin by dealing with illiteracy, the reaction of the Government has been to throw $1 million nationally at the problem. Such an amount is peanuts, and virtually an insult.

How can we believe the Government is serious when it cuts back on Challenge 88, on Established Programs Financing and gives token lip service to a problem like illiteracy? While I hope the Government will take some brave initiatives for training and skills development, that has certainly not been its record so far.

I hope this policy succeeds because what Parties on both sides of the House have done so far has not been as effective as it should have been. Otherwise the disparities would be erased and the gap closed. I hope this works, but I have very serious doubts as does everyone else. A survey of the Atlantic provinces Chamber of Commerce conducted in October found that only 18 per cent of the Atlantic provinces Chamber of Commerce membership believed that the Atlantic Canada Opportunities Agency had any chance of dealing with regional disparity. More than 25 per cent said the chances were poor and 48 per cent said the prospects for success were only fair. There is not a great deal of enthusiasm for this particular measure. In spite of that, I do hope it works.

• (1620)

I doubt very much, given the present mandate, the present policy and the present allotment of dollars, that we are going to see a brave new world in the Atlantic in the very near future.

**Mr. Bob Corbett (Fundy—Royal):** I would like to ask the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) a question but before I do so I would like to preface it with a few remarks.

The Hon. Member, seems to believe, at least from the context of his speech, that the infrastructure, which previous Liberal administrations had tried unsuccessfully for a good number of years to put in place is the key to the success of regional development in Atlantic Canada. I would remind the Hon. Member that Atlantic Canada has first-class engineering firms. Its 13 universities and technical colleges have highly qualified researchers working in well-equipped facilities. There are high-tech firms, enterprises dealing in all the products of the new industrial revolution throughout the entire region. There are service industries and manufacturing firms the equal of none. These engineers, researchers, industrialists, manufacturers and businessmen are competitive. They are deserving and anxious for government contracts and export opportunities. These firms are the equal of none. They excel in every way. I would also remind the Hon. Member that one of the jobs of the Atlantic Canada Opportunities Agency is to ensure that federal Government decision-makers know that these enterprises exist and what they do and that national policies and programs reflect an awareness of these facts.

I would suggest that previous administrations have been deficient in doing so. The agency will also keep on top of what other federal Departments and agencies do and plan to do in order to ensure that those plans, if they have a bearing on Atlantic Canada, meet the aims of the agency. It will not take too long for other Departments to become aware that there is an advocate for Atlantic Canada, contrary to the remarks of the Hon. Member. That advocate is the federal Government, this federal Government. It will not be long before federal activity in Atlantic Canada is more unified and joint action by Departments and agencies commonplace.

A unique feature of this Bill reinforces the Minister's co-ordination activities. That is Clause 9. That part of the Bill states that when the Minister is satisfied that the implementation of a program or project authorized by any other Act would further the purpose of the agency, the Minister may conditionally or unconditionally undertake to transfer funds appropriated for the purpose of ACOA to supplement funds that the Minister responsible for the program or project has undertaken to expend. This unique co-financing provision means that the Minister for ACOA can transfer ACOA funds to another federal project or program if that will help ACOA meet its objectives.

That means that ACOA will not have to develop its own programs where there may be programs administered by another Department that will be doing the same job. It means that if there is a progam that would help ACOA foster economic growth in the region, but the program cannot be extended or fully used in Atlantic Canada because of a funding problem, ACOA can then add funds so the program can benefit Atlantic Canada.

The co-ordination and co-financing inherent in the Bill gives the Atlantic Canada Opportunities Agency the flexibility it must have to pursue its purpose of economic growth in the region.

The Hon. Member has suggested that infrastructure is the way. How does the Hon. Member square that with the fact that he was a member of the Cabinet of the Government during the period of time when infrastructure was being touted as the way for restructuring, refinancing, and making Atlantic Canada independent of the regional disparity that we see there today? That was the old Liberal approach. How does the Hon. Member square his speech of today with the fact that those programs obviously did not work? As my colleague, the Hon. Member for York—Sunbury (Mr. Howie) pointed out, $200 billion later we see that those programs have not worked. The Hon. Member stands and says he hopes this new program of this Government will work. He said that on at least three different occasions. Does this mean—after he tells us how his speech squares with the old approach—that he will indeed support the program, that it is worthy of his support and worthy of the support of all Members of this House?

**Mr. Rompkey:** Mr. Speaker, the fact is that the approach did work. If that approach had not been in effect we would be a lot worse off than we are today. We at least held people in place. The gap has not been bridged but at least it is the same. I suggest that if that approach had not been taken we would have fallen further behind.

The Hon. Member talked about all sorts of good, solid firms, training institutions, research institutions, and so on. I submit that we really do not need a regional economic development package at all if the case he is making is that we have good, solid, substantial firms in Atlantic Canada. I submit that particularly in rural areas—and that is my main concern. Those are the people I represent—we cannot start to develop business until we have infrastructure in place. How can we have them all without water, sewer and proper energy sources? How can we have plants servicing areas and transporting a product to market unless we have proper roads? That does not make any sense at all. I submit that even though we have done some of that, we have not done enough. However, we as a Government started it, and I think the present Government should be continuing that program. There is no provision for that at all. None of the billion dollars can be spent on infrastructure, as I understand it. It does not have that flexibility. Sure, we can ask another Department to do it. We can ask the Department of Transport if we want. But transport does not have to do it and we do not have the money in the Atlantic Canada Opportunities Agency to do it ourselves. We had it before under DREE and under DRIE but we do not have it here. That is the difference.

**Mr. Althouse:** Mr. Speaker, I note there seems to be some difference of opinion among different residents of the Atlantic area from Labrador to New Brunswick. The Hon. Member for Fundy—Royal (Mr. Corbett) seems to be presenting a point of view that has also been reported in the Atlantic press. For instance, William Smith, who is a professor emeritus, economics, at the University of New Brunswick has been quoted as saying he does not think Ottawa has ever really understood what the real vital problem is, which is expanding the industrial base. I believe that was the argument Members from New Brunswick seemed to be making here this afternoon.

I note in his argument the Hon. Member for Fundy—Royal was touting the high credibility of the engineering firms, which I expect received their high level of technology from building the bridges, and wharves and infrastructure that is perhaps fully developed in New Brunswick, but I understand from the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) that that is not the case in Labrador. Is this just a New Brunswick-Labrador problem or does the Hon. Member still honestly believe there needs to be more infrastructure built in all parts of Atlantic Canada? Is there a regional or geographical difference in the needs within the Atlantic area between Labrador and New Brunswick?

• (1630)

**Mr. Rompkey:** Mr. Speaker, we can only speak as we find. I would think that the gap in terms of infrastructure is not confined to any one province. I suspect that there are probably areas of New Brunswick which do not have the type of infrastructure that Saint John and Fredericton would have. I suppose that there are areas of Nova Scotia and certainly areas of Prince Edward Island which are looking for an improved infrastructure.

As a matter of fact, this very day there is a plebiscite going on as to whether the people of Prince Edward Island should have a connection to the mainland. That is infrastructure. That is the point that I am making. This very day there is a judgment being made by the people of Prince Edward Island as to whether or not they want to improve their infrastructure.

How can one compete unless there is an infrastructure in place? One cannot. We cannot talk about putting icing on the cake until we have baked it.

I submit that there is a gap in infrastructure development between the Atlantic region and the rest of Canada. I suspect that that applies, too, to parts of northern Ontario. I suspect that if we were to ask the Hon. Member for Nickel Belt (Mr. Rodriguez) to describe parts of northern Ontario, he would tell us that in certain areas there is a need for upgraded infrastructure. I can tell Hon. Members that there is certainly a need in my area. There are parts of the Northwest Territories and Yukon which could use improved infrastructure. There are parts of Canada that are experiencing the same kind of choice that the people of Prince Edward Island are making today. That is the point I am making. It cannot be one or the other. There has to be an agency which deals with infrastructure and industrial development at the same time.

**Mr. O'Neil:** Mr. Speaker, as an Atlantic Canadian I would like to say how much I welcome this initiative and how much my constituents welcome it. In many ways we are two years ahead of the Atlantic region in most of my riding because we have the Enterprise Cape Breton Board, which is a system that parallels what is proposed in the Bill before the House today. We have an autonomous organization with tremendous flexibility and local control.

By way of disagreement with the Hon. Member from Newfoundland I would say that there is nothing in this Bill which precludes agreements dealing with infrastructure. In fact, when the Minister who spoke first today addressed the question, he said only that the $1 billion would not be some kind of slush fund to administer infrastructure programs. He made it clear that the money was earmarked for business to achieve productive employment for Atlantic Canadians. He also made it clear that infrastructure type programs were still possible under agreements with the provinces. He was referring here to ERDA-type agreements. The Bill is very clear in giving to ACOA total flexibility to introduce new programs and to bring forward initiatives that are deemed to be in the economic development interests of Atlantic Canada.

In closing my comments I would like to say that this is not something that is totally new. We do not need to reach into the clouds to speculate about what all this means. We have a precedent in Atlantic Canada. It is called Enterprise Cape Breton. It is an enterprise which was brought forward to reflect the philosophical direction of our Government. It is an enterprise which has been very successful. In fact, it has been so successful that in the last 12 months the unemployment rate in Cape Breton has dropped from the 21 per cent range down to the 15 per cent range. Success speaks for itself. The principles that have been embodied in this Bill are the principles that are working for the people of my riding.

**Mr. Rompkey:** Mr. Speaker, if the Hon. Member were to check the speech of the Minister of Transport (Mr. Crosbie) on first reading he would see that the Minister said very clearly that this measure was not for infrastructure, that it is for business development. I do not have the Minister's speech in front of me but I was here when he made it.

**Mr. O'Neil:** That is the $1 billion.

**Mr. Rompkey:** That is right.

**Mr. O'Neil:** But there is other money. There are the ERDAs.

**Mr. Rompkey:** Where is the ERDA money? It is all running out. My ERDA has run out. I have ideas on the table now. Why does the Government not just renew the Labrador subagreement for a start? It has run out.

The danger is that other Departments will now say that because the Atlantic Canada Opportunities Agency is in place we do not have to worry about the Atlantic area, we can worry about the West, northern Ontario and other places. There is a real danger that other Departments can get off the hook by simply pointing to this agency as the agency for the Atlantic area. Yet this agency has no provision, and certainly no funding, for infrastructure at the present time.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I wish to say a few words on Bill C-103. We in the New Democratic Party caucus agree in general with the thrust of any type of regional development program that seeks to decentralize decision-making, to build on the strengths of local development, which seeks input from local people who know the regions well and which seeks to stimulate that which is possible within a region. We have no problems with that. In fact, this caucus at the beginning of this Parliament put on the road a committee which travelled across Canada to look specifically at the ways in which we can create employment in areas that have difficulty in attracting investments and in diversifying economic bases. We then produced a document entitled *Canada Unlimited*. That document was presented to the Government. It is a compendium of positive proposals with respect to moving to full employment. The Government can talk from now until the cows come home and tell us that it has created 125,000 jobs since it has been in office, or 80,000—

**Mr. O'Neil:** One million!

**Mr. Rodriguez:** I hear a Tory from the wilderness on my left. Can you believe, Mr. Speaker, that a Tory from the left is saying "One million"?

**An Hon. Member:** What about Tories on this side of the House?

**Mr. Rodriguez:** The Tories in front do not count. Only the ones on the left count when they are being positive. The question that one has to ask oneself, is where are those jobs being created?

**Mr. O'Neil:** They are being created everywhere.

**Mr. Rodriguez:** I hear a lamb bleating—

• (1640)

**The Acting Speaker (Mr. Paproski):** I am sorry but I cannot seem to hear the Hon. Member. I would appreciate it if Hon. Members would allow him to say a few words.

**Mr. Mayer:** I suggest when the Hon. Member speaks that he face the House. It is difficult for us to hear him when his back is to the rest of the House.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Nickel Belt has the floor.

**Mr. Rodriguez:** I suppose it all depends on the position of the Minister. I always face you, Mr. Speaker, which is the correct procedure. I know that where the summit lies and rests, Mr. Speaker, is right with you. If Tory Members find themselves to my back, I am sorry, but I cannot help that.

**Mr. Rompkey:** They are behind you all the way, John.

**Mr. Rodriguez:** I would rather have Tories behind me than Liberals.

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** I want to comment on these jobs that have been created. The bulk of them have been created within a 60-mile radius of Metropolitan Toronto. In my region the latest unemployment figures show an unemployment rate of 13.3 per cent. In Newfoundland the rate is still at 18 per cent. Throughout the Atlantic region the rates are at very high, unconscionable levels. That is after three years of having a Tory Government in office based on a program of jobs, jobs, jobs. Those regions are still suffering regional disparities.

In its report of the week of August 22 the Economic Council of Canada comments on the, "starkness of regional disparities" in Canada's growth rates as a major problem.

As I stated, we drafted a report entitled *Canada Unlimited*, which is a compendium of very positive proposals with respect to building up the economies of areas like the Atlantic, northeastern Ontario, northern British Columbia, and the northern Prairies. We presented that to the Government. To date there has not been one move to implement any of those positive suggestions.

What we have here before us is Bill C-103 which is the Government's response. The Minister of Public Works (Mr. McInnes) calls this response his "last kick at the can". He tells the people of the Atlantic that this is their "last kick at the can". I think that he should be put in the can. Then all of us can go and have a kick at it.

Can you believe, Mr. Speaker, the depths of hopelessness? This Minister is saying if ACOA does not work, that is it. The Government is giving up. That is what the Minister of Public Works has stated. He states that this may be the "last kick at the can" as far as development programs for the region are concerned. He then turns around and tells the people in the Atlantic region that they will be responsible for this program. The Government states that the people of the Atlantic will be responsible for the program. Of course, the suggestion is that if the program fails it is not the Government's fault. It is the blame-the-victim syndrome again. It is the fault of the Atlantic people not the fault of the federal Tory Government.

Earlier today we talked about the Prime Minister (Mr. Mulroney) before he became Prime Minister running in the by-election in Central Nova in the Atlantic region. He no sooner got that seat than they never saw him again. He cut and run. It is only when he was embarrassed while appearing at the 300 Club in Halifax that he put his face back in Central Nova, after he had deserted the Atlantic region. I want to tell the Tories that this is their last kick at the can. If they have the courage to call an election shortly, they will find themselves kicked right out of the can.

In principle we have no problem with decentralization. But when we look at what is proposed for this program, we cannot agree with the funding. In effect when listening to the Minister of Transport (Mr. Crosbie) this morning, and when listening to the Government and the Prime Minister, one would think that the Government is putting up $1.05 billion over five years and that this is a great pile of new money that it is putting into the Atlantic region. In fact, it is the old shell game.

Since 1984 when the Conservatives took power, they have cut approximately $1.5 billion annually from the various federal government spending programs in the Atlantic region. Can we remember those heady days when they were all gung-ho on cutting deficits? They had old Erik Nielsen—velcro lips—who proposed the program called the Nielsen report which drastically cut programs in the Atlantic region. Every day in the House we were screaming at the Government about the cut-backs. Well, they came to $1.5 billion annually. What the Government has removed, it is now telling us it will compensate the Atlantic region by putting $200 million a year back in over five years to come to $1.05 billion. That is a laugh.

In this Bill we also have the principle of decentralization. The Government states that it will decentralize. It is not going to be like the old DREE programs where Don Jamieson was the Minister here and all the bureaucrats in Ottawa decided which programs were going to go in the Atlantic region, in northern Ontario, and in other regions of the country. They stated that that will not be done any more. It was the old sleight of hand. They stated that they were decentralizing and setting up this agency with 19 members on the board. I will come to those specifics about the 19 in a moment. But there will be 19 members on the board. Not all of them have been appointed as yet. The headquarters will be in Moncton. There will be sub-head offices in each of the Atlantic provinces. There will be 300 bureaucrats.

The question you might want to ask, Mr. Speaker, is that not decentralization? I know that is what you are thinking, Mr. Speaker. I can see by the look that that is the thought you

have in your mind. As much as I know that you would like to support that principle of decentralization, Mr. Speaker, it is not decentralization. When you strip away all of the verbiage and the rhetoric, the decisions are still going to be made here in Ottawa, and of all places, in the other place.

In the discussions on Bill C-22 the Minister of Consumer and Corporate Affairs (Mr. Andre) stated that it was an undemocratic place. They were not elected over there. Senator Lowell Murray will be the chief honcho for this operation. In fact, that is set out very clearly in Clauses 5, 6, 7, 20, and 21. The powers rest with the Minister who is a Senator and who is not elected. The powers rest over there. He will then appoint a chief operations officer, a chap by the name of McPhail. His duties are the duties of a Deputy Minister. The bureaucracy rests here. The Minister has the authority to approve or not approve any project. The Minister calls the shots, so the shots will still be here in Ottawa. That is not decentralization at all. In fact, Clause 11 reveals the close ties between the President and the Minister. It states:

> (2) The President is the chief executive officer of the Agency and, under the direction of the Minister, has control and supervision over the work, officers and employees of the Agency.

So what is the purpose of the board? The question then is, what does the board do? The board has no power. It is a roaring rabbit, a toothless tiger. That is what it is. It is the old program all dressed in drag. It is the old DREE without the bucks, or with money that was taken from the Atlantic in the first place.

What does the board, the agency, those 19 Tories do? They assist and advise—"assist" is the word. In the legislation it says that the board's purpose is to assist. We do not know what assist means. Does it mean assisting them with their fund raising for the Tory Party? So far most of them who have been appointed are baghacks and flicks for the Tory Party. I can go through the list for you because you may not have that information, Mr. Speaker.

• (1650)

That is not our view of decentralization. Decentralization for us means that the decision making rests there. If there is a board, then the board is accountable and it is accountable to the regions. Decisions have to be made in the regions, not here in Ottawa, as this legislation allows.

We also have a concern about commitment to regional development. As we see it, in spite of what the Government has said about its commitment to regional development, that commitment over the years has declined. Over the past 25 years less than 3 per cent of total federal economic expenditures have been applied to regional development.

In 1984-85, explicitly, regional development for all of the Atlantic region was in the order of $230 million. By the way, that is around 15 per cent of what the UI pay-out is in the Atlantic. Expenditures on DRIE's industrial incentive programs have decreased in real terms from $9 a person in 1969-70 to 1973-74 to $4 a person in 1984-85 to 1985-86. For Newfoundland, the reduction in the same period was from $9 a person to $3 a person. That is Tory progress; two steps forward and five steps back. Expenditures under GDA/ERDA has declined from $16 a person in 1974-75 to 1978-79 to $14 in 1984-85 to 1988-89. For Newfoundland, the reduction for the same period was from $126 a person to $80 a person. We believe that if you make a commitment to regional development then you have to follow through with the commitment in bucks. It has to be a commitment in decentralization.

The other thing concerning us about the way this agency has developed, and we have noticed it in the same way with the Northern Ontario Development Corporation, FEDNOR for short, is the insidious implementation of the patronage principle. It is another principle that we in the New Democratic Party criticized during the federal election of 1984 and have continued to criticize. When we look at the appointments to boards such as this agency, we find that patronage has crept into what ought to be the voice of the region. The people who are qualified in the region the people recommended by the region, should be sitting on these agency boards, but instead it has become a trough. The major criteria for placement on the board is the contribution you have made to the Conservative Party or some particular function you have within the Conservative Party.

The Prime Minister said in an interview just the other day that he was so concerned about any possible alliances between the New Democratic Party and the Liberals after the next election that he had better make sure to appoint more Tories on a patronage basis to boards and commissions so that Tory policy can continue after we have kicked the can and he is out of office.

**Some Hon. Members:** Oh, oh!

**Mr. Rodriguez:** Patronage has become a way of operation with the Government. It has become like breathing, as my colleague says. It is like slipping into a comfortable Gucci. The concern we have here is that nothing in the Bill sets out how nominees are to be put forward for this agency. There is no requirement that the board be comprised of any other group than the business sector. What about the spokesmen for labour, fishermen, farmers, the co-ops, the voluntary organizations and social agencies? This is an exclusive blue ribbon board, and I say that literally. That is what it is. The minute that happens, it loses credibility with the people for whom it should serve and people become very cynical about the whole process.

There is a certain skepticism about the way the objective of this whole agency works. On the one hand we had Mr. McPhail saying that the agency is only interested in specific projects, not macro-economic developments in the Atlantic, only specific economic endeavours. Then we have a Mr. Dineen who sits on the board and is quoted as saying "We are the board. The agency is interested in looking at the macro-economic principles of the region". We have this contradiction

in what the leadership is saying, what the Deputy Minister is saying, and what the agency members have in mind.

Lastly, there is no provision in the Bill for an evaluation of the projects that have been approved. The only evaluation is at the front end of the operation before the grants or the loans are made. There is no process to evaluate the program after money is granted to a particular project. That was one of the downfalls of DREE. I suggest that the Government look at Canada Unlimited and try to implement some of the more positive proposals that would certainly create employment in the Atlantic.

**The Acting Speaker (Mr. Paproski):** The Hon. Member's time has expired. There are still 10 minutes left for questions and comments.

It being 5 o'clock, the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

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• (1700)

## PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

### LABOUR

SUGGESTED PARTICIPATION OF WORKERS IN PAID EDUCATIONAL LEAVE PROGRAMS

**Mr. David Berger (Laurier)** moved:

That, in the opinion of this House, the government should consider the advisability of introducing a measure enabling workers to participate voluntarily in paid educational leave programs, in order to foster their vocational training and their adaptability to the requirements of the labour market, thus reducing the impact of the devaluation of their skills and, by extension, overall unemployment, and encouraging economic growth and the security of Canadian workers.

He said: Mr. Speaker, at the outset, I would like to put forward the rather simple proposition that Canada's continued prosperity depends on the training of our workers. Further, it is clear that we are not doing nearly enough. It is perhaps trite to say but nevertheless I think evident, that it is time for action and leadership by the Parliament of this country and by its Government. It is time to do something to remedy the situation and to deal with a problem which is clearly evident, the problem that Canada does not do nearly enough training as compared to our competitors in the global market-place.

Furthermore, there are a number of well thought out policies which can be implemented immediately. My motion today addresses one such policy, that of paid educational leave, which was studied in 1983 by a task force set up by the then Minister of Employment and Immigration. Such a policy has been implemented successfully in a number of European countries and in Japan. The concept was endorsed recently by the Economic Council of Canada in its 1987 report entitled *Innovation and Jobs in Canada*.

Last week, I attended the National Conference on Technology and Innovation in Canada. I can report to Members of the House that the question of training of the workforce was a matter which received prominent attention in the workshops and the plenary sessions. Mr. David Culver, the Chairman of Alcan, reminded us in his keynote address of the social and cultural fall-out of modernization. He said that there is almost always a loss of jobs when a company modernizes itself or when a country goes through such a process. He stated that there is a clear role for Government to ensure that there is timely retraining for those who are displaced.

I would like to dwell briefly on some comparisons with other countries. Japan is perhaps the best example of dedication to training or retraining. We have now become familiar with the idea that the Japanese bank on employees' loyalty to companies to make it worth-while to train and retrain. They are not afraid that their employees will leave them for better jobs after investing considerable amounts in their training.

For every one hour of training received by a North American worker, the average Japanese worker receives approximately 100 hours of training. Indeed, similar figures were referred to by John Evans, the President of Allelix, at the conference in Toronto last week. He said that employees in the computer industry in Canada receive two hours of training for every 100 to 200 hours received in Japan.

The Nissan company recently opened a plant in Smyrna, Tennessee, I believe. It is quite remarkable but that company spent $63 million to train workers before the plant door was even opened and before even one car came off the production line.

In West Germany, the situation is similar. That country has a number of well developed vocational training programs which are largely credited as being the foundation of West Germany's economic success. These programs are administered co-operatively by the federal and provincial or state Governments. They use what is known as the dual system in which there is a mix of on-the-job and off-the-job training.

In 1984 and 1985, Siemens, a large manufacturing firm, took on some 10,000 apprentices. It spent an equivalent of some $250 million on these apprentices in addition to the $300 million it spends on training its ongoing personnel. This one company maintains a staff of 500 full-time teachers and 3,000 part-time teachers.

Of course, West German firms responded to the worldwide recession of 1982 by increasing, not decreasing, the number of trainees taken on by some 46,000 persons. In West Germany, there were 677,000 apprentices in West Germany. In 1984, one year later, this figure had risen to 706,000.

While the training figures of Japan and West Germany are increasing, Canada's are decreasing. In 1983-84, participants in what was known as the National Training Program which was run by the Department of Employment and Immigration totalled some 277,000 persons. This fell to approximately

206,000 in 1985-86. The National Training Program was absorbed by the Canadian Jobs Strategy in September of 1985 and became Skill Shortages and Skill Investments. In 1986-87, these two programs registered a total of 88,700 participants and it is estimated that in this fiscal year, 1987-88, only 117,000 participants will be involved in those two programs, Skill Shortages and Skill Investments. Again, that is 117,000 as compared to some 277,000 only three or four years ago, not even half the number.

[*Translation*]

Mr. Speaker, a policy of paid educational leave would make it possible for working men and women to earn days of leave for the purpose of education or professional training. The possibility of such a program was adressed in 1983 by the Skill Development Leave Task Force. It was one of several programs considered by this task force. Its members emphasized the fact that educational leave would offer equal opportunities for all only if it were biased in favor of the academically poor.

The experience in other countries has demonstrated that adult education is often the privileged domain of those men and women who have already benefited from a high school or even university education. An increased participation by blue collar workers and members of all classes of our society would depend on the implementation of special programs directed at minority groups or team workers in order to discourage the formation of a class of workers who are both unskilled and underpaid.

The National Advisory Panel which followed the task force study suggested that such leave could be earned at a rate of one day for every thirty days of work. In this case, Mr. Speaker, each working man and woman could gain as much as eight days of educational leave per year of work. The National Advisory Panel recommended then to the federal and provincial governments to adopt immediately legislative measures to implement such programs.

• (1710)

[*English*]

The Economic Council of Canada, in its 1987 research report entitled *Innovation and Jobs in Canada*, endorsed the concept of paid educational leave. It said:

> We would like to focus attention once again on the feasibility of implementing a paid educational leave policy in Canada.

With respect to funding, the national advisory panel, in 1984, again recommended a 1 per cent personal income surtax and a 3 per cent corporate income surtax in order to raise the approximately $500 million necessary to operate such a program. One reason for calling for such a surtax was to encourage the participation of all workers. As I said earlier in my remarks, it is mainly the well-educated who benefit from various forms of continuing education and adult education in Canada. As I also said, special measures are required, such as including workplace delegates to encourage all workers to participate in the program.

The national advisory panel, in considering its funding mechanism, thought that by paying for such a program through a personal income surtax all workers would be prompted to involve themselves in retraining because they would be paying for it. They would see this on their tax bill every year and therefore would be encouraged to get a benefit from some of their tax dollars and get involved in some form of ongoing educational program.

At the time that recommendation was made, I had certain concerns about the funding mechanism. As you will recall, in 1984 we were perhaps 18 months into a recovery from the 1982 recession. The balance sheets of Canadian companies had been hit hard. I felt that a corporate income surtax would be hard to contemplate. No one likes to contemplate the idea of increased personal income taxes either. At the time I felt that the federal Government ought to share the cost of establishing a universal paid educational leave program on a, for example, fifty-fifty basis. I felt that federal funds could be made available through reallocation of and savings in existing programs, including industrial support programs.

We are far too ready to put money into bricks and mortar and new machinery but reluctant to invest in our workforce. To this day I feel that there is room within the various industrial support programs for the retraining of workers, and my views on the funding mechanism have not changed over the course of the past couple of years. We have seen very stiff increases in personal income taxes imposed by the Conservative Government since the 1984 election and I feel that an additional income tax is probably out of the question in the minds of most Canadians. Therefore the federal Government ought to share the cost of establishing such a program, as I said, on a fifty-fifty basis. The part not paid by the Government would be paid by the employer and employee, with the amount subject to negotiation between the parties.

You will see that my motion is presented in the way of a recommendation. It says:

> That, in the opinion of this House, the government should consider the advisability of introducing a measure enabling workers to participate voluntarily in paid educational leave programs—

It is framed in that fashion because, as you know, Private Members cannot put forward Bills which entail the expenditure of money. That is a government prerogative and requires Royal Assent. If we did not have this restriction you would see a Private Members' Bill which would propose actual legislation to implement such a program. It would probably contain recommendations for funding in the first year of the program and perhaps in several subsequent years.

However, as I said, because Private Members cannot put forward a Bill in that fashion, I have framed this motion in a very innocuous fashion. All I am asking the Government to do is to consider the advisability of such a program. I would like to suggest to my colleagues that such an innocent proposal is worthy of their support.

A I said, this idea formed the basis of a task force study in 1983. It was subsequently sent to a group of business leaders and union personnel and government officials. Some 250 people from across Canada studied the matter and a national advisory panel recommended that legislation be introduced to put the idea into practice. The Economic Council of Canada endorsed the concept in 1987, and there is widespread recognition that we are not doing nearly enough to retrain our workforce or, more correctly, permit it to engage in various forms of ongoing training.

Therefore, I hope my colleagues in this House who support this proposal will do so and hopefully we will be able to pass this motion by the end of today's debate and therefore a very sensible recommendation would be sent to the Government.

**Mr. John Oostrom (Willowdale):** Mr. Speaker, I am pleased to respond to Motion No. M-27 put forward by the Hon. Member for Laurier (Mr. Berger). The idea he suggests is indeed an excellent one. It shows foresight and a grasp of what Canadians truly need to prepare for successful entry into the labour force. The Government must have measures in place to foster vocational training. We must help Canadians adapt to the requirements of the labour market. The Government has done so to some extent. After all, one million more Canadians are working today than were when the Government took office. More will be done when the free trade pact with the United States takes effect.

• (1720)

While the motion was no doubt presented with great sincerity, it was brought forth with a surprising lack of knowledge. I cannot quite believe that the Hon. Member is not aware of the fact that to a large extent the very measures he talks about are already in place and have been for more than two years. Many people, including some in my riding, have benefited from the programs.

I refer, of course, to the various components of the Canadian Jobs Strategy. The Canadian Jobs Strategy has six different aspects which do exactly what the Member in his motion says we need. I would like to describe briefly two of the initiatives of the Canadian Jobs Strategy. One is called Job Development and the other Job Entry.

The Job Development option is designed to assist one of Canada's most serious human resource problems—the long-term unemployed. It combines work experience and training to update and adapt the skills of people who have not had a steady job for six months or more. Job Development is not an ineffective make-work program as it was in the previous administration under a different name. It concerns itself with what is truly important. It helps people improve their permanent employment prospects by enabling them to acquire relevant skills.

As you may know, Mr. Speaker, Job Development offers employers a wage subsidy to hire and train workers offering them the skills they need to meet the demands of a changing market-place. Businesses, community groups, municipalities, the voluntary sector, and even individuals can act as employers. People participating in Job Development initiatives can count, not only on training at the work site, but on classroom instruction as well. That training is thorough because the initiatives can last for up to one year. People can learn a lot in that amount of time.

As I mentioned, sponsors receive wage subsidies. I am happy to be able to add that they also receive financial contributions toward capital costs and training. If they hire disabled people, they can receive up to $10,000 toward the cost of any structural alterations which may be necessary. Sponsors also receive up to $40 per day per client to cover training costs. The program may also pay for the hiring of a project manager.

As we all know, the Canadian Jobs Strategy uses whatever works best to train the long-term unemployed. Non-profit agencies need not be intimidated by Job Development because the program may cover up to 100 per cent of a project's total costs.

I do not wish to recite program details. Results are what count and results are what we have. I am sure that my hon. colleague will be pleased to know that close to 122,000 Canadians will have participated in Job Development projects by the end of this fiscal year. That is 122,000 individual Canadians being readied to meet the modern labour markets, demanding requirements. More than $623 million will have been spent to make them ready. As you can see, Job Development is helping many Canadians.

Let me give one example of a Job Development initiative. In Penticton, British Columbia, Kenwood Furniture Factory started operations in 1986 and, with the help of Job Development backing, was able to hire 18 unemployed residents to train as machine operators. The duration of the project was from March to October, 1986, at a cost of $142,000. During this period Kenwood's over-all staff grew from 35 to 110 employees.

What is more, this company has maintained its interest in local disadvantaged workers based on the success of its Job Development experience. Further agreements have been signed with Kenwood to the benefit of the company, the local economy, and, of course, the individuals who are now a productive part of the local workforce.

The Hon. Member will be pleased to know that Job Development is not the only initiative we have to help people in the various ways he suggested a while ago. Another feature of the Canadian Jobs Strategy is Job Entry. Since 1985 the Government has had in place this innovative and forward-thinking program designed to harness the employment potential of a vast and hitherto under-tapped labour pool, that represented by youth entering and women returning to the job market.

The unemployment rate for high school drop-outs is now almost 30 per cent. Altogether, including those who have not

completed secondary or post-secondary education, there are more than 400,000 young people who cannot break into the workforce. A similar challenge faces many of the 200,000 women who annually re-enter the work force after working for several years in the home. Some of them are unsure of themselves, underestimate their abilities, or feel intimidated by employers looking for relevant work experience. Job Entry and Re-entry will give them the necessary confidence. To acquire skills and experience these groups require an integrated program of training and work experience to enable them to become active members of the labour force. Job Entry, yet another component of this Government's comprehensive Canadian Jobs Strategy is such a program.

Job Entry, if we are talking about youth, or Re-entry, if we are talking about women returning to the labour market, helps Canadians who are having difficulty making the transition into the labour market. With a combination of up to 52 weeks of skills training and practical work experience Job Entry or Re-entry provides for individual needs while at the same time addressing local labour market requirements.

How does it do this? For starters, the amount of financial assistance that participants receive while on training is based on their individual circumstances. Supplementary allowances are paid where cases warrant it to help defray the costs of child care, transportation, and living away from home. Moreover, business, labour, community groups, the public sector, and even individuals provide the source for the project co-ordinators who design the training plans, recruit and assess participants, and place them with the work site hosts.

In this way, Mr. Speaker, Job Entry and Re-entry projects address both sides of the question. They give participants the chance to do on-the-job training and gain experience while they are at it. They give participants a chance to prove their worth to prospective employers. In addition, they provide training and experience in skills that employers in Canadian communities require to meet their present and future needs.

The Government is committed to encouraging economic growth and the security of Canadian workers of today and tomorrow. To do this we must invest in our citizens. So far this year the Government has invested approximately $415 million in the Job Entry and Re-entry Program.

Is this approach working? The answer is a resounding yes. Across Canada more than 150,000 people are currently involved in Job Entry and Re-entry projects. The placement rate of previous participants is very high.

In closing, I agree with the Hon. Member for Laurier that the Government should have in place measures to allow workers to keep their skills up to date and relevant to the changing labour market. I repeat that these measures are alive and well through the components of the Canadian Jobs Strategy. They will be expanded upon when the free trade pact takes effect by January 1, 1989.

In addition, these initiatives under the CJS are much more than the paid educational leave programs that the Hon. Member mentions in his motion.

• (1730)

The vision of our strategy, which looks to tomorrow's as well as today's worker, is much more far-reaching.

Therefore, I can tell the Hon. Member for Laurier (Mr. Berger) that this Government not only meets but exceeds by a wide margin the demands set forth in this motion.

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, I rise to support the motion of the Hon. Member for Laurier (Mr. Berger). It provides a sense of vision of what can happen to Canada's workforce.

My riding of Hamilton Mountain has seen shutdowns of many plants and factories. We must recognize the implications of these plant closures. It may affect an individual who has worked 20 years on a plant floor, expecting to finish his working life there. A sudden plant closure brings a whole sense of insecurity and loss of self image. As we tend to consider the implications of such closures on the whole economy, we forget the individual implications of these kinds of closures. Not only do individuals lose a sense of purpose and identity, the pressures on the families often result in the disruption of communities.

This motion identifies that there need not be a crisis if such programs are put in place. We have also recognized, certainly in the last 25 years, that human development takes place not only at the school-age level, but throughout one's life as information, growth and education takes place. I hope such growth could occur throughout one's lifetime.

If a policy such as the one suggested in this motion became public policy, it would not be necessary to constantly to revert to the kind of CJS, program as the Hon. Member for Willowdale (Mr. Oostrom) has discussed. He is speaking of how we meet immediate problems that develop from a high unemployment rate.

Today we are in a post industrial society, which often frightens many people. Therefore, we do not deal with the implications of such a society and what changes will take place in the workplace not just in the immediate future but 25 years from now.

When we consider jobs of the future, we must also look at a workforce about which we can be proud in Canada. It is a workforce that is very skilled, well informed, and includes people who care about their production and creativity. If we allow them to make choices and garner some skills and information, we will have a workforce and indeed a society that begins to move steadily and efficiently into other levels of work without losing that self confidence which is so important to individuals.

There are various ways and means to implement such a policy. I agree that it should be cost-shared with the federal Government, the employer and employees, along with some built-in guarantees, to avoid some of the problems experienced with the pension funds. There must be a guarantee that this fund is specifically for educational leave programs.

I agree with the notion that it is a shared policy which everyone controls.

We should consider the experience of other countries, such as Sweden, where there has been a major restructuring of the economy, with a literally full employment situation. Such policy has allowed an entire workforce to move from a plant that is inefficient and switch to a new market.

Such a program would decrease individual pressures on families. The sense of security within families is related to the sense of security people have in the workplace. Paid leave for educational purposes would mean that an employee may choose to take such a leave and return to the original job. That is quite different from what the Hon. Member for Willowdale was describing.

Many studies have indicated that these employees who have taken such leave return to their jobs much more productive and satisfied with their job situation. It gives them a sense of security that they will not have to flounder forever if there is a decision to close the plant in which they work. As well, such a policy would prevent the type of roller coaster mentality as we have seen in Hamilton in the last two years where employees hear that their plant may close, then will not close. A program like this would provide a sense of security that the employee has other skills with which he can approach other companies. This in turn provides a sense of self worth and the confidence to be able to make a living and a contribution within the same community and the family unit.

Paid educational leave also helps people to recognize the resources that exist within their communities. This can only stabilize and build a local community, which is very important.

I have been amazed at the number of people to whom I have talked who have not been aware of the range of skills that are required within their communities. Many people who are laid off are afraid that they will have to move from their community and disrupt their family.

I hope the House will approve this motion because it is very innocuous, as the Member suggests. It simply suggests that the House is willing to have a vision and recognize that society is not static, but one in which we want to deal with the challenges of the future and ensure that our adult world is as prepared as our youth.

I urge the House to support this motion and, in conclusion, I want to complement the Member for Laurier (Mr. Berger). He has shown some vision in his concept of employment and unemployment. Surely the House can accede to such thought and support this motion.

• (1740)

[*Translation*]

**Mr. Marc Ferland (Portneuf):** Mr. Speaker, I am pleased to deal today with Motion No. 27 in the name of the Hon. Member for Laurier (Mr. Berger), which reads:

> That, in the opinion of this House, the government should consider the advisability of introducing a measure enabling workers to participate voluntarily in paid educational leave programs, in order to foster their vocational training and their adaptability to the requirements of the labour market, thus reducing the impact of the devaluation of their skills and, by extension, overall unemployment, and encouraging economic growth and the security of Canadian workers.

First of all, Mr. Speaker, I should like to indicate to my honorable friend and the other members of this House that the government addressed this issue quite some time ago. Ever since this government came to power, training and on the job experience are elements which go hand in hand and their complementarity is one of the major tenets of our philosophy.

Mr. Speaker, this is why, immediately after coming into office, we reviewed existing programs to assess their compatibility with the Canadian labour market and the effectiveness of existing training programs. We quickly realized that the programs were out-dated and did not meet the needs of Canadians, and we immediately got to work.

We had to consider a number of components, such as the economic situation, the employment situation, the gap between training and available jobs, as well as the distribution of potential participants. We also wanted to learn the opinion of all participants on the labour market. We then initiated extensive consultations to inform and contact all groups and individuals concerned, employers, employer associations, workers, labour organizations, business people, training institutions and the voluntary sector.

Thanks to the information we received from all these people, we were able to develop a strategy which takes into account the structure of our labour force and the necessary changes and establishes a link between training, current economic activity and real jobs. This program, the Canadian Job Strategy, was developed in co-operation with all parties involved and is aimed at improving the Canadian labour market.

Mr. Speaker, the Jobs Strategy implemented in 1985 provides training for Canadians. It takes into account the need not to be overtaken by the constant evolution of the labour market.

The Job Strategy involves a complete re-organization of job-related Government programs, as well as a new direction to develop and use fully our most important resource, the Canadian people.

Mr. Speaker, the Job Strategy in fact reflects a certain philosophy. This strategy, which is targeted to the needs of Canadians, is flexible, dynamic and able to adjust to the

requirements of our regions, industrial sectors and individual Canadians.

The Canadian Jobs Strategy is not a panacea, Mr. Speaker. However, in the light of the considerable success it has already achieved since it was implemented, it has proved to be a very effective remedy for unemployment and either partial or total lack of training. It is also a formidable tool for adjusting individuals and communities to a constantly changing labour market in this country.

I am not going to give you a detailed description of all the programs involved. I will leave that to my colleagues. However, I would like to enumerate briefly some of the types of training and job experience that are part of the Jobs Strategy.

I will start with training. One formula alternates work and education, which is particularly useful for students who want to test their skills during their studies and for young drop-outs who want to go back to school.

Training in industry helps the trainee acquire technical skills that can be used immediately on the job.

Another formula provides a combination of theoretical training and practical experience. Training is given in an educational institution or in a classroom on the employer's premises. Practical training is acquired on the job.

Next, job creation.

Businesses may be set up by individual workers or by groups of unemployed workers. Students can start their own businesses, especially during the summer.

Our summer employment programs help create several hundred thousand jobs. We also help declining communities. If there are visible signs of economic renewal, we designate the community under an assistance program which helps set up agencies to examine the situation and take appropriate action.

As you can see, Mr. Speaker, the Canadian Jobs Strategy deals with all aspects of the labour market, be it training or job experience, and focusses on all parties concerned: employers, workers, the unemployed, students, and communities.

The Jobs Strategy has provided ways of meeting the challenge of technological change by dealing directly with the problem of training. The Strategy makes the most of human resources and helps Canadians to acquire the training and skills they need to obtain useful and durable employment.

Mr. Speaker, in the riding of Portneuf which I represent, the Canadian Jobs Strategy has helped hundreds of workers to find gainful employment. It has helped many small businesses to create jobs and give their employees the appropriate training.

Mr. Speaker, I was elected to this House in September 1984, and as soon as I opened my constituency office it was invaded by tens or hundreds of unemployed who came to ask for help in finding jobs. At that point I told them we are working to put in place a program to help them re-enter a changing labour market. Even though technologies have changed, we are going to give you the tools, the skills needed to find a job and keep on contributing to this country's progress and development.

When in 1985 we introduced the Jobs Strategy Program, I must tell you that it met with a most enthusiastic response in my area. You have no idea how many requests I received from companies, small businesses wishing to take part in that program, to help create jobs. But I wanted to ensure that those jobs were really permanent. Because there was a lingering fear, since for 20 years the Canadian Government had been creating programs and all the time only temporary jobs were involved. We, the seniors, remember the Canada Works program, 20 weeks at work, 50 weeks unemployed, and if when you came back you were chummy with the powers that be at that time, you had a bigger chance of finding work again.

We said no. We are going to give equal opportunity to all to find meaningful jobs. This is what the program makes possible. I must tell you, Mr. Speaker, that in my area, the rate of job retention is above all expectations. Officials at the Job Development Centre in the Quebec area tell us, they tell me: Mr. Ferland, this is one of the best programs we have had to administer and work with. It is a pleasure to work with that program, because when we are dealing with a firm, when we are dealing with an unemployed, we are almost certain he or she will have a permanent job.

And I made my own survey. It has no claim to being a scientific survey, but I found that almost every single participant in that program now has a permanent job, not always with the firm for which he or she was trained and in which he or she was trained, but a job with another firm. They had a real opportunity to find meaningful employment, real jobs as we say in our part of the country.

Mr. Speaker, I urge my colleague for Laurier (Mr. Berger) to read the available literature on the Jobs Strategy Program. He will find out that the numerous aspects involved in that program meet the training needs of Canadians. He will have to admit, Mr. Speaker, that what I am saying is true. If he wants more information, I am convinced that the people who work in Canada Employment Centres would be delighted to explain to him in detail how this program works. They are in a position to tell him that this is probably the best program ever implemented by the Canadian Government to help Canadians of all ages find permanent employment and, therefore, participate in the development of their region and their country, as well as provide a decent living for their families.

Thank you, Mr. Speaker, I will conclude by saying that, already, we can safely say that the Canadian Jobs Strategy has proven its worth.

• (1750)

[*English*]

**Hon. William Rompkey (Grand Falls—White Bay—Labrador):** Mr. Speaker, I congratulate the Hon. Member for

Laurier (Mr. Berger) for bringing forward what I consider to be a very important idea. I am disappointed that the government spokesman seemed to have missed the point. That Member spoke about the Canadian Jobs Strategy and in particular about Job Entry. These deal primarily with the unemployed. What the Hon. Member for Laurier is proposing, and quite rightly so, is what I think is generally accepted across the country that is to say that there have to be training and retraining programs for people who are already employed.

In this respect as an example the Kenwood furniture factory which hired the unemployed was mentioned. However, what about the workers who are already working for Kenwood? They have a right to retraining, too. The point is this. As technology develops it develops more rapidly all the time. The businesses which will succeed are those which apply technology. However, as technology is applied, jobs are eliminated. Thus there is a rapidly growing need for retraining. This is a serious and fundamentally important issue. It is important in big business and in small business. Some companies do this already.

The Hon. Member for Laurier mentioned that in Siemens there are already 500 teachers in that company alone. I believe he mentioned 10,000 people who were taken on as apprentices. Imagine that within that company, Mr. Speaker, there are 500 teachers to do what is being done in high schools and universities of that size in Canada.

The important thing is that Canadian workers who are now employed in big and small business and who are the victims of changing technology have a right to training and retraining. This is an investment. Just as one invests in capital, one can invest in human capital. That is the point. Not only do they have a right but it is productive, efficient and effective for a company to carry out that type of retraining if it wants to have workers who are up to the mark. Matters can no longer be dealt with on an *ad hoc* basis. There needs to be put in place a program of this kind across the country, particularly if we are to enter into a free trade situation with the United States.

The Prime Minister (Mr. Mulroney), when he announced the $1.3 billion for research and development, put it in the context of free trade. He said that if we are really going to compete with the Americans then we have to be up to the mark on research and development. I submit that that is only one part of the equation. We must also be up to the mark on training and retraining. There must be a concomitant government package to match that R and D initiative on training and retraining. It is essential. It is particularly essential for single industry towns.

For example, let us consider the Iron Ore Company of Canada of which the Prime Minister was formerly the head. It has an in-service training program. However, there is no guarantee to those workers that they will have paid educational leave on a regular basis. When that mine closes down, as it will inevitably close down some day, and if there is no alternative for employment in that area, then the only thing that those workers will have to fall back on, since there is no income guarantee for them, is their ability to find another job. I am not talking here about unemployed workers. I am talking about workers who are already employed in that particular mining industry. Whether or not they are able to find other jobs depends on their level of training and whether they are up to speed with their colleagues and other citizens across Canada.

If the Government insists that we enter into a free trade arrangement with the United States—and I do not mean by any stretch of the imagination to support that initiative—and if the Government believes there must be a commitment to R and D, then it has also at the same time to agree that there must be a commitment to paid educational leave for workers. If that is not done then our firms will not be able to compete in the market-place and our workers will be disadvantaged.

This is an idea whose time has come in Canada, as it has in other countries, other competitors in the G-7 such as West Germany and others. In that country a measure such as this is already in place. I make the point again that we are not talking about programs for the unemployed. We are talking about programs for workers who are already employed and who desperately need to be constantly upgraded if they are to be up to the mark. It is a human right and it is an economic investment.

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, it is a privilege for me to enter into debate this afternoon on the Hon. Member's motion regarding part of the Canadian Jobs Strategy. The Hon. Member's point of view is with respect to vocational training and educational leave. I find it interesting that perhaps the Hon. Members is somewhat naive with respect to what has happened over the last three years concerning the attitudes and the direction the Government has taken in doing the very thing for which he asks. Clearly, he did not review the work done from the time the Liberal administration left power. If he had done that he would have found that a tremendous effort has since been made and will continue to be made in the very areas about which he presents his motion. It is not difficult to understand that perhaps he has not researched this matter the way in which he should have researched it.

To illustrate my point I will refer to something that is taking place in my own backyard, right in my own constituency of Selkirk—Interlake. In this area what the Hon. Member asks for is being done on a bigger scale than it was ever done before. I refer to the Selkirk Training Centre, with which he may or may not be familiar. Over the course of the years I have taken a very keen interest in the work done at just one facility, and there are many, which has adopted part of the Canadian Jobs Strategy, the Job Entry and the Job Development Programs. The one to which I am referring is a training plant. I am glad he recognizes the need to move more in the direction of training for those who find themselves in limbo either because of being transferred from a plant that was

closed or because they have become redundant and do not have the skills to go on to something in the immediate area.

The Hon. Member has said that this has happened to a vast group of Canadians. It has happened to a number of young Canadians in the age group of 17 years of age to 24 years of age who did not exercise the ability to train themselves or to put themselves into a position from which they might become employed. This is the very area in which the Selkirk training program works. We have put in as much as $400,000 a year in funds. The most important fact after all my years in working with this group is the success rate it has achieved.

I have the statistics in front of me which go back for three years. In the first year it is estimated, from about the 60 people taking training, that the re-employment ability of those trained hit 35 per cent. Last year it hit 70 per cent. This is as a direct result of entering into this type of training. That is the type of success that we would like to achieve and that the Canadian Jobs Strategy has achieved in my area. If it has not done so in the area of the Hon. Member, I would recommend that he go to the Minister and discuss some of the projects, like those I have in my riding, in order that he can help those people who are less fortunate. Perhaps this would be a good exercise for the Member and make him aware of what is going on in the Canadian Jobs Strategy.

• (1800)

**The Acting Speaker (Mr. Paproski):** Order, please. The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order shall be dropped from the Order Paper.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 is deemed to have been moved.

ADMINISTRATION OF JUSTICE—INQUIRY WHY GOVERNMENT OPPOSED APPEAL OF LUC PAQUETTE TO HAVE CRIMINAL PROCEEDINGS TRIAL CONDUCTED IN FRENCH/RIGHT TO HOLD CRIMINAL TRIAL PROCEEDINGS IN FRENCH IN ALBERTA—POSITION OF PRIME MINISTER

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, on November 30 and December 1, 1987, I asked questions of the Prime Minister (Mr. Mulroney) concerning a decision in February, 1986 by a judge of the Court of Queen's Bench in Alberta. That decision provided that an accused, a Mr. Luc Paquette, could be tried in Alberta for a federal offence, possession of drugs for the purpose of trafficking, entirely in the French language.

In other words, that court decided that Mr. Paquette had a right to a trial with a French-speaking judge, jury, and Crown Attorney. This right had been sought by Mr. Paquette under Part XIV.1 of the Criminal Code of Canada, and in particular Section 462(1). As I stated, Mr. Paquette was successful at the trial level.

Unfortunately, the federal Government, this Mulroney Government, appealed this ruling to the Alberta Court of Appeal, opposing the accused's right to a French language trial. I note that this is the same federal Government which purports to support the extension of the French language throughout the country. This is the same Government led by a Prime Minister who said to me in the House of Commons on November 30, 1987:

> Mr. Speaker, the Hon. Member says it is terrible, when in fact this Government has never failed to promote both our official languages.

When the Prime Minister states that his Government has never failed to promote both official languages, how does he account for the fact that his own Attorney General appealed Mr. Luc Paquette's right to a French language trial? Why did the Government go to court in Alberta to block Mr. Paquette's right to a French language trial?

To be clear about it, the Prime Minister did reply to me in the House on December 1, 1987, that the Alberta Court of Appeal decision in the Paquette case was rendered in two parts. First, the Court of Appeal did rule that the French language can be used as a right in criminal proceedings in Alberta because Section 110 of the former Northwest Territories Act is still in force in Alberta for criminal matters. The Prime Minister replied to me in the House that the federal Government supported this aspect of the case.

However, what the Prime Minister failed to indicate, and why I rise again tonight, was that according to the Alberta Court of Appeal, the Northwest Territories Act only gives the accused the right to speak French with the use of an interpreter in court. In other words, there is no obligation under the Act to provide a French-speaking judge and jury.

I have confirmed in Alberta, and spoken to Marjorie Mora, who is the lawyer for the accused, that there are enough French-speaking judges and Crown Attorneys in Alberta, and that other trials were already taking place there entirely in French prior to the federal Government becoming involved to block Mr. Paquette.

In his answers to me, the Prime Minister failed to refer to the second part of the Paquette decision. He failed to indicate why his Government wanted the Court of Appeal to overturn the finding of the trial judge who held that the individual was entitled to an entirely French trial, and who held that Alberta's failure to proclaim Part XIV.1 of the Criminal Code was a violation of the Charter.

This is not the only time that this Government has opposed the right to a full trial in the French language. A short while ago, in a case called *Ringuette v. the Queen*, I am advised that the federal Government appeared before the Newfoundland Court of Appeal and successfully opposed the right of an accused to a trial in the French language under the same Part

XIV.1 of the Criminal Code. Neither Alberta nor Newfoundland have proclaimed those parts in effect. I want to ask the Prime Minister as I asked him in December, why the Government has not moved on its own to proclaim in Alberta Part XIV.1. The federal Government has the right to do so pursuant to the Criminal Law Amendment Act, 1985 which this Government brought in and which gives it the right to proclaim the provision in force when the Attorney General of the province and the federal Minister of Justice have not reached an agreement on an appropriate proclamation date.

• (1805)

Surely that date has arrived by now. That section should be proclaimed in effect. Shame on a government which goes to the court of appeal to prevent someone in the official language minority group from being tried fully in his or her own language.

[*Translation*]

**Mrs. Lise Bourgault (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs):** Mr. Speaker, on November 30 and December 1 last year, the Hon. Member for York Centre (Mr. Kaplan) asked the Prime Minister to explain the position taken by this Government in the Paquette case, where the Alberta Court of Appeal recently handed down a judgment on language of trial rights.

The Prime Minister pointed out that our Government has never failed to promote both official languages of this country, and everybody, including the Hon. Member for York Centre, knows he is right. He also said that in the Paquette case, the judgment consisted of two parts, and that Bill C-72, which concerns the status and use of official languages in Canada, will soon correct a situation that had been allowed to persist by the previous Government. It is easy for the Hon. Member for York Centre to criticize now he is on the other side of the House.

Mr. Speaker, on September 11, the Alberta Court of Appeal handed down the first half of its decision in the Paquette case. This part dealt with the appplication of Section 110 of the Northwest Territories Act to criminal proceedings in Alberta. In a majority decision, the Court maintained that Section 110 was still in effect in Alberta with respect to criminal proceedings, and as a result, and as maintained by the Attorney General of Canada, anyone has the right to use French or English in the course of such proceedings.

In the second half of the judgment rendered on November 27, 1987, the Court of Appeal decided that Part XIV.1 of the Criminal Code, which gives an accused the specific right to be tried before a judge or a judge and jury who speak his or her official language, was not yet in force in Alberta. The Court of Appeal rejected the argument that the mechanism adopted in 1978 to provide for gradual implementation of this section violated equality rights provided under the Canadian Charter of rights and freedoms.

As Minister of Justice, the Attorney General of Canada has actively pursued consultations with the provinces to ensure that Part XIV.1 will come into effect throughout the country. Furthermore, as indicated by the Prime Minister, Bill C-72, the proposed Official Languages Act tabled by the Minister of Justice in the House on June 25, 1987, will amend the Criminal Code to clarify and consolidate language of trial rights and ensure that Part XIV.1 comes into force no later than January 1, 1990 in all provinces across Canada.

Mr. Speaker, on this side of the House, we do more than talk—we act!

[*English*]

LABOUR RELATIONS—AIR CANADA STRIKE—SUGGESTED SUSPENSION OF WORK STOPPAGE

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, on December 14 I raised a question with the Minister of Labour (Mr. Cadieux) with respect to the settlement of the Air Canada strike. That strike being settled notwithstanding, I wish to return to the subject because of the wide implications that strikes and lock-outs have for the consumers of Canada as well as for labour and management.

Very frequently we think the only parties to a labour dispute are the employers and the employees, but the people very often most affected by a work stoppage are members of the consuming public. Think of the strikes we have had in the past 12 months in Canada which have had a direct bearing upon customers, members of the public. There was the police strike in Saint John, New Brunswick, the teachers' strike in Metropolitan Toronto, the Canada Post strike across the nation, the strike in Prince Rupert which closed the grain terminal and has brought a great loss to the farmers of western Canada.

I quote from a newspaper report concerning the impact of the Canada Post strike on small businesses. The writer said "Small firms, always the most vulnerable during economic disruptions, are starting to feel the pinch from the three week old postal dispute".

• (1810)

Over and over again we are aware that a strike or lock-out not only hits hard the people on the picket line or in the offices of the companies involved, it hits hard the people who are depending upon the flow of supplies and services, the people who are the members of the consuming public and have some right to be served, a right that is often denied them by the two participants in the dispute.

Tonight I raise the questions: who looks after the consuming public? Who cares about the customer? Who cares about the member of the public who has apparently no rights at all in a labour dispute except the right to wait passively and independently for two other parties to settle a dispute that so profoundly affects his or her life? It seems to me that it is time for Governments to take this very seriously. If they do not speak up and act on behalf of the consuming public, who will?

I would urge the Governments of Canada to consider very seriously a conference involving both the Canadian Government and the provinces together with representatives of management and labour so that there could be some consensus built for an alternative to the strike as the ultimate weapon. I say that the strike is now out of date. There are much better alternatives. Some of them have been tried in other countries. There are labour courts and various forms of arbitration. All these deserve some further and more serious consideration within Canada so that justice can be done for people who have so long been denied it and who have a right to be heard. I plead with the Parliament of this land to hear their plea and to act for them. If we do not, who will?

**Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs):** Mr. Speaker, I want to thank the Hon. Member for his question. Although it pertains to the dispute between Air Canada and its machinists which, as we are aware, was settled last December, the part of the Hon. Member's question having to do with the inconvenience to travelling consumers as a result of the shut-down of Air Canada operations is still very pertinent.

This was a dispute in which the consumer, the travelling public in this case, had no say in the issues or the actions of either party to the negotiations. Yet the consumer was very seriously inconvenienced by the shut-down of the airline, which happened at a time of great importance to travellers and their families. Appointing a mediator to help guide the parties to a timely and early settlement yielded the results the Government was looking for and proved to be the most effective course of action.

The Hon. Member is aware that our collective bargaining system has been vital to the economic and social progress enjoyed by Canadians. It is an adversarial system and, as such, labour-management disputes will occur. The vast majority of collective agreement negotiations in Canada are concluded without work stoppages and without government intervention. I want to assure the Hon. Member that where consumers are affected or threatened by industrial conflict, the Government will take appropriate and decisive action to resolve the conflict and maintain industrial peace, as we did with the Air Canada strike.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT—MONTREAL EAST—LOSS OF JOBS AT CANADIAN VICKERS/REQUEST FOR PARTICULARS

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, once again I rise concerning an answer I received from the Minister of Regional Industrial Expansion in November 1986, and the matter still is the problems and difficulties experienced by the people of Montreal East.

Mr. Speaker, at that time I told the Minister of Regional Industrial Expansion what were the difficulties and how the Government could react quickly to avoid a haemorrhage and continuing job losses as a consequence of business close-downs.

We set up at that time, with the people of Montreal East, the representatives of employees, the political representatives of either municipal or provincial levels and from all political leanings, and myself with my colleagues at the federal level—Back then, in 1985, Bombardier employed 450 people, Canadian Steel Wheel employed 250, Canadian Steel Foundries 300, Vickers 650, Daoust-Lalonde 100. La Parisette had 100 employees; SKD Technology, 170; the Gulf Refinery, 450.

• (1815)

Right now, Mr. Speaker—on Friday all elected representatives, unions and management of Montreal East sounded the alarm, made an urgent call to the Government to act, and the situation is as follows: pressures were made and succeeded in convincing the Government to help Bombardier, to secure a contract for the construction of fifty locomotives. Four hundred and fifty jobs will be saved. But at Canadian Steel Wheel, sixty-five jobs out of 250 will remain. At Canadian Steel Foundries, 125 jobs out of 300 will be left. Vickers has completely shut down because of the decision of the federal Government to destroy Quebec shipyards. Daoust-Lalonde: out of business. La Parisette: out of business. SKD: out of business. Gulf Refinery: thanks to the Quebec Government, to Mr. John Ciaccia, 250 jobs have been saved.

In addition, we learned that morning that Angus had eliminated 30 positions, which meant a loss of 30 jobs in the East, and the CIP announced 200 lay-offs Friday following the plant close-down. According to the report of the Pichette Committee, there are now 22,000 unemployed and 10,000 welfare recipients in East Montreal.

Mr. Speaker, today, during the Oral Question Period, the Minister of Regional Industrial Expansion and Minister for Science and Technology (Mr. de Cotret) replied with statistics and bragged about Government achievements, but the people of East Montreal are in an unfortunate situation. If people representing various political ideologies at the provincial level, such as the Parti Québécois and the Liberal Party, as well as representatives of the various labour federations, which normally do not see eye to eye, decided to meet on Friday, it is because the problem is urgent.

I would like to remind the Parliamentary Secretary of what we are asking, and I trust that she will reply to me. What all the people of East Montreal want is an investment of $50 million, $25 million from the federal Government and $25 million from the provincial Government, to create a business restructuration and modernization assistance office. This is urgent, Mr. Speaker. If it had been done when we first requested it six months or one year ago, these lay-offs and plant close downs could perhaps have been avoided.

We also ask for a special fund for on-the-job training. As businesses modernize and change, we need money to train people who are now employed and to help those who are unemployed to adjust.

In view of the large number of older workers, it is also important for the Government to revive the labour adjustment program, which provided for pre-retirement benefits in the textile and footwear industry, and to designate East Montreal as the Liberals did for outlying regions when there were problems in the asbestos industry, for instance. We also ask the Government to take other types of initiatives, such as a net employment tax credit for businesses offering jobs in East Montreal, as well as training and job entry programs to help new businesses provide employment in that sector. The Government should help such new businesses to train their workers.

In closing, we also ask that the Minister of Energy, Mines and Resources (Mr. Masse) speed up the process to bring the Soligaz project forward in East Montreal.

Again, Mr. Speaker, these people have had four or five sessions with spokesmen for the federal Government, not to mention twelve-odd meetings, press conferences and demonstrations. Sad to say, I think the Conservative Government is not really concerned about the needs of Montreal East and the greater Montreal region. As you may recall, our representations finally got the Government to appoint a ministerial committee, the Picard Committee, the Pichette Committee, more committees and studies, and during all that time jobs were disappearing and the poor workers were being penalized. Now we have the "Bouchard Act" which amounts to discrimination against older workers and cutbacks in unemployment benefits. All the people I mentioned are losing their jobs, like the Vickers workers who will be laid off next week and who will be penalized because they will be denied benefits and the contributions they made to their pension plan. They will not be entitled to unemployment insurance benefits.

Mr. Speaker, I hope the Parliamentary Secretary has some good news to announce, not only statistics indicating more jobs were created in the western and northern regions of Montreal. What these people want to know once and for all is what is going to be done to help needy Montreal East residents.

• (1820)

**Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs):** Mr. Speaker, I can tell you that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) must be delighted to sit in opposition today and to be able to speak for and on behalf of the workers of Montreal East, because at the time he was a government member and could speak out on their behalf, he never said a word. He was a famous nonentity. Mr. Speaker, need I remind the House that this Conservative Government has inherited this lack of leadership from the Liberals and that it is now really trying to do something. I suggest it has already done something. There are good news; good news indeed! The Prime Minister (Mr. Mulroney) mentioned some good news for Montreal East today during the Oral Question Period.

The Hon. Member for Montreal—Sainte-Marie has failed to mention, anxious as he is to politicise the issue, that as recently as January, the government had awarded to the Bombardier firm a contract worth over $100 million for the construction of 50 diesel electric locomotives. The Hon. Member has mentionned Bombardier. We have replied to that. He did not mention for instance that this contract will create directly over a two year period the equivalent of over 2,000 person-years of full employment and improve the position of this company on international markets.

He has also failed to mention, which is understandable, that the government announced in December a federal contribution of $9.6 million to the *Société pétrochimique Kemtec* to build a paraxylene and cumene treatment plan. Mr. Speaker, this project is good news indeed for Montreal East. To date, the government has helped develop some 76 projects in Montreal East, bringing private and public investments in this area to a total of $295 million. I suggest this is good news. If the Hon. Member wants to have more, he should listen. In Montreal East, the Federal Government has created over 2,500 new jobs and maintained 2,500 existing ones.

I suggest, Mr. Speaker, that we have done what we had to do, that is continue to help the people of Montreal East, an area which is indeed badly underprivileged and which is on the way to regain the place it deserves, and I am sure that the Hon. Member will recognize with the House that the conservative government has reacted positively, and I am sure and I can guarantee that we will continue to see to it that the workers of Montreal East continue to have jobs, stable jobs, permanent jobs, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.23 p.m.

# HOUSE OF COMMONS

**Tuesday, January 19, 1988**

The House met at 11 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*English*]

### THE ARCTIC

TABLING OF CANADA-UNITED STATES AGREEMENT

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, pursuant to Standing Order 67(2), I rise to table in the House in both official languages the agreement between Canada and the Government of the United States of America on Arctic co-operation.

* * *

[*Translation*]

### COMMITTEES OF THE HOUSE

STRIKING—FORTY-SEVENTH REPORT OF STANDING COMMITTEE

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I have the honour of tabling, in both official languages, the Forty-seventh Report of the Striking Committee.

Mr. Speaker, if the House gives its consent, I intend to move concurrence in this report later this day.

ENVIRONMENT AND FORESTRY—FIRST REPORT OF STANDING COMMITTEE

**Mr. Bob Brisco (Kootenay West):** Mr. Speaker, I have the honour of tabling, in both official languages, the first report of the Standing Committee on Environment and Forestry, entitled: High-level Radioactive Waste in Canada: The Eleventh Hour.

[*English*]

Pursuant to Standing Order 99(2), the committee requests a comprehensive response.

In this report, Mr. Speaker, your committee has tackled the thorny issue of the safe storage and disposal of highly radio active nuclear waste. If one thing is certain about nuclear energy, whatever its future, we must find methods to dispose of the wastes which it creates. Governments and the nuclear industry must do everything possible to understand and address openly the public's real concerns about this issue.

[*Editor's note: See today's Votes and Proceedings*]

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### BUSINESS OF THE HOUSE

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there have been discussions among the Parties and I think you would find that the House would be disposed to allow a Bill on notice standing in the name of the Minister of Labour (Mr. Cadieux) dated January 18, 1988, to be called for introduction. I think you would find that there would be a disposition to allow that Bill to be called for debate later this day and also a disposition to have committee stage of the Bill taken in Committee of the Whole immediately following second reading.

**Mr. Speaker:** Is there such consent?

**Some Hon. Members:** Agreed.

* * *

[*Translation*]

### PRINCE RUPERT GRAIN HANDLING OPERATIONS ACT

MEASURE TO ENACT

**Hon. Pierre H. Cadieux (Minister of Labour)** moved for leave to introduce Bill C-106, an Act to provide for the resumption of grain handling operations at the port of Prince Rupert, British Colombia.

**Mr. Speaker:** Shall the Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Speaker:** When shall the Bill be read the second time? Later today, with unanimous consent?

**Some Hon. Members:** Agreed.

## STRIKING

CONCURRENCE IN FORTY-SEVENTH REPORT OF STANDING COMMITTEE

**Mr. Scott Fennell (Ontario):** Mr. Speaker, if the House gives its consent, I move, seconded by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), the Official Opposition Whip, that the Forty-seventh Report of the Striking Committee tabled earlier today be concurred in.

**Mr. Speaker:** The House has heard the motion presented by the Hon. Member. Is it the pleasure of the House to adopt the said motion?

**Some Hon. Members:** Agreed.

* * *

• (1110)

[*English*]

## PETITIONS

PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is my distinct pleasure to present on behalf of a number of Canadians a petition pursuant to Standing Order 106.

These petitioners feel that the very fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal, as they call it. Because the Government has no mandate to negotiate a free trade deal with the United States these petitioners are asking Parliament to ensure that a national debate takes place on the trade deal and that this debate result in a national general election before such an agreement is actually signed.

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, I have a petition from a number of Canadian citizens mostly from Edmonton concerned about the Mulroney-Reagan trade deal. They point out that it will deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States.

The petitioners call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I have the honour and duty, in accordance with the Standing Orders, to present a petition from a number of residents of Canada; from Oshawa, Toronto, Richmond and other places, pointing out that this Government has no mandate from the Canadian people to conclude a free trade agreement with the United States and that such an agreement would deny to Canada the policy freedom to determine its own economic future. It would undermine our ability to build a distinct society, distinct from that of the U.S., and not only fails to secure access to the U.S. market, which was the key objective, but it threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Ms. Pauline Jewett (New Westminster—Coquitlam):** Mr. Speaker, I have the honour to present a petition from a number of Canadians concerned about the trade deal that the Prime Minister (Mr. Mulroney) and President Reagan have initiated, chiefly because of its threat to Canadian sovereignty, and because there was no mandate given to the Government to negotiate the deal, and it will ultimately reduce Canada's ability to plan the economic, social and cultural programs Canadians need.

The petitioners, therefore, request that this debate result in a national general election before such an agreement is signed.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the responsibility and the privilege of presenting a petition signed by the residents of Warren, Ontario, Hanmer, Ontario, Timmins, Ontario, Sudbury, Ontario, and Sarnia, Ontario.

These petitioners claim that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States and, furthermore, that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised.

Further, the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control effectively foreign ownership and to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions.

As a result they therefore pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, I have a list of petitions from a number of points in my riding calling on the Government to dissolve Parliament to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, I have the honour to present a petition on behalf of residents of the City of Thunder Bay who protest that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States, that the Prime Minister (Mr. Mulroney) had actually promised in

the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised.

Whereas the agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control effectively foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunities between the regions, and since the agreement denies Canada the policy freedom to determine its own economic future, it undermines our ability to build a society distinct from that of the United States, the petitioners call upon this Parliament to dissolve and allow the Canadian people the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I have a petition certified by the Clerk of Petitions in January of this year.

The people of Canada who have signed this petition indicate that they believe Canadian sovereignty is threatened by the proposed trade deal. They believe the Government has no mandate to negotiate the trade arrangement with the United States and they believe that it would reduce Canada's ability to plan the economic, social and cultural programs Canadians need. They also believe that the deal would integrate Canada further into the North American defence industry base.

For these and other reasons they call upon the Government to have a national debate on this issue and they wish that we will have a national general election before this deal is consummated.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 106 in which the petitioners say that the Government has no mandate to negotiate a free trade deal with the United States, that the trade deal would reduce Canada's ability to plan the economic, social and cultural programs we need.

For these reasons they ask the House of Commons to ensure that a national debate takes place on the Mulroney-Reagan trade deal and that this debate result in a national general election before any agreement is signed.

**Mr. Neil Young (Beaches):** Mr. Speaker, I too have a petition that has been duly approved. It is in the proper form and it is signed by a number of constituents in the Toronto area.

These petitioners state that considering a Mulroney-Reagan trade agreement between Canada and the United States would have a fundamental impact on Canada's economic, cultural and political independence, and considering that such an agreement implies the loss of jobs in many sectors and regions, they the undersigned request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election prior to the signing of any such agreement.

**Mr. Jack Harris (St. John's East):** Mr. Speaker, I also have the honour to present a petition from citizens of Canada concerned about the trade deal.

The petitioners say that considering a Mulroney-Reagan trade agreement between Canada and the United States would have a fundamental impact on the economic, cultural and political independence of Canada and that it implies the loss of jobs in many sectors and regions of Canada, the undersigned request the Parliament of Canada to obtain a clear mandate from the Canadian people through a national debate on alternatives available to Canada and that this debate result in a national election prior to the signing of any such agreement.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, question No. 202 will be answered today.

[*Text*]

CONSTITUENCY OF VICTORIA—HALIBURTON—SMALL CRAFT HARBOURS

Question No. 202—**Mr. Scott (Victoria—Haliburton):**

1. What is the current annual cost of maintaining small craft harbours in the constituency of Victoria—Haliburton?

2. Will the Minister of Fisheries and Oceans allocate more funds to repair and maintain small craft harbours across Ontario and particularly in the constituency of Victoria—Haliburton and, if not, what plans does the government have to protect itself from potential legal actions that may be the result of continued use of unsafe facilities?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** 1. Since its inception in 1973, the Small Craft Harbours Program has expended $2,190,543 in the constituency of Victoria—Haliburton. The 15 year average, therefore, is $146,036.20.

2. In June of 1987, Cabinet approved the funding of the Harbour Revitalization Program whereby harbour infrastructure repairs or construction are ongoing throughout the country. This three-year program will permit us to catch up on the backlog of important work which was neglected in the past. At the termination of the Program, the Small Craft Harbours Branch budget will be established at $70 million annually, a 44 per cent increase, to ensure that harbour facilities are properly maintained in the future and that users are not faced with unsafe conditions.

Specifically, in the constituency of Victoria—Haliburton, a $75,000 wharf repair project was announced for Sturgeon

Point and a $80,000 wharf repair project was announced for Virginia Beach under the Harbour Revitalization Program.

[*Translation*]

**Mr. Hawkes:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

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• (1120)

## GOVERNMENT ORDERS

[*English*]

### GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed from Monday, January 18, consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**The Acting Speaker (Mr. Paproski):** When the debate was interrupted yesterday the Hon. Member for Nickel Belt (Mr. Rodriguez) had completed his speech. The question and comment period following the Hon. Member's speech is now available to Hon. Members. If there are no questions and comments the Chair is prepared to recognize Hon. Members for debate.

**Mr. Manly:** Mr. Speaker, I was interested in the speech made yesterday by the Hon. Member for Nickel Belt (Mr. Rodriguez). He talked about the sham involved in this Bill. The Government has been taking $1 billion a year out of regional programs and is now putting $200 million a year back in. The Government is calling it decentralization. Rather than decentralization would this not be better characterized by the word "abdication"? The Government is really abdicating its responsibility to look after the concept of regional development. It is shuffling this responsibility to an agency and underfunding the agency at the same time.

**Mr. Rodriguez:** Mr. Speaker, I want to thank my hon. colleague for the question. He is absolutely correct in his suggestion that it is an abdication of the responsibility to eliminate regional disparities, particularly in Atlantic Canada, which is supposedly the purpose and principle of Bill C-103.

In fact, all Canadians recall that when the Conservative Government came to power it was on a kick of cutting the deficit. As a result, it embarked on program cuts in Atlantic Canada. Since 1984 cut-backs have been in the amount of $1 billion.

**Mr. Riis:** Cut-backs?

**Mr. Rodriguez:** That is right. We all remember when the big kick was to cut the deficit. The deficit was the enemy and we were supposed to cut it. Atlantic Canada felt the heel of that jackboot and $1 billion was cut from the economy of Atlantic Canada by the federal Government.

**Mr. Riis:** Unemployment is high there.

**Mr. Rodriguez:** Of course unemployment is high. Those were the days when we kept reminding Canadians that Tory times were indeed tough times. The Atlantic is well aware of that.

Having cut $1 billion from federal spending in the Atlantic the Government is now blowing the trumpets and saying that it is giving $1.05 billion of new money.

**Mr. Riis:** That's dishonest.

**Mr. Rodriguez:** It is absolutely a sham. It is dishonest. It is the old shell game. This is not new money. The Government is in fact giving back to Atlantic Canada the $1.05 billion. In fact, it is even less than was cut from the economy of Atlantic Canada.

**Mr. Riis:** Are you sure about those figures?

**Mr. Rodriguez:** I am absolutely sure. I refer Hon. Members to the documentation on the specific areas which have been cut to which I referred in my speech yesterday.

**Mr. Harris:** Mr. Speaker, there is confusion and cynicism in Atlantic Canada about the intentions of the Government in this area. This agency was announced in October of 1986 and again in June, 1987. This legislation was put before the House on December 18 and we are at second reading stage today. Is it not appropriate under these circumstances for the legislative committee which will be considering this legislation to travel to the Atlantic region and hear submissions from Atlantic Canadians?

The Government says it has consulted. The Minister of Transport (Mr. Crosbie) said there were consultations going on, but not while the legislation is before the House and not on the basis of what the legislation contains. Would the Hon. Member care to comment on that?

**Mr. Rodriguez:** Mr. Speaker, I thank the Hon. Member for St. John's East (Mr. Harris) for the question which allows me the opportunity to expand on that aspect. The program was announced in 1986, reannounced in 1987, and finally brought to the House in the form of legislation in 1988. There is a considerable amount of confusion as to the objectives and goals of this agency.

I pointed out yesterday that the board which will be directing the activities of the agency is only there to assist the Minister. The Minister and the Deputy Minister are here in Ottawa. There is no decentralization. This is a continuation of the concept that everything that will happen in Atlantic Canada will be determined here in Ottawa. In fact, the Deputy Minister of this agency, Mr. McPhail, said that the agency will not be concerned with macroeconomic programs in Atlantic Canada. That is, in fact, contradicted by Mr. Deneen, who said that they are concerned about programs for Atlantic Canada in a regional perspective. Indeed that is what the Prime Minister said.

There is so much confusion with regard to the aims and objectives of this agency, the functions of the board, and the evaluation of the programs which may be approved for economic development in Atlantic Canada that I think it is an excellent suggestion that the legislative committee studying Bill C-103 go into the Atlantic region and listen to input from people who live in the region. Their suggestions for how this Bill can be improved and how their lives can ultimately be improved are extremely important. I agree that the legislative committee should travel throughout Atlantic Canada and get the input of people living there. That is very important to the success of any regional development program in any region of Canada, but particularly in the Atlantic Canada.

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, as a Member of Parliament from Atlantic Canada and one who is excited about the agency and its creation, it is my pleasure to address some comments today to Bill C-103.

Bill C-103 establishes six basic operating principles of the Atlantic Canada Opportunities Agency; consultation, decision-making in the region, emphasis on small and medium enterprises, adapting regional development programs to regional needs, creating the environment for business and economic growth to flourish with flexibility.

Consultation is a key part of the Government's fresh approach to regional development. Since the formation of the Atlantic Canada Opportunities Agency was announced on June 6 there has been extensive consultation in every area of Atlantic Canada with provincial governments, businessmen, and representatives of labour groups.

The consultation process means that the key regional development decisions will be made with the advice of true experts on regional problems and regional opportunities, the people who live and work in Atlantic Canada and care about Atlantic Canada. It is the small and medium enterprises which create the jobs in our economy and Atlantic Canada is no different. The agency will build on that job-creating ability of small and medium enterprises to create and sustain the economic growth Atlantic Canada needs. Through the extensive consultation process, the agency will be able to adapt broad federal regional development programs to best meet the needs of Atlantic Canada.

• (1130)

The agency marks the end of regional development policies and programs imposed from outside the region. An environment will be created in which business can grow and prosper. The agency will encourage an understanding throughout the region of the very important role of business to the economy, and create an atmosphere in which men and women of ideas can turn their ideas to the economic benefit of the region.

The Prime Minister (Mr. Mulroney), in order to prepare for the announcement of the Atlantic Canada Opportunities Agency, had asked Dr. Donald Savoie, an Atlantic Canadian, to do consultation work throughout Atlantic Canada. Mr. Savoie was the head of the Canadian Institute for Research on Regional Development at the University of Moncton, and he has a broad extensive background not only in regional development but also dealing with Government. At one time I believe he served as special assistant to now Senator Roméo Leblanc. He was to meet with other Atlantic Canadians, businessmen, provincial governments, university officials, labour representatives to discuss how regional development could be more effective in Atlantic Canada.

As a result of that fresh look at regional development programs, we have the creation of the Atlantic Canada Opportunities Agency. Perhaps the most important result of this extensive consultation process has been the creation of a network of men and women throughout Atlantic Canada who know about the Atlantic Canada Opportunities Agency, who know the ACOA staff and who know they can use ACOA to improve the region's economy. That is the sole purpose of ACOA. It is, this Parliament willing, the legislative purpose of the agency as set out in Clause 4, "to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities".

ACOA will help improve the region's economy by taking responsibility from existing regional development programs and adding new programs. The Prime Minister has promised to maintain the present level of funding for existing programs like the Atlantic Enterprise Program, Industrial Regional Development Program, Enterprise Cape Breton and the Economic Regional Development Agreements, about $196 million a year.

The Government is also committed to putting $1.05 billion in new money into the Atlantic Canada Opportunities Agency over the next five years, which is roughly $200 million a year. This means ACOA will administer almost $400 million each year in regional development funds in Atlantic Canada for the next five years.

Just how that $400 million a year will be used is currently stated in Clause 4 and Clause 12 of Bill C-103, which outline the Atlantic Canada Opportunities Agency and what it will do. Clause 4 states that "the purpose of the agency is to increase opportunity for economic development in Atlantic Canada

and, more particularly, to enhance the growth of earned incomes and employment opportunities".

Clause 12 adds to that, saying that the agency will place: "particular emphasis on small and medium-sized enterprises, through policy, program and project development and implementation and through advocacy of the interests of Atlantic Canada in national economic policy, program and project development and implementation".

The human meaning of that dry, legal language is that the Atlantic Canada Opportunities Agency will develop the most important resource of Atlantic Canada, the people of Atlantic Canada.

The commitment to the people of the region is the key part, the important part of the Government's fresh approach to regional development. Regional development must be based on local involvement, must be based on the local economy, must be developed mainly by local people who are those with the most intimate knowledge of what will work and with the greatest stake in making development work.

This is the first real regional economic development policy that will not be dependent upon ideas that are made and formulated in Ottawa. It will not be, once again, the flow of ideas from Ottawa because that is what Ottawa thinks is best for Atlantic Canada. This agency will utilize the innovative thinking, the entrepreneurial spirit and ideas of Atlantic Canadians who know best what the Atlantic Canada economy needs and what will work in Atlantic Canada.

This Bill gives Atlantic Canadians the tools to develop their economy in a way that no previous development Act has ever done. It throws out a challenge to Atlantic Canadians to show that they, with their enterprise and their initiative, can do the job.

We know Atlantic Canadians can create their own opportunities. As a Member of Parliament from Atlantic Canada, I can assure the House that we need and want the opportunity for economic growth. We want to use our entrepreneurial talents. This Bill gives us the financial resources and the leeway to utilize our entrepreneurial talents, to make it work in Atlantic Canada.

Let there be no doubt that there is entrepreneurial talent in Atlantic Canada. Between 1978 and 1985, Atlantic Canadian entrepreneurs created 20,000 new enterprises, each with fewer than 100 employees, to give the region 70,000 small and medium sized enterprises.

This is not regional development imposed from Ottawa. It is regional development with roots in the region.

To ensure that the purpose of the Bill will be met and that the agency will help Atlantic Canada direct its own economic development and build on its human resources and its abundant natural resources on the land and in the sea, Senator Murray will be advised by a 19-member board of men and women from and of the region.

When examining the board, we must take into consideration the role which these 19 people have been assigned. The role of the board is to give policy advice. It will direct the staff to conduct studies and formulate policy options. It will review program proposals and innovative or unusual projects, and will recommend policies or decisions to the Minister. The Minister retains the executive power of decision-making but will be strongly guided by the recommendations of the board which consists of these 19 members from Atlantic Canada.

While most people have understood and welcomed the creation of this board, and the strong advocacy capacity, some have suggested that a decision-making board which would focus on projects and specific cases where it could make final decisions, would be more appropriate.

This argument misses the point. Of course, the group of people on the ACOA board could make good decisions on specific cases. They have the experience to do so, but if they had to examine even a partial share of the hundreds of cases that come before ACOA they would have to become full-time employees of ACOA. Even then, there would be no time for the vital job of guiding the broad policy developments of the agency.

Of course, the board will have all the information on the cases and project decisions of ACOA and will comment on these program delivery decisions as appropriate. Indeed, this kind of independent, objective review of program results will be a big contribution by the board to the operations of the Atlantic Canada Opportunities agency.

The agency will be an advocate for Atlantic Canada, defining and promoting the interests of Atlantic Canada at regional and national levels; promoting an Atlantic perspective and ensuring that Atlantic Canada gets fair and reasonable consideration, and a fair and reasonable share of the benefits from national policies and programs.

Following the Prime Minister's announcement about the establishment of the agency in St. John's, Newfoundland, on June 6, responsibility for economic and regional development agreements was transferred to Senator Murray and ACOA. Under this Bill, the strategy and management of the ERDAs is a responsibility of the agency.

Discussions are now being held on a new series of economic and regional development agreements with each of the four Atlantic provinces.

Clause 6(2) of the Bill says that the Minister for ACOA may, with the approval of the Governor in Council, enter into agreements with the government of any province or provinces in Atlantic Canada respecting the carrying out of any programs or project of the agency.

Clause 13(h) gives the agency power to enter into contracts, memoranda of understanding or other arrangements in the name of the agency.

Clause 18 of the Bill deals with the Atlantic Canada Opportunities Board, made up of 19 people from Atlantic Canada, as I mentioned. Their main job is to assist the agency in the exercise of its powers and performance of its duties and functions. New Brunswick and Nova Scotia have five members each on the board, and Prince Edward Island and Newfoundland have four members each. Members are owners and operators of small and medium-sized enterprises, representatives of provincial governments, regional development commissions, and of labour.

I have a list of the members of the agency. I want to mention some of the occupations which describe the broad range represented by the board of the Atlantic Canada Opportunities Agency. One board member is an acting chairman of the cabinet secretariat from the Province of New Brunswick. Another is president of Canada East Tours, located in Bathurst. Another individual is the owner of Atlantic Mini-Fridge Company, located in Moncton. This person used to work for the old Department of Regional Economic Expansion, and saw some of the benefits government programs were offering to Atlantic Canada. He took the initiative, formed his own company, and has done extremely well. He has offered his expertise and experience to the advantage of all Atlantic Canadians, by serving on the board of the Atlantic Canada Opportunities Agency.

The President of Assumption Mutual Life, located in Edmundston with headquarters in Moncton, is another member of the board. The regional librarian for the Saint John Regional Library is another member of the board as is a member of the Canadian Advisory Board from Marsh McLennan in Halifax.

Despite some of the criticisms we heard in the House yesterday, another member of the board is the international representative of the International Brotherhood of Electrical Workers located in Sydney, Nova Scotia.

Another is partner in MCS Ventures located in Halifax. There is the executive director of the Eastern Shore Development Commission in Halifax County. There is the President of Stewart Restaurant in New Glasgow. Prince Edward Island is represented by a director from the Atlantic Ventures Trust in Charlottetown. There is the president and general manager of M.F. Schurman Limited in Summerside. It is represented by a well known lawyer from Prince Edward Island, and from the Government side, the secretary to the policy board of the Government of Prince Edward Island. Newfoundland is also well represented with the manager of the National Life of Canada located in St. John's, the Assistant Deputy Minister of Intergovernmental Affairs, the president of General Industries Limited and the president of North Limited, which is located in Goose Bay, Labrador. These people have offered to share their talent and expertise to help Atlantic Canadians take full use of the Atlantic Canada Opportunities Agency.

• (1140)

Since that board was appointed on August 31, a great deal of activity has taken place with respect to Atlantic Canada and the Atlantic Canada Opportunities Agency. The agency spends a great deal of time addressing itself to Enterprise Cape Breton Corporation. That is a topic I will leave to a representative from Cape Breton. I am sure they will be able to give a first-hand impression of what Bill C-103 will do with respect to the Cape Breton Enterprise Corporation and what it offers to the people of Cape Breton.

I have outlined briefly what this Bill will do for Atlantic Canada and Atlantic Canadians once it is passed by Parliament. Since June 6 when the Prime Minister announced the formation of the Atlantic Canada Opportunities Agency there have been consultation meetings held all across Atlantic Canada. A head office has been established in Moncton and certainly as the Member of Parliament for Moncton, I can tell Members that it is a pleasing thought to us to have in Moncton a headquarters of the Atlantic Canada Opportunities Agency which, in essence, is really a national agency.

We welcome the people who will be employed in that agency. We are sure they will find Moncton an excellent place to work, to live and to bring up a family, and possibly, after successful years with the agency, an excellent place to retire.

Offices have been set up in every provincial capital. Staff has been hired and work has been done on a policy framework for the agency which has resulted in the Bill before us here today.

ACOA has been administering and delivering existing regional development programs since it was created. It has cut red tape and streamlined the delivery process to get funds to those who need them in the shortest time possible. Over 90 per cent of the applications under AEP, IRDP and ECB can now be directly approved by the regional vice-president. This has made the approval process much simpler and faster.

In the six-and-a-half months since the agency was established, it has approved 451 applications and authorized $68 million in contributions to the Atlantic Enterprises Program. These approvals have meant that business has been able to create 1,704 new jobs and has enabled these businesses to retain 2,648 additional jobs. We are now asking Parliament to give us the authority to do the full and complete job we must do to bring Atlantic Canada into full partnership with Canada's economic life.

This Bill creates an agency which will allow Atlantic Canadians to make decisions about their economic future. This Bill creates an agency which Atlantic Canada can use as an instrument to mold so that Atlantic Canadians can seize the opportunities of the future. It does not repeat the mistakes of the past. It does not expect Atlantic Canadians to adapt to programs best suited for central or western Canada. In fact, this Bill gives Atlantic Canadians, through the agency, the

tools needed to adapt national programs to meet the specific needs of the region.

The agency takes into account the dramatically different economy, industrial base, environment and cultures of the Atlantic Canada region in a way that is fresh and exciting. We have targeted, in particular, small and medium sized enterprises, those locally owned and locally managed, as the best way to improve economic performance in Atlantic Canada. Smaller enterprises have a proven record of creating new permanent jobs. The job of the Atlantic Canada Opportunities Agency is to encourage local growth. We know this can best be done by increasing the number of small and medium sized enterprises operating and flourishing in Atlantic Canada.

ACOA will develop the abundant talent and ability of Atlantic Canadians. This is a new partnership for Atlantic Canada of private and public sectors, a development partnership with improved and faster decision-making authority. It is an agency completely supported by all members of our caucus from Atlantic Canada, not for narrow partisan reasons but because this agency, this approach, is the best for Atlantic Canada. It is an approach not of desperation but of concern for the region and optimism about the region's future.

It has been my privilege to assist my colleagues in caucus, as well as Members of the Cabinet, Senator Murray and the Minister of Transport (Mr. Crosbie) in this House and outside this House. This is an important Bill. It is important for the future of Atlantic Canada and for the future of Canada. I know we can move quickly on this Bill. I know Members all agree that we should and must move quickly to ensure Bill C-103 receives the full support of Parliament and the Senate so it can be put to work fully and extensively to bring benefits to Atlantic Canadians.

**Mr. Howie:** Mr. Speaker, the president of the Atlantic Provinces Chamber of Commerce, Mr. DesBrisay, has been mentioned in the media as having suggested that the board, just mentioned by the Hon. Member in his address, should be a decision-making board with authority over the agency. I wonder if the Member would share with us his thoughts on this proposition and the reaction of the Atlantic Provinces Chamber of Commerce to the decision of the agency not to accept that proposition?

**Mr. Cochrane:** Mr. Speaker, I am pleased to have a chance to respond to the question of my colleague. There has been ongoing debate in Atlantic Canada about the agency. It has been basically premature debate because the agency is only six-and-a-half months old. We are now looking for legislative authority to put the agency into operation. One of the critics has been Mr. Rick DesBrisay, who is the president of the Atlantic Provinces Chamber of Commerce. I happen to know Mr. DesBrisay and probably know from where he is coming when he speaks.

I might add that a number of other members of the Chamber of Commerce, particularly in the greater Moncton Area and throughout Atlantic Canada, have expressed a concern to me that perhaps this president is not speaking on behalf of all their member agencies. Perhaps he has an axe to grind. I think anyone from New Brunswick knows his background politically and the involvement of his father in the previous Liberal Government from 1960 to 1970. More importantly, I think, those of us in Atlantic Canada who were involved at the beginning of this agency realize that he felt he was the best person in Atlantic Canada, believe it or not, to be the president of the Atlantic Canada Opportunities Agency. He came to see me. He lobbied fully with bureaucrats in Ottawa and with other Members of Parliament in Atlantic Canada so that he could receive the appointment as president of the Atlantic Canada Opportunities Agency.

Knowing that, I have a very difficult time looking with any seriousness at the comments coming from this individual, supposedly on behalf of the Atlantic Provinces Chamber of Commerce. He does not necessarily represent each individual Chamber of Commerce. We know where he is coming from politically. I think we know he feels a sense of rejection. He felt he had the best ideas for that agency and because we did not accept him and because Don McPhail, a previous ambassador, was chosen to be the president designate, he feels the agency is out of touch and out of tune and, basically, out of touch and out of tune with his thinking, his point of view, his background, and his own personal objectives.

I am pleased to have a chance to tell everyone that perhaps some of the criticism is coming forward for a reason not strictly in the best interest of Atlantic Canada. The application that was submitted by the Atlantic Provinces Chamber of Commerce was rejected. I think the board would be receptive to seeing a new application. However, the basic reason for that rejection was that the money was going to be used to assist volunteers in a program, and by its very legislative mandate the Atlantic Canada Opportunities Agency is designed to put people to work, to earn money, to make a living and, hopefully, to pay taxes. It was not meant to promote a volunteer program.

If the Atlantic Provinces Chamber of Commerce wishes to rework that application, I am led to believe it will be given consideration by the board. Certainly, in rejection of the application there was no element of blacklisting of that Chamber of Commerce. At the same time, I think people must read and note the comments of the Atlantic Provinces Chamber of Commerce, particularly through its spokesman, Mr. DesBrisay, keeping in mind his background, his involvement and his interest in this agency and its creation.

• (1150)

**Mr. Harris:** Mr. Speaker, I have a brief comment. I hope that the Hon. Member for Moncton (Mr. Cochrane) was not leading the House to believe that because a person's father may have voted one way in the past that his son would vote the same way or act the same way politically. I would like to relate to him a recent experience in Newfoundland which took place

in July of last year. At that time a great number of people whose fathers did not vote for the New Democratic Party, and a great number of people whose mothers did not vote for the New Democratic Party, voted for the new Democratic Party. I do not know what goes on in New Brunswick. We will see what will happen in the next federal election. At that time there may be a great number of people who will not vote the way their mothers or fathers voted.

I now wish to ask the Hon. Member a question. Does he agree with the Minister of Public works, (Mr. McInnes) who said in March of this year that this is the last kick at the can for Atlantic Canada? Is this the last shot? Will we throw up our hands if this does not work? Does the Hon. Member agree with that approach? If he does, does he think $200 million a year for five years is sufficient to look after regional development in terms of the regional inequities and the regional disparities that exist in Atlantic Canada?

**Mr. Cochrane:** Mr. Speaker, I thank the Hon. Member for his question. I was not casting any aspersions on Mr. Des-Brisay's ability to look at good legislation and good programs of the Government and therefore have the possibility of changing his ways of the past. I was more or less drawing attention to the fact that the background is somewhat relevant when looking at the criticisms that are coming forward.

I appreciate the Hon. Member's question with regard to the last kick at the can in Atlantic Canada. I do not believe that. This is one program that is specifically designed for Atlantic Canadians. I think that it is our best kick at the can. I wish to assure the Hon. Member that after a five year period, if we find that this program does not work, the Government will look at other solutions, as it has done in the past. We will not just go to a group of bureaucrats in Ottawa and ask what is best for Atlantic Canada. We will continue to consult with Atlantic Canadians.

It is our best kick at the can. It is the best opportunity we have seen for a Government program to help Atlantic Canadians. I can assure the Hon. Member that it will be successful. It has all the elements of being a successful program, not only because of the $200 million that the Hon. Member and I have mentioned, but also because of the $196 million a year that it will administer through AEP, the ERDAs and the IRDP. The $400 million for each of the next five years gives us a chance to put Bill C-103 to work for Atlantic Canadians by Atlantic Canadians. It really represents the best effort that has ever come out of this House with regard to helping the people of Atlantic Canada help themselves.

**Mr. Orlikow:** Mr. Speaker, I am certain the people of Moncton are happy that the head office of this agency will be located in their city. I want to ask the Hon. Member how many of the people who will be employed in the head office of this agency will come from the hundreds who were laid off when the CNR shops were closed? Does the Hon. Member have any information as to how many of those have already found employment or what are the prospects for those who worked for the railway for so many years?

**Mr. Cochrane:** Mr. Speaker, I am pleased with the Hon. Member's question. One of the reasons it was decided to locate the headquarters of the agency in Moncton was that Moncton was going through some difficult times. I can say that as a Member of Parliament from Moncton I have been going through some difficult times, along with my constituents.

There are approximately 300 jobs across the system associated with the Atlantic Canada Opportunities Agency. I am led to believe that in the area of one-third of those will eventually find their way into the regional headquarters in Moncton. A number of the DRIE support staff have been seconded to work for the agency. As well, some new people have been employed. We are certainly pleased to have the 100 or so highly paid bureaucratic jobs located in Moncton.

As to the second part of the Hon. Member's question, hopefully, some people from CN might find their way into this agency. However, the reality is such that this agency performs basically a bureaucratic function, whereas most of the people at CN were involved in industrial activity.

Of the 1,020 people who were affected by the shut-down only 130, in the end, will find themselves without employment security which will guarantee a job until the age of 65, a transfer elsewhere in Moncton, or a transfer elsewhere in Canada, primarily to Montreal or to the city to which the Hon. Member represents. The 130 people received up to 80 per cent of their salaries and benefits for a period of time that related to the number of years that they worked for the company. Of the 1,030 only 130 are left seeking long term employment activity.

I can assure the Hon. Member that this agency will give some of the enterprises in Atlantic Canada an opportunity to expand and, hopefully, to employ some of these people. My job will be to ensure that is does that. My job will be to ensure that the business community in my area will be able to attract some of this $400 million per year into Moncton to find employment opportunities for these people. That is an objective of mine, and, I am sure it is one which the Hon. Member shares. I am sure that all Members of this House who will be supporting Bill C-103 also share that objective.

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, I, too, am happy to be able to participate in this debate. The comments of my colleague, the Hon. Member for Moncton (Mr. Cochrane), about those who dare to criticize the formulation and, indeed, the implementation of the Atlantic Canada Opportunities Agency was a character assassination which I do not believe is becoming of that Member.

Regional development has been on the minds of many Canadians, particularly those of us who reside in Atlantic Canada, for quite some time. Suffice it to say that for me as a Member of Parliament from Atlantic Canada I believe it to be

the most pressing issue that Governments, both national and provincial, must consult, address and, hopefully, solve.

The fight to lessen regional disparities did not begin in September of 1984. Policies of the past were put forward with the same hope and desire to lessen those disparities before September of 1984. Unfortunately, many of those programs were not as successful as one would have hoped.

However, it is worth noting the effect, as was indicated by the so-called expert in the person of Dr. Donald Savoie, who submitted a report to the Right Hon. Prime Minister (Mr. Mulroney) in May of 1987, that some of the previous policies have had on lessening regional disparities, particularly those in Atlantic Canada. I do not subscribe, nor do Members of my Party subscribe, to the statements made by the Minister of Transport (Mr. Crosbie), the Minister responsible in this House for the Atlantic Canada Opportunities Agency, when he said that all programs of previous Governments were bad, did not address the issues and were not successful.

I remind the Minister and, indeed, all Members opposite, of what Mr. Savoie said in the introduction of his report that he gave to the Prime Minister. He stated that, "If we have learned anything about the problem of regional development during the past 30 years in Canada, it is surely that there are no panaceas." That must be the same for this particular agency in that it, too, is no panacea.

It is also worthwhile to note that on pages six, seven and eight of this report to the Prime Minister he writes about regional equity in public services. He states:

> Federal transfers to the provinces and to individuals in Atlantic Canada over the years have had an important impact on the economic structure of the region. Unfortunately, this fact has been too often overlooked. By concentrating on standard economic indicators of employment and per capita income, we have never focused sufficiently on the important progress that has been made in the region in recent years.

Those are the words of Dr. Donald Savoie set out in his report to the Prime Minister in May of 1987.

• (1200)

The report further states:

> Federal transfers to provincial governments and to individuals have enabled the Atlantic provinces to close the gap with the other regions on a number of fronts. By 1979-80, the total fiscal capacity of the Atlantic provinces fell within a relatively narrow range, 85-99 per cent of the national average. This brought the Atlantic provinces much closer to the national average of provincial expenditures per capita in 1979 than they were in 1962. Federal finance officials report still more progress in recent years with all four Atlantic provinces now close to 95 per cent of the national average (after all federal transfers).
>
> Increased provincial expenditures can indicate improved public services, as has been the case in Atlantic Canada.

He goes on to quote and itemize some of those.

On page 7 of the report it states:

> Federal transfer payments have not only increased the capacity of provincial governments to provide services to their residents but have also enabled individual Canadians in 'have-not' regions to acquire basic household necessities. Regional disparities in this respect, extremely wide twenty years ago, are now virtually non-existent.

Dr. Savoie gives the example that Newfoundland moved from 38.3 per cent in 1961 to 97.1 per cent of the national average in 1981 for the indicator "households with refrigerators", and the report goes on and on.

The policies of the past, although they have not met our expectations, hopes, or desires, in a way have tried to alleviate some of those problems. I wish to put that on the record in order that all Members will be cognizant of what has taken place, and indeed of the words of Dr. Donald Savoie, the expert, as indicated by Members opposite.

This debate in the Conservative Party has raged on from 1982, through 1983 and 1984 leading up to the federal election where the Conservatives won with an overwhelming majority, and I believe the largest majority in Atlantic Canada for quite some time. That majority was predicated on the fact that they and they alone had the answers, or many of the answers with regard to the lessening of regional disparity in Atlantic Canada.

That was prior to September of 1984. Many Members on this side of the House, and many residents of Atlantic Canada, automatically assumed that the Government of the day, knowing full well the difficulties and the problems of that particular region, would have a program or a series of programs which could address the fundamental problems in the Atlantic economy.

From September 4, 1984 we had to wait more than two years until October 1, 1986 for the Government to put some words on paper with regard to regional disparities. As you will recall, Mr. Speaker, those were the words which were contained in the Throne Speech by the governing Party. That was October 1, 1986, and here we are in January, 1988 now dealing with a Bill which, if one goes by the words and sentiments expressed by the Minister of Transport responsible for Atlantic Canada opportunities, will be our panacea. It has been almost four full years before the problem of regional disparities in Atlantic Canada are addressed in a substantive manner.

I suggest to you, Sir, that perhaps the critics of this agency may have a point in that we are on the route or the path to a general election only months ahead, and that this is mere window dressing on which to run the next federal election.

The critics, as commented by the Hon. Member for Moncton whom I believe was rather unfair in his assessment of the criticism coming from that particular organization in Atlantic Canada, are real, because our expectations, our hopes and dreams of lessening disparity have been fueled by a governing Party which has repeatedly stated that it would have the answers and the programs to address those most serious situations.

The time lag is one major problem. But let us look at the moneys that the Government of Canada is committing to

regional economic development in Atlantic Canada. Much has been said of the billion dollars. In fact, the Prime Minister has gone on record to talk about new money to the tune of $1 billion. Canadians, and particularly Atlantic Canadians, ought to be reminded that since 1984 the Government has reduced the financial wherewithal in terms of regional disparities by approximately $1 billion annually for a deficit or a reduction in regional development expenditures of $3 billion. The Government has now stated that in place of that it will allot $200 million annually, adding up over five years to $1 billion. That is another example of the lack of sincerity and lack of political will of the governing Party and its huge majority.

One would have to conclude the ineffectiveness of the whopping majority of Conservative Members from Atlantic Canada, and in particular the Cabinet representations, in what we are receiving in Atlantic Canada in view of those obvious, startling revelations in terms of the reduction of moneys allocated toward regional disparities.

Much has been said about the ERDA program. The Minister of Transport responsible did not argue or debate. This program will terminate in June, 1988. That is one program gone. The Minister of Transport does not say that even though that ERDA program had substantial shortcomings, some moneys, not a great deal, have gone into Atlantic Canada. That will no longer be the case.

In fact, at page 14 of his report to the Prime Minister, Dr. Donald Savoie stated that the total expenditure from 1984 to 1985 in Nova Scotia amounted to roughly 3.7 per cent of the total budget, while during that timeframe in the Province of Ontario roughly 41.8 per cent of the moneys under the ERDA program were spent there. We got a teensy-weensy, little bit of money, but then again that program will be gone in June, 1988. There is no new money to replace that particular program.

It is, what my colleague from Newfoundland has said, less money being spent on regional economic development in an attempt to massage the media into believing that somehow by the introduction of ACOA, Enterprise Cape Breton Corporation, and all the other programs with all the different names—by massaging them together somehow the people of Atlantic Canada will be tricked into believing that the new Messiah is on the horizon, when it has taken four years for the Prime Minister and his Cabinet colleagues from Atlantic Canada to put this legislation before the House of Commons.

I say to you, Mr. Speaker that that is not negligence by the Government of Canada, that is not negligence by the Prime Minister or the Atlantic Ministers in that Cabinet, it is gross negligence that they would treat a region of this country with such disrespect by making it wait for almost four years before introducing legislation to address the seriousness of regional disparities, and thereafter substantially reducing the moneys being allocated to reduce regional disparities in our region. What an insult. What is even more insulting is that those Members of Parliament from Atlantic Canada who sit on the government benches say nothing of the disrespect that this Government has shown to our region.

Many questions have to be asked at the committee stage, in the House, and perhaps during third reading. We would like to know the remuneration that the President of the Atlantic Canada Opportunities Agency will receive. We want to know the annual budget that this will have both for operating and capital purposes. However, yesterday we heard very clearly from the Minister of Transport that there will be no money set aside for the purposes of infrastructure moneys, none whatsoever.

• (1210)

We will want to hear from Canadians in that region about the concept of an 18-member board. Is it merely to enhance the economic viability of 18 Tories in Atlantic Canada? Is that the purpose of it? It has had four meetings since its inception. We will want to know about it from the Minister and indeed from Canadians living in Atlantic Canada.

We also want more information and more answers with regard to Enterprise Cape Breton Corporation in terms of its budget, both on a yearly basis and for the next five years. We want to know the rationale for having the president of the Atlantic Canada Opportunities Agency also sitting as the president of the Enterprise Cape Breton Corporation.

I have been told—and I hope that I am wrong and that Hon. Members opposite will set the record straight—that the president of the Atlantic Canada Opportunities Agency will reside in Halifax. However, its head office will be in Moncton, and the head office of Enterprise Cape Breton Corporation will be in Sydney, Nova Scotia. Residency of the president is not the most important aspect of the debate, but it has bearing on the programs and the sensitivity which one accumulates over a period of time by residing in a particular community. We want to know the rationale for that.

There is a clear demarcation between the previous Cape Breton Development Corporation and the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation. The president will not reside in Cape Breton. Presumably he will reside in Moncton if in fact the headquarters are to be there.

We want to know why the Government of Canada has fixed the sum of $100 million on loan guarantees which Enterprise Cape Breton Corporation is allowed to make. Why has it fixed them at $100 million? Is that not an impediment with regard to the flexibility of that particular corporation in terms of its dealing with future businesses as well as with the public and private sectors?

It was interesting to hear the comments of the Minister of Transport yesterday in the House of Commons. I think he devoted the sum of one paragraph to the Enterprise Cape Breton Corporation. In his last sentence he said:

DEVCO will retain a clear commercial mandate to continue the coalmining operations of DEVCO.

Let it be said that the Government has made a complete and utter mess of the coal division of the Cape Breton Development Corporation. It has gutted the coal division, starting with the statements made by the Minister for International Trade (Miss Carney) when she said, on one of her many junkets across the country, particularly in western Canada, that they did not want the Cape Breton Development Corporation exporting any of its product on the international market.

Talk about disparities, Mr. Speaker. I know the Government will talk about the investment tax credit which we put in place, by the way, and about certain economic activities taking place on the Island itself. Everyone including myself wants to see more of that taking place in terms of real economic dollars, but the Government does not talk about the 604 employees who were gutted from the Cape Breton Development Corporation. It does not talk about the way in which that corporation deals with compensation of miners who work underground, sometimes going down seven miles underneath the ocean floor. The Minister of Transport has made no reference to that. The Government does not talk about the preretirement need to fix a certain sum of money to ensure that individuals who may take an early retirement will not be at the poverty level for one year or for the rest of their lives because if they accumulate any outside income it must be calculated in the figure in terms of the income they receive from the Cape Breton Development Corporation.

We have not heard from the Minister responsible with regard to research and development expenditures at the coal division of the Cape Breton Development Corporation. I have said to coalminers, to their executives, to their families, and to the loved ones of people who have lost their husbands in the coalmines that we in Cape Breton cannot continue to develop a coal industry by merely extracting from the ground, or beneath the ocean floor, quantities of coal to be shipped to the surfaces and burnt in power plants. Moneys must be received for research and development in terms of products which come from coal, whether it be a carbo-gel, or a form of oil and coal to be used in a variety of purposes which is environmentally safe. The Government has done little if anything to assist or to enhance that aspect of the Cape Breton coal division.

In terms of the price of coal, the Government of Canada has directed DEVCO to reduce its price to the Nova Scotia Power Corporation. It is funding the private sector to usurp the role which Cape Breton has been playing for a good number of years in the mining of coal and providing it to the Nova Scotia Power Corporation.

Those are a few of my concerns, not all of them, with regard to the legislation, the Atlantic Canada Opportunities Agency, and the Enterprise Cape Breton Corporation. They are substantial, but in summary I should like to reiterate two points. It has taken the Government four years to introduce legislation to address what it knew in 1983 and said in 1984 was a serious problem. Second, to reduce the budget and the expenditures to the tune of $200 million to replace a $1 billion assessment by previous Governments is not only an injustice but an insult to the people of Atlantic Canada. It is totally wrong for the Government of Canada to pursue that course of action.

**Mr. Harris:** Mr. Speaker, I listened with interest to the comments of the Hon. Member for Cape Breton—East Richmond (Dingwall). I would like to ask him whether the following is a misrepresentation of his views.

I quote from the October 1986 edition of *The Chronicle Herald* of Halifax wherein the Hon. Member is quoted as admitting that his own Party lost the political will to stimulate economic growth in the region in the last years of the Trudeau Government. I wonder whether the Hon. Member was misquoted in that context.

Would he also tell us what reaction he had when the former Prime Minister, the now Leader of the Official Opposition (Mr. Turner), dropped the Minister responsible for regional expansion or regional development from Cabinet? What was his reaction to that? Has the position of his Party changed since then?

**Mr. Dingwall:** Mr. Speaker, I thank the Hon. Member for St. John's East (Mr. Harris) for his question. He reiterated a quote which he found in *The Chronicle Herald*. I do not know whether it was absolutely accurate, but I think the sentiment I expressed was well described in the article to which he referred.

I take the Hon. Member back—and I am sure he has done his research thoroughly and effectively—to a debate in the House of Commons in 1982 when the Government of the day, my Party, brought forward amendments to change DREE to DRIE. At that time many Members on all sides of the House expressed grave reservations. I was one of those Members who believed that that change was wrong and said so on the floor of the House of Commons. I indicated to Hon. Members opposite that it ought to be changed if I was proven right, and I think I have been proven right.

I think the Hon. Member will attest to the fact that those policies which were put in place did not fundamentally address the concerns of Atlantic Canada. Equally so, the plan which is now being put into effect, some four years or five years after the Conservatives have come to power, is no panacea for righting the wrongs in terms of regional disparity. I do not have a monopoly, nor does the Government and certainly not the New Democratic Party, on all the answers and all the panaceas for regional disparity. That is my response to the first question the Hon. Member asked.

• (1220)

The Hon. Member mentioned the dropping of a regional Minister of DRIE at the time. The Hon. Member will recall, as I am sure his research has found, that there was a cabinet committee set up specifically to deal with regional economic

disparities. One of the problems the Hon. Member will find about this particular agency, as we found in 1982, 1983 and 1984, is that this agency will become the sole economic tool for development in Atlantic Canada. There will not be the co-operation of the Department of Transport or the Secretary of State for expenditures. The government Departments will say, "You have a budget of $200 million; you want us to construct an airport or a wharf in St. John's East, so go to that pool of money under the Atlantic Canada Opportunities Agency, that is where it is at".

That is one of the underlying shortcomings and deficiencies of this program. I say this to the Hon. Member, who I believe, and I say this with great sincerity, shares my view or at least has expressed similar sentiments, that regional disparity cannot be fought on the back of one small agency of the Government of Canada. It must receive the attention of the Prime Minister. There must be a national commitment to rectifying those disparities within the region. That cannot and will not be done, as evidenced before by other Governments which tried, by deluding ourselves into thinking that one agency with 300 people, a budget of $200 million less $800 million from previous Governments, will address in any fundamental way the disparities in Atlantic Canada.

**Mr. Towers:** Mr. Speaker, in the interests of honesty, fairness and facts, since the Hon. Member mentioned four years as it related to the present Government, would he not agree that four years ago there was a Liberal administration of which he was a part?

**Mr. Dingwall:** Mr. Speaker, again the Hon. Member has brought to my attention his ability, his astuteness and his awareness, and he wishes to show the House that he has a major in mathematics since he can count better than I in terms of months. What the Hon. Member may have missed in some of my statements is that it was his Party that led in part a debate on regional economic disparities, particularly relating to Atlantic Canada, some four years ago in the House of Commons when the Right Hon. Prime Minister was the Leader of the Official Opposition. I say to the Hon. Member that in part, he is correct and in part, I am correct.

**Mr. Jardine:** Mr. Speaker, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) spoke of regional disparity in Atlantic Canada and the almost four years it seemed to take before the Atlantic Canada Opportunities Agency was implemented as though to imply that during this period of time, the Government had been standing still. I would like to bring to his attention that since 1984 there has been a total of 35,000 jobs created in my own Province of New Brunswick. In comparison, there was a net loss of 1,000 jobs in the period between 1980 and 1984.

The unemployment rate has fallen by almost 3.5 percentage points during that same period of time. Total unemployment rose by 19,000 during the term of the last Liberal Government. In contrast, unemployment in New Brunswick has fallen by 7,000 since September, 1984.

Given these figures, one would ask if we really need this program. Well, indeed we do, without a doubt. In New Brunswick, there is still an unemployment rate of some 12.7 per cent, and I daresay that is reflected across Atlantic Canada.

It has been said that there are no political yards to be gained by trying to do something in the Maritimes because they are so fiercely partisan that they can agree on nothing. Perhaps the Hon. Member would be so kind as to prove this wrong and to tell the House what is the one single most important achievement of this Bill.

**Mr. Dingwall:** Mr. Speaker, on the final point, one of the Bill's objectives is that it will attempt to use money, time and effort for entrepreneurial development. I believe that that is an important and positive feature of the Atlantic Canada Opportunities Agency, something to which I have subscribed for quite some time. That is on the positive side.

The Hon. Member believes that the Government has been doing something for the last four years. The Hon. Member is quite right, but he refuses to acknowledge that conditions within the international economy and particularly the North American economy have improved dramatically. In large part, that has not been because of the Government of Canada but because of world international conditions.

Perhaps the Hon. Member has had some difficulties understanding and accepting this, but this is a Government that has done a lot about regional disparities in Canada between 1984 and January of 1988. It has done a great deal. It has slashed expenditures for regional economic development. It has raised taxes to an almighty God high, the highest we have ever seen in this country. That is what it has done for regional disparities in Atlantic Canada.

Of course, the Government has cut substantially the number of public servants across Canada, something which affects the Atlantic region more than any other region in Canada. For the Hon. Member's own edification, I give him the example of the cancellation of the decentralization program which was set to help the constituency of my colleague from Cape Breton—The Sydneys. That is a clear example of what the Conservative Government did for regional economic development.

We agree that the Tories have done a great deal for regional economic development. They cut the budget, they waited for four years to introduce new legislation and they reduced their commitment to the people of Atlantic Canada to a mere blinking of the eye.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, in the run up to the election of 1984, the Conservative Party made hundreds of promises. It promised that it would continue existing programs and that it would bring forth new programs. Those are promises that to a large extent have been ignored since the Conservatives won the election.

The promises have been ignored because the major objective of this Conservative Government has been its insistence that before anything can be done to help the people of Canada and the many regions of Canada which need assistance the deficit which it says is unnecessarily high must be reduced.

When looking at this Bill, an Act to establish the Atlantic Canada Opportunities Agency, we must keep in mind that since its election in 1984 this Conservative Government has reduced funding for federal Government programs in Atlantic Canada by $1.5 billion annually. Now it proposes, if and when this Bill is passed, to give this new agency $1.5 billion, not $1.5 billion annually but $1.5 billion over a period of five years. That is just $200 million a year.

When the Prime Minister (Mr. Mulroney) talked about Atlantic Canada before the election he promised that the Conservative Government would pump new money into Atlantic Canada. We see that instead of pumping new money into Atlantic Canada the Conservative Government has reduced very substantially the funding for Atlantic Canada.

• (1230)

The objective of this agency, as outlined by Senator Murray, is that it will concentrate its efforts almost entirely on the private sector helping individual companies get going. I wish that members on the government side would look at the experience in the United States, particularly in the have-not states, the southern states of the U.S.A. They have come to realize that low wages will not produce jobs, certainly not good jobs. They have come to realize that they cannot compete in a meaningful way, in a way that will help their people as long as the infrastructure which they provide is so poor compared to the western states, the northern states and the central states. States like Mississippi have the lowest per capita expenditure on education. Sewer and water systems are poor, electric power rates are high and roads and bridges are in poor shape. These have-not states cannot compete and they have begun to realize that.

The Canadian Government ignores that evidence from the United States and ignores the evidence we should have accumulated in Canada by now. Without providing the required basic infrastructure, physical and human, Atlantic Canada will not be able to improve and certainly will not be able to compete with more prosperous areas in Canada.

Under this Conservative Government the commitment to regional development and assistance to Atlantic Canada has declined substantially. I talked about the $1.5 billion reduction annually for Atlantic Canada. Let us put that in more precise terms. Explicit regional development expenditure in 1984-85 for all of Atlantic Canada was about $230 million. That is just 15 per cent of the unemployment insurance payments for the area. Expenditures under DRIE's industrial incentive programs have decreased in real terms from $9 a person in the 1969-74 period to $4 a person for the 1984-86 period. Expenditures under the GDA and ERDA programs has declined from $16 a person for the period 1974-79 to $14 in 1984-86. Even the Conservative Government of Newfoundland has estimated that a minimum requirement for funding this agency so it could do its job properly would require an expenditure of $366 million a year instead of the $200 million which is being put forward by this Bill.

I was struck by some of the remarks made yesterday by the Conservative Member for York—Sunbury (Mr. Howie). He said in part that this agency will build up the research capabilities of the area's universities to ensure that regional enterprise is fostered. We can build on the excellent universities in the area, he said. Then he compared the large scale unemployment in Atlantic Canada with the New England States which have a low rate of unemployment.

The Hon. Member from York—Sunbury and other Conservative Members should ask why there is that difference. First, the United States, under the Reagan administration, has been involved in a tremendous and major increase in expenditures for the production of armaments. Even the Conservative Government which is proposing to build nuclear submarines, tanks and ships could not visualize a similar rate of expansion for the building of armaments in this country.

There is another very good reason. The universities in the New England States, the Massachusetts Institute of Technology, Harvard University, Boston University, and the University of Massachusetts have been very heavily involved in scientific research and development funded to a large extent by federal and state Governments. That research and development has led to the spin-off of a large number of new companies involved in high technology areas. We have nothing like that in Canada and we are not likely to get anything like that, given this Government's approach to research and development.

I remind Members of Parliament that before the 1984 election the present Prime Minister castigated the then Liberal Government because Canada's expenditure for scientific research and development was one of the lowest of any of the countries belonging to the OECD and Japan. While other countries were allocating 2 per cent to 2.5 per cent of their Gross National Product to scientific research and development, Canada's rate of expenditures was just about 1.3 per cent, half of what other countries were doing.

The present Prime Minister quite properly castigated the then Liberal Government and promised that a Conservative Government would double the rate of expenditures to 2.5 per cent, but what is the record and the reality, Mr. Speaker? The reality is, as the Prime Minister had to admit at the recent Conference on Scientific Research and Technology, that this year, after over three years of Conservative Government, we are still devoting only 1.3 per cent of our Gross National Product to scientific research and development.

What happens as a result of that? Canada is the only major industrialized country with trade deficits in all of the major high technology groups including aerospace, data processing machines, drugs and electronic equipment. Canada is also

failing to educate sufficient numbers of scientists and engineers who might sustain the necessary economic transformation. If we do not have that transformation, we will have more unemployment, more people working at low wages because the resource-based industries on which we have always depended are facing increasing competition from Third World countries with much lower wage rates than we have, and our resources are, to a large extent, being rapidly depleted.

In an OECD survey of the number of scientists and engineers per 10,000 people in the labour force, Canada had just one-third as many as Japan, less than half of the number in the United States and just over half the number in West Germany. There are approximately 50,000 businesses in Canada that depend on technology and only 2.5 per cent of the total, about 1,250, are involved in any research and development. Contrast that with the United States where there are 15,000 firms spending $110 billion annually on research and development at a rate of three times ours as a percentage of domestic product.

At the recent conference on scientific research and technology the Prime Minister announced that the Government would be allocating another $250 million a year to the universities for scientific research and development. That sounds very good until you compare that announcement with the announcement made just about the same time that the private sector companies in the U.S.A. involved in the production of computer chips are, this year, investing the same amount of money, $250 million, into a new research facility located in one city in the United States, that of Austin, Texas. That is only a small illustration of how far behind we are falling.

• (1240)

When the former Liberal Government announced a cut-back and limits on transfers to post-secondary education under the Established programs Financing program, the then Conservative Opposition voted against the proposal. What has the present Government done? In the Budget which the Minister of Finance (Mr. Wilson) introduced in 1985 we saw a proposed further cumulative loss to the provinces of nearly $6 billion between 1986-87 and 1990-91 of which $1.6 billion represents losses to post-secondary education institutions across the country.

What does that mean for post-secondary institutions in Atlantic Canada? From 1986 to 1990 the universities will lose; Newfoundland, $37 million a year; Prince Edward Island, $8 million; Nova Scotia, $55 million; and New Brunswick, $45 million. That is almost $200 million right there. These reductions will severely compromise the ability of the universities to carry out the research and teaching they should be doing, particularly since these universities have already, over the years of Liberal Governments, had their funding reduced.

We see a similar situation with the granting councils. The Government recently attempted to hide its negligence in funding university research by announcing a matching grant scheme. In February, 1986, the Minister of Finance announced that the Government would match private sector contributions to the three granting councils up to a maximum of 6 per cent annually.

Even the most optimistic projections on the dollar value of the matching grant schemes indicate that funding to the granting councils will be only marginally increased over the frozen base budget level. If you compare the matching grant scheme to the proposed five-year plans prepared by the granting councils themselves, there is a short-fall of hundreds of millions of dollars. The five-year plans that the granting councils developed were to meet the research goals and technology development strategies outlined by the federal Government, so the continued inadequate funding is inexcusable and tragically short-sighted. That means that the claims which the Member for York—Sunbury and other Conservative Members have made will simply will not materialize.

Let us look at the granting councils. In May of last year Dr. Bois, the President of the Medical Research Council, told the Standing Committee on National Health and Welfare that the Medical Research Council had to implement a whole range of Draconian measures to cope with the current fiscal crisis. Among the measures that they adopted was that the approval rate of new operating grants from the February, 1987 competition was limited to approximately 25 per cent, even below the usual low approval rate of 30 per cent, and actual funding of the approved applications was delayed from July to October forcing disruptions in many planned research projects.

One of the areas in which new and important discoveries which will save hundreds and thousands of lives are being made is the field of medical research. Whole new industries are being established as a result of these discoveries. Just when that is happening all around the world the Conservative Government cuts back and freezes funding for the Medical Research Council.

Let us look at the National Research Council. Before the Prime Minister became Prime Minister he said that the National Research Council, which acts as Canada's main research laboratory, needed a funding increase of at least 20 per cent to bring its budget up to $400 million. That was four years ago. In May, 1987, the President of the National Research Council told the Standing Committee on Research, Science and Technology that the NRC budget had just reached $408 million. However, he also pointed out that in the preceding 12 months there had been $31 million worth of decreases at the NRC including a $4 million cut-back in science funding in British Columbia and $19 million in reductions to the NRC's regular programs.

At the same time as it is ignoring well-established and productive research at the NRC and University Granting Council the Government is plunging headlong into the vague area of space research, where there is no demonstrable track record, without the approval or agreement of any reputable scientific advisory committee.

Let us look at some of the areas in which government research has been important, for example, the business of food production and utilization of agricultural products, which is the most important and largest industry in Canada and is very important to Atlantic Canada. Twenty-five per cent of Canadians are involved in producing, researching, processing, servicing, and other parts of the food industry. It should be obvious that research in this area is tremendously important. In 1970 Canada's agricultural expenditures were 3.7 per cent of the total federal expenditures. By 1978 they had dropped to 2.4 per cent and are now only 1.9 per cent of total federal expenditures. Of this, only 10.9 per cent was devoted to agricultural research. In fact, between 1985 and 1987 federal expenditures in science and technology activities in agriculture declined by over $14 million.

Let us look at forestry, another area important to Atlantic Canada. Forest products industries represent one of Canada's largest industrial sectors accounting for about one job in every seven. It is very sad, therefore, to report that Canada is the only Government in the western world with a forestry ministry but no forestry research capabilities because the former Conservative Government in 1979 sold the forestry lab.

I think I have indicated very clearly what has happened under this Government. I will summarize what has happened in the way of cuts in university research funding. From EPF $5.5 billion nationally will have been cut by 1990. Important cuts have been made to universities in Atlantic Canada which have always been under-funded.

As my colleague, the Member for Nickel Belt (Mr. Rodriguez), has indicated, this is a major effort to flimflam the public. It is another public relations effort to convince people that the Government, which has in fact done so many things to hurt Atlantic Canada, is finally going to rectify the mistakes it made and give Atlantic Canada the help it needs. The help it is getting is substantially less than the help it got under the former Liberal Government, which help was itself inadequate.

For all those reasons we intend to vote against this Bill.

**Mr. Howie:** Mr. Speaker, the previous speaker was kind enough to refer to my remarks in the House yesterday, and for that I thank him. Being mentioned by such a distinguished and highly respected parliamentarian is a very distinct honour for me and I am very grateful to him.

He mentioned in particular my allusion to the locomotive economy aspect that could be adopted by Atlantic Canada if we are able to trade more freely with the State of Maine and learn lessons from the way they have built on their great universities led by Harvard and MIT. He correctly points out that Canada's ability to purchase military installations and armaments is certainly not comparable to that of the United States. I should point out to him, however, that in the Province of New Brunswick we have the largest army training area in Canada and it is the largest employer of skilled and semi skilled persons in central New Brunswick. We also have more defence installations per capita than in any other part of Canada. These bases provide a large number of jobs.

• (1250)

The Hon. Member mentioned forestry and the lack of research. I should tell him that under construction in the City of Fredericton is the largest and most modern research facility in forestry in Canada. It is called the Forestry Complex. It is a product of the Government of Canada, being the largest contributor of funds, along with the Maritime Provinces and the University of New Brunswick. It opens a window on research for the vital forest industry which, as the Hon. Member mentions, employs one out of seven people directly and indirectly, and is a leading industry and stimulant of employment in the Province of New Brunswick and indeed Atlantic Canada.

He may also be interested to know that the Government of Canada is setting in place an incubation centre for science, a science mall to test new inventions and spin-off new industries. ACOA is negotiating with the University of New Brunswick for an international marketing function to take full advantage of the great stimulant to Atlantic Canada in freer trade, which I believe his Party also opposes.

CADCAM, Computer Assisted Design and Computer Assisted Manufacturing Centre at the University of New Brunswick, and the Advancement of the Research Productivity Council are all efforts of this Government to build on science and on technology and research to create jobs in Atlantic Canada. I am sure the Hon. Member will be very pleased to hear that before he gave us his wise advice we had already heeded and implemented it.

The Repap Mill which has been built in the riding of the Member for Northumberland—Miramichi (Mr. Jardine) has cost several hundred millions of dollars, most of it coming from the private sector. This does not appear in our budgetary estimates or public accounts, but it is part of the Government's attempt to get the private sector to invest in the area by inducing them with incentives and encouraging them to create jobs. That has created several hundred jobs in the area of highest unemployment in the Province of New Brunswick.

I am sure the Hon. Member will be pleased to see that we are already implementing many of the very wise and excellent suggestions he has made in his remarks and for which I would very much like to commend him.

**Mr. Orlikow:** Mr. Speaker, of course I am pleased to be advised that the Government has instituted a number of programs which will help improve the deplorable record in the area of scientific research and development. However, I remind the Member for York—Sunbury that, according to the Prime Minister, we are still only devoting 1.3 per cent of our Gross National Product to scientific research and development. That is only half of what most other countries are doing.

Let me refer to the forestry industry. That is one of the largest employers in Canada and is a very important industry in Atlantic Canada. Our record is a disgrace. For every two trees cut down, at most only one tree is replanted. Even industry sources are telling us that some 25 years from now the distance from which companies will have to bring wood to their mills will make it uneconomic to keep their plants and mills operating.

Let us consider the example of other countries. Sweden has had social democratic government for 45 of the last 50 years. Most of the forests in that country are owned privately, but that social democratic government—which some Tories believe is absolutely opposed to free enterprise—co-operated with the private owners of the forest lands so that for every tree which is cut another tree is planted. Furthermore, they have made major efforts to develop new, better and faster growing trees, some of which they obtained from British Columbia. They are growing and planting trees in the millions.

Most of the forests in this country are owned and controlled either by the federal or provincial governments. These governments, which almost invariably believe in the free enterprise system, have done virtually nothing to insist that the private companies to which they give licences plant a tree for every tree they are permitted to cut.

The profits of these companies over two generations have been astronomical. Yet what have they done for this country? As a result of their negligence and refusal to co-operate in planting trees to replace those that they cut down, they have brought the industry to the point where, according to industry sources themselves, we will be facing a major catastrophe in the next couple of generations.

While I am happy that the Government has taken some hesitant steps in the right direction, there is still a long way to go. The Conservative Government is fixated in the belief that it must cut back the deficit, which is caused to a large extent by the fact there is almost 10 per cent unemployment. These people are receiving Government assistance instead of being productive workers and paying income tax and sales taxes.

While I applaud some of the things the Government has done, it has a long way to go before it meets the needs of the people of Atlantic Canada.

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated. Debate.

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, in view of the hour, before I commence my remarks perhaps I could call it one o'clock and make my entire speech when I am recognized later.

**The Acting Speaker (Mr. Paproski):** Is that agreed?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Paproski):** It being one o'clock, I do now leave the chair until two o'clock this day.

*S. O. 21*

At 12.58 p.m., the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

## SMALL BUSINESS

REQUEST THAT GOVERNMENT INTRODUCE NEW EARLY RETIREMENT PROGRAM

**Mr. Alfonso Gagliano (Saint-Léonard—Anjou):** Mr. Speaker, in August 1986, the Conservative Government abolished programs under which workers in the footwear, clothing and textile industry could take early retirement. It is now January 1988, and a new program is still not forthcoming.

In Montreal's East End, several businesses . . . For instance, last week CIP closed its doors, and the week before, the Vickers shipyards. Thousands of jobs in the East End have been lost, and once their unemployment insurance runs out, people between the ages of forty-five and fifty will not be able to take early retirement.

I urge the Government to keep its promise to introduce a new early retirement program within a year. It has now been more than a year, Mr. Speaker, and we have yet to receive a response from the Government. The people in the riding of Saint-Léonard—Anjou who have been seriously affected by these measures want the program now.

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## THE DISABLED AND THE HANDICAPPED

1988 CEREBRAL PALSY TELETHON IN QUEBEC—OPPORTUNITY TO SHOW GENEROSITY

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, the 1988 cerebral palsy telethon in Quebec will be held on February 6 and 7. Quebec has a reputation for being generous, and this year, Mr. Jean Perron, President of Normick Perron in Abitibi—Témiscamingue, is the honorary chairman. He speaks on behalf of between 12,000 and 15,000 handicapped individuals. The objective is to develop and improve rehabilitation services in Quebec, while focusing more on the social integration of these individuals. Whatever the nature of their handicap, they have a right to be intellectually independent, to have a social life and to participate in recreational activities that will enhance their lives.

Mr. Speaker, these people deserve our respect and our contributions, and we have until February 7 to demonstrate our generosity in Quebec.

*S. O. 21*

## SOCIAL AFFAIRS

SITUATION IN MONTREAL'S EAST END—URGENT NEED FOR GOVERNMENT INTERVENTION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, yesterday, in their replies to questions about the situation in Montreal's east end, the Minister of Regional Industrial Expansion and the Prime Minister mentioned statistics that failed to reflect the real situation.

I would like to remind Hon. Members and this Government that 22,000 people are unemployed in Montreal's east end and 10,000 on welfare. Since 1985, Daoust-Lalonde Inc., La Parisette, SKD, Vickers and CIP have closed. There were 185 lay-offs at Canadian Steel Wheel, 175 at Canadian Steel Foundries, 200 at Gulf, 30 at Angus. A total of 1,800 jobs were lost. This morning in the northeastern section of Montreal, Leviton announced 250 lay-offs.

Mr. Speaker, it is high time the federal Government intervened and injected $25 million to set up an office to help restructure the economy. Funding is necessary for manpower training, and considering the age of the workers who were laid off, thanks to the federal Government, the worker adjustment program that operated in conjunction with unemployment insurance should be reinstated to provide these people with early retirement benefits.

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[*English*]

## HUMAN RIGHTS

ISRAEL—TREATMENT OF PEOPLES IN OCCUPIED TERRITORIES

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, when thousands of people are imprisoned in camps and many are intimidated and denied even food; when women thus seek food in stealth and then watch it trampled by troops with vicious arrogance; when even children, protesting their oppression as they must, fall before lethal ammunition; when the angry leaders of an angry people are deported from their own land, and when the nations of the world condemn these excesses of the occupying army of Israel, our Prime Minister (Mr. Mulroney) commends the restraint of the oppressive conqueror. Have human rights thus become to our Government something less than universal?

**Mr. Prud'homme:** A courageous statement. At long last someone is speaking up.

## LABOUR RELATIONS

WOMEN BANK EMPLOYEES' STRIKE IN ANTIGONISH, N. S.

**Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso):** Mr. Speaker, I rise today to bring to the attention of all Members a struggle being waged by 11 women in my riding. They are members of Local 2107 of the Union of Bank Employees, and employees of the Canadian Imperial Bank of Commerce. They have been on strike in Antigonish, Nova Scotia, since November 23, 1987. They are seeking wage parity with bank employees doing the same work in Halifax, and with employees of the local credit union who are doing this work as well.

Many of these strikers have years of experience but have not been rewarded for their performance. Negotiations broke off at the end of September and the Canadian Imperial Bank of Commerce has not shown interest in resuming the talks.

I urge senior management of the bank to show good faith by resuming negotiations with these employees. Their cause is just and their case is reasonable.

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## FISHERIES

ISSUANCE OF OFFSHORE LOBSTER FISHING LICENCES IN NOVA SCOTIA

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, once again the Government has shown it cannot live up to the trust of Canadians. Last week the Minister of Fisheries and Oceans (Mr. Siddon) issued four offshore lobster licences to companies in Nova Scotia. The Premier of Nova Scotia has also objected to the awarding and issuing of these licences.

The Lobster Advisory Council, a group which advises the Minister on such matters, has come out against the awarding and issuing of these licences. In fact last Friday its members threatened to resign unless the Minister of Fisheries and Oceans cancelled these licences.

• (1405)

The fishermen of Nova Scotia are extremely upset that the Government of Canada has issued four new licences to the offshore fleet, denying other Canadians that particular right, bypassing the advice and the counsel of the Lobster Advisory Council. This flies in the face of the way in which this has been done for years. In fact the integrity of the management of our lobster fisheries in Atlantic Canada is at stake.

I urge the Minister of Fisheries and Oceans to reconsider his position and to cancel these lobster licences issued to those individuals in Nova Scotia.

## TRADE

SUPPORT FOR CANADA-UNITED STATES FREE TRADE AGREEMENT

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, the great news continues. A recent Decima poll indicates that free trade with the United States is gaining support and now has the favour of the majority of Canadians. This is good news for those of us who believe that it is just what the doctor ordered for the Canadian consumer.

The Economic Council of Canada has predicted a decline in the consumer price index which could give between $700 and $1,000 in additional purchasing power to the average Canadian. In Alberta we would call that substantial, and recognize it as a means of insulating our economy against a recurrence of the dark days of the early 1980s.

Many Canadians already buy extensively in the United States. The duty they pay at Customs upon their return amounts to additional tax and lost savings. Eventually free trade will eliminate these duties while encouraging more Americans to come north.

It is high time for all Members to get onside and to tell Canadians the truth about free trade. It will mean lower prices, wider selection, and higher quality goods for everybody. The bottom line is more money in the pockets of the average consumer.

* * *

[*Translation*]

## THE ENVIRONMENT

APPLICATION OF PROVINCIAL ECOLOGY LAW IN CASE OF FEDERAL INFRACTION—GOVERNMENT POSITION

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, the federal Government cannot set itself above provincial legislation on the environment, especially now that as a result of Bill C-74, the federal Government is becoming increasingly dependent on provincial governments to protect the environment. It therefore comes as something of a shock that the federal Government should challenge the application of provincial legislation in a case where there has been a federal violation of that law.

[*English*]

Where is co-operative federalism when we really need it in the field of the environment? This is an absolutely deplorable situation. In Bill C-74 the Government depends more than ever before on provincial Governments in the field of the environment. Then, when a provincial Government, in this case Ontario, applies the law the federal Government uses Crown immunity to hide behind its own infractions of provincial environmental laws.



We need tough, national standards on the environment. We need respect for provincial laws on the environment, on the part of the federal Government. The federal Minister of the Environment (Mr. McMillan) ought to tell the Department of Justice not to proceed with an appeal and use legalistic ways to avoid its own responsibility.

* * *

## IMMIGRATION

SENATE'S DELAY IN PASSAGE OF LEGISLATION

**Mr. John Oostrom (Willowdale):** Mr. Speaker, each day hundreds of individuals who wish to circumvent Canada's immigration laws use fraudulent methods to gain access into Canada. This assault on our immigration system is the result of 20 years of Liberal neglect.

The Government acted by passing Bill C-55 and Bill C-84 which would curb the abuse and at the same time send out a clear message that individuals who lie and cheat would no longer have access to Canada. Yet this legislation has not become law due to the lack of the Liberal Senate's approval.

The Liberal Senate seems determined to assure the survival of the old system. This brings us to an interesting juncture. The two opposition Parties which used every means to discredit Bill C-55 and Bill C-85 are now demanding action on the PLO terrorist who lied his way into Canada. Had these Bills become law this terrorist would be denied the claim of refugee status as an avenue of appeal.

Another terrorist, Francesco Piperno, used the refugee route to remain in Canada for 10 years. When he decided to leave there was still no decision on his case.

Therefore, the bluster shown by the Opposition is hollow. It should be directing its thunder toward the Senate where the laws demanded by the Canadian people are presently stalled.

* * *

• (1410)

## LABOUR RELATIONS

RAILWAY DISPUTE—OPPOSITION TO EXTENSION OF ARBITRATION DEADLINE

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I rise today to express the concern of many people who work for both the CNR and CPR about the possible extension of the period of time for the arbitrator. I am sure that many Members of Parliament who have rail workers in their ridings have been hearing from these rail workers. They feel that, given the fact the strike occurred so long ago and the arbitrator was appointed so long ago, it is high time a decision was made and they were given a new contract.

We would urge upon the Government that the Minister of Labour (Mr. Cadieux) see to it that the arbitrator does his work by the deadline that he has presently. In that manner, rail workers will know as soon as possible exactly what type of settlement they will get. There should be no further delays. Justice should be done.

* * *

## CANADIAN BROADCASTING CORPORATION

REPORTING OF POLITICAL EVENTS AND POLLS

**Mr. Ted Schellenberg (Nanaimo—Alberni):** Mr. Speaker, CBC news is in the news these days, and for good reason. Many people believe that CBC stands for "Can't Balance Coverage".

Last summer when the NDP topped the polls, CBC news ran it as a lead item, followed by in-depth analysis, followed by commentary that predicted the socialization of Canada.

In December when the Government overtook the plummeting NDP, which had dropped to third place in the polls in only six months, it was barely even mentioned on the CBC.

Just last night the so-called "National" did not see much national importance in the resignation from the Liberal Party of a former cabinet Minister and leadership candidate. Now the CBC wants to deliver its version of the news 24 hours a day. Why should it? It cannot even get the good news right!

* * *

[*Translation*]

## INTERNATIONAL ASSOCIATION OF FRENCH-SPEAKING PARLIAMENTARIANS

ELECTION OF A CANADIAN AS PRESIDENT

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, from January 4 to January 10, 1988, a general meeting of the International Association of French Speaking Parliamentarians was held in Yaoundé, Cameroon.

The Association represents forty parliaments from every continent in the world. Although the proceedings of the meeting were of considerable interest, the most noteworthy event was without a doubt the election of a Canadian as president.

For the first time in the twenty-year history of the Association, a Canadian was elected president of this illustrious body. Although it is not customary to offer congratulations during the period set aside for oral statements, I am sure that in the circumstances, all Members of the House will want to join me in congratulating Senator Martial Asselin on his election as president of the Association.

**Some Hon. Members:** Hear, hear!

**Mr. Boudria:** Of course, Hon. Members are delighted that a Canadian has been elected president of this prestigious organization, but we are particularly pleased that the president is a man who has made his mark within this organization and who is eminently worthy of his new position. Bravo, Martial!

* * *

## FREE TRADE

NEW DEMOCRATS' TRADE OPTIONS

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, the leader of the socialist party has given his blessing to the document entitled New Democrats' Trade Options prepared by his comrades the Hon. Members for Winnipeg—Birds Hill (Mr. Blaikie) and Essex—Windsor (Mr. Langdon).

Our priorities regarding trade options are based on the governement's intervention. Small businesses, which have permitted the creation of 800,000 permanent jobs since 1984, large businesses, the banks, the *Conseil du patronat du Québec* are wrong to support free trade. And yet, they are the ones who pay 92 per cent of the salaries in Canada, that is of almost 12 million Canadians.

Canadian businesses which sell for 95 billion dollars to the United States are not clever? We should ignore their positions in our negotiations?

Because Bob White makes money with the Auto Pact, because he fires the shots for the comrades of the socialist Members of Parliament, it means free trade is good for the automobile industry, for Oshawa.

The study prepared by the socialist comrades must be discussed and published all across the country. There are parties like that whose interest is not to be known!

* * *

[*English*]

## ADMINISTRATION OF JUSTICE

ALLEGED INABILITY TO LOCATE MINISTERIAL APPOINTMENT BOOK

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, the ongoing investigation into the corruption, breach of trust, and fraud charges against the Conservative Member for Gamelin (Mr. Gravel) has been hampered by a report that crucial Crown evidence has not been found. The Department of Public Works has been unable to locate the daily appointment book of the then Minister, the Conservative Member for Joliette (Mr. La Salle).

All parliamentarians have a stake in ensuring that all of the evidence necessary to ensure a just conclusion of the case of the Member for Gamelin is available. I would strongly urge that the Government investigate the situation and either locate this important document or lay criminal charges against the parties who have destroyed it.

* * *

• (1415)

## FEDERAL-PROVINCIAL RELATIONS

PRINCE EDWARD ISLAND—PLEBISCITE VOTE IN FAVOUR OF FIXED LINK CONNECTION WITH MAINLAND

**Mr. Patrick Boyer (Etobicoke—Lakeshore):** Mr. Speaker, yesterday the people of Prince Edward Island went to the polls in a plebiscite, after five or six weeks of debate and discussion, and voted 60-40 in favour of a fixed link crossing to the mainland. I was delighted to be present for several days in Prince Edward Island and to talk to many people there during that debate and that discussion.

Apart from the historic decision itself reached yesterday, the democratic experience on the Island shows once again to all Canadians the importance of this additional form of democratic expression in our country. We should not be ever shying away from direct democracy but seeking additional ways to supplement it. This is why I think that it is a singular lack that we do not have a statute at the federal level which would permit plebiscites.

The self-definition that Islanders went through in the debate and discussion was very healthy. It is a positive thing. Canada is a strong country because it is so democratic. When we find ways to make it more democratic, it will be stronger.

* * *

## POLITICAL PARTIES

NEW DEMOCRATIC PARTY'S TRADE POLICY

**Mr. Felix Holtmann (Selkirk—Interlake):** Well, Mr. Speaker, here you have it—the New Democrats' trade option, by author Steven Langdon. It is an amazing, amazing booklet of 59 pages, of which the first 34 are all about the Conservative free trade pact.

If you go on and read further, Mr. Speaker, and because the Liberals wanted to rip ours up I will help them start with this one, the next seven pages are a bunch of quotes going back to Tommy Douglas. This is how they are going to help free trade, as the New Democrats see it.

If you go on further, Mr. Speaker, you will see that they like GATT. That is their system. They are going back to the GATT system, and that is the only way they are going to solve any trade problems.

If you get to about page 57, by that time, Mr. Speaker, it is easy to rip up. Look at that.

**Some Hon. Members:** Oh, oh!

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# ORAL QUESTION PERIOD

[*English*]

## TRADE

CANADA-UNITED STATES TRADE IMBALANCE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the Prime Minister knows that Canada's trade surplus with the United States is now $10 billion a year lower than it was when he assumed office, and that despite his vaunted special relationship with the President. As if that were not enough, Clayton Yeutter, the United States trade representative, told *The New York Times* this week that the United States will attempt to reduce its world-wide trade deficit by forcing, and I am using his words, "a major adjustment in countries like Canada".

We know that the Prime Minister sold out our energy, that he sold out our farmers, and that he sold out our financial markets in order to obtain, in his words, "a better trading relationship with the United States".

What is his response now that the senior United States trade officer has said that the purpose of that relationship is to persuade and force Canada to sell less to the United States and buy more from the United States?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I would want to look at the exact comments of Ambassador Yeutter. Quite frankly I have not seen the text to which my right hon. friend refers.

The trade agreement with the United States of America is designed to create greater prosperity, more jobs for Canadians, and greater fairness. All objective studies so far indicate that there will be a very substantial increase in employment.

As a result of our trading patterns over the last three years, and those on which we have been working, for example, in the last 12 months, as we were informed in December, 474,000 new jobs were created in Canada. That is the largest number of jobs created in a 12-month period since Statistics Canada began collecting statistics.

[*Translation*]

OBJECTION TO CANADA CONCEDING TO UNITED STATES

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, as usual the Prime Minister will not answer this question. But the trade agreement he signed with the United

States does not provide guaranteed access to the American market.

After all the concessions he made, will the Prime Minister tell us whether he will now yield to the Americans who want Canada to reduce its trade surplus with the United States? Does he not understand that in fact the Americans want his agreement with them to make up for their trade deficit at the expense of Canada?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Leader of the Official Opposition is taking a rather funny approach. Canada's economic growth rests primarily on international trade with the United States, and the situation is improving on a daily basis.

Here is where the Government stands: more active trade not only with the United States but with other nations of the world, including Japan among others, whose Prime Minister I met over the weekend.

Now I know full well that the Leader of the Official Opposition is against the free trade agreement regardless of the fact that, among other things for instance, Quebec Premier Bourassa has just stated again that the free trade agreement is an absolutely essential mechanism to ensure the economic future of Quebec and Canada.

As far as I am concerned, the facts are there. We have made our choice. Our choice is to promote stronger bilateral and multilateral trade, our position is to create jobs, and the position of the Leader of the Official Opposition is quite simply to tear up the agreement. In 1988 and 1989 it is not good enough to tell Canadians: I will tear up something. We know you are against it. What are you in favour of?

• (1420)

[*English*]

EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I am trying to outline the naivete of the Prime Minister's position. The top American trade official has admitted and stated that the United States will step up its efforts to eliminate our trade surplus with the United States, and the Americans have the power to do that because they retain the right under the Prime Minister's trade agreement to use their protectionist trade laws against us.

Article 1904 of the trade agreement with the United States continues to allow the United States to apply its trade remedy laws against Canada, and therefore continues to give the United States the power to force Canada to reduce and continue to reduce its trade surplus with the United States. Will the Prime Minister not admit that his agreement has merely consolidated and facilitated the American intent to reduce our trade surplus to zero?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, for a former Minister of Finance this is really quite a shameful statement to be making. This is a remarkable statement either made maliciously or in deep ignorance.

**Mr. Turner (Vancouver Quadra):** You don't understand.

**Mr. Mulroney:** My hon. friend says that we do not understand. Surely he should not be surprised if the United States, stuck with a large trade imbalance, is stepping up its efforts to reduce that trade imbalance. The reduction of that trade imbalance will eventually have beneficial effects upon the world economy.

We are stepping up our efforts to increase our trade around the world because trading around the world creates jobs at home. What my hon. friend has done is make a choice for the past, and this Government is speaking with confidence about Canada's youth and is leading us into the 21st century with new trading opportunities, new jobs, and new wealth for all Canadians.

UNITED STATES TRADE DEFICIT

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I would like to ask a supplementary question of the Prime Minister. He said that the American position is one that would be tied to generally increased trade over-all. I would like to tell him, if I might, of the statement made by Mr. Yeutter in *The New York Times* of Sunday, January 17. When asked how the U.S. intends to reduce its trade deficit, he said that they cannot reverse a $170 billion figure with countries that they may have a surplus with so there will have to be major adjustments in western Europe, Japan, and also in countries like Canada, and that it doesn't necessarily mean that they will all go to a deficit position but some of them will. That is a very clear statement of objectives on the part of a chief trade spokesperson for the United States Government.

• (1425)

Why is it that this Government has refused to acknowledge its very clear objective? Why has it signed an agreement that gives the Americans *carte blanche* to reduce their trade deficit but to increase ours?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the fact that there is a very substantial trade imbalance in the United States with some of its trading partners is well known. The fact is that added up to some $175 billion. That was reduced just last month by approximately 20 per cent or 25 per cent which was good news to the markets around the world, but the main problems of the U.S. come from Japan, western Europe, Taiwan and South Korea with which countries there have been a lot of unfavourable trade imbalances.

Surely my hon. friend should not be surprised if the United States of America, confronted with a quite colossal and unhealthy trade imbalance against it, seeks with Japan, West Germany and others to bring its trade into better balance. Surely this is the object of the entire exercise multilaterally, to

trade on a fair and more equitable basis, providing job creation and equality of opportunities around the world. One of the important aspects of this is to ensure that the American economy is capable of buying products from Third World countries at terms that provide for Third World growth.

This is part of a very complex and challenging situation, but surely there should be no objection whatever with the declaration of policy by the United States of America whereby the Americans seek, by legitimate trading instruments, to reduce what has become a very substantial deficit for them.

PRIME MINISTER'S POSITION

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, the Prime Minister has forgotten something important. In this statement, Mr. Yeutter doesn't just mention western Europe and Japan. He specifically mentions Canada. He specifically says Canada will have to make adjustments. He specifically suggests we will have to face a trade deficit with the United States because we are a country with one of the largest trading surpluses with the U.S. Anybody can figure out, even Tory mathematicians will figure out, that if the Americans are going to reduce their deficit, ours will go up. That will mean a loss of jobs, a loss of employment and a loss of growth in this country.

Why are the Prime Minister and his Government ignoring this clear statement by Mr. Yeutter? Why have this agreement that gives Mr. Yeutter the means to achieve his purpose, which is to reduce his deficit but add to ours?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, this really, when we examine it, will be one of the least impressive questions asked by my hon. friend among a very long list that he has asked over a period of time.

I told the Leader of the Opposition that I have not seen Mr. Yeutter's statement. I will look at it carefully and I will compare his statement with the interpretation placed upon that statement by the hon. gentleman from Winnipeg. The President of the United States, who is the boss of Mr. Yeutter, conveyed on January 2—

**Mr. Boudria:** He is your boss too.

**Mr. Mulroney:** I am sorry?

**Mr. Boudria:** He is your boss too.

**Mr. Mulroney:** —the impression of the Government of the United States that it was seeking more trade with Canada, more trade around the world, which is our position. That is exactly what we are doing. We seek ways to liberalize trade so that we can create more jobs at home.

Surely if my hon. friend is suggesting that Mr. Yeutter wants to change the trade balances using unfair trading practices, that is a different kettle of fish. If he said that, we will drag him before the GATT and before our binational panels very, very quickly. I might even bring in the Hon. Member from Winnipeg as a character witness.

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## IMMIGRATION

ADMISSION OF CONVICTED TERRORIST—WARNING FORWARDED BY CANADIAN SECURITY INTELLIGENCE SERVICE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, in the absence of the Minister of Immigration I have a question for the Solicitor General.

On July 18 past in a memo to the Minister of Immigration, his Deputy Minister included the following words:

> CSIS notified the immigration department that Mr. Mohammad was believed to be en route to Canada and was due to arrive in two hours. All immigration and custom staff were immediately alerted. Unfortunately the flight arrived just as the staff was changing shifts and he was admitted.

Those words were taken precisely from that memo.

Considering the nature of this memo that went to at least one Minister of the Crown, and perhaps to others, considering that CSIS in terms of its information and headquarters in Ottawa had full documentation on Mr. Mohammad, how could the Minister account for his rather ridiculous statement made yesterday that it took the Government of Canada another two months to identify this man as a terrorist?

• (1430)

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, Canada cannot and will not become a safe haven for terrorists.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**An Hon. Member:** The Emperor has no clothes.

**Mr. Axworthy:** Somehow they found us. I don't know how, but they found us.

**Mr. Speaker:** Order. The Hon. Minister.

**Mr. Weiner:** Our intent is to apply the full force of the law to ensure the expulsion of this individual from Canada. Terrorists will not be allowed to remain in this country.

**Mr. Broadbent:** Mr. Speaker, this is outrageous. It was the Solicitor General who gave a completely foolish and misleading answer to the House yesterday, not that Minister who has otherwise given a foolish and misleading answer to the House today.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

DELAY IN TAKING ACTION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I will ask either Minister to deal with this question because they are in the business of buck-passing.

**Mr. Clark (Yellowhead):** Remember your image—gentility.

**Mr. Kaplan:** Remember yours, Joe.

**Mr. Speaker:** Order. The Hon. Member for Oshawa.

**Mr. Broadbent:** Mr. Speaker, I hope they will answer the question this time. The Government knew last February that a known terrorist came into the country. No meeting of senior officials took place until June and the Minister himself was not informed until July. A concrete decision to act against this known terrorist was not taken until October and it was not acted upon in terms of informing that known terrorist until December.

Will the Minister not agree that while they were taking all kinds of action in this country against legitimate refugees they allowed a well-known international terrorist to stay in the country 11 months without any action by the Government? Will he tell the people of Canada why?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, with the greatest respect the Hon. Member is incorrect when he says that we knew that a known terrorist arrived in this country in February. We did not.

There was no positive identification at that time. We did a police security check on him in Europe based on false and misleading information which he gave to us. Based on that he was given his clearance and allowed to come to Canada.

We received subsequent information. CSIS officials interviewed Mr. Mohammad the day after he arrived in Canada. He still denied that he was the known terrorist. Three days later the RCMP interviewed him. Fingerprints were taken which were sent to Europe, and no positive identification was made on that gentleman until May, 1987. That information was then turned over to Immigration officials in June and they began their investigation.

GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I hope the Minister now knows that the same man has been licensed as a security guard in Ontario. That ought to be of some concern to the Solicitor General, among others.

I do not accept the rationale the Minister has given for the ignorance of the Government of Canada up until the month of May. Given what the other Minister said just a minute ago, does it not sound just a little hypocritical for the Government to say that it is concerned about terrorists when, according to the Minister's own words, the Government knew last May but took no action against this known terrorist until December? Account for that.

**Some Hon. Members:** Shame!

**Mr. Jelinek:** You're the biggest hypocrite, Ed.

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, with the greatest respect, I have a little trouble with the Hon. Member's question because the Hon. Member and members of his Party would be the first to criticize the Government if we did not follow the due process of the law.

**Some Hon. Members:** Hear, hear!

**Mr. Kelleher:** Mr. Speaker, we made the positive ID in May. We turned the information over to Immigration in June. They immediately commenced their investigation. They went to the Minister in October, who ordered that proceedings be started. We have followed the due process of the law. We are doing everything we can, and no one wishes more than this Minister or this Government to rid this country of this terrorist.

REQUEST THAT DEPORTATION PROCEEDINGS BE EXPEDITED

**Mr. Sergio Marchi (York West):** Mr. Speaker, my question is directed to the Minister of Immigration and it, too, concerns the convicted terrorist who was granted landed immigrant status. The Minister and his officials have been saying over the last 24 hours that deportation will take five years, if not more, to complete. However, the Minister will know that in cases involving the national interest and national security these cases and files are routinely granted expedited processing to produce an initial decision within weeks or months.

Has this individual actually been served with a deportation notice? Has an inquiry been scheduled? Can the Minister ensure that the Government will request of our respected institutions, whether SIRC or the Refugee Advisory Committee, that this matter be expedited as the national priority and not dragged on as though it is some average, run-of-the-mill case file?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, we have collected strong documented evidence to build a strong case for deportation. We interviewed the immigrant in the month of December and indicated to him that deportation proceedings would be going ahead very soon. The next step in the process is a formal hearing before an immigration adjudicator. That will take place very soon.

**Mr. Marchi:** Mr. Speaker, the Minister is basically saying that after a full year the Minister and the Government have still not filed a notice of deportation and scheduled a hearing. The Minister should be ashamed of this embarrassing situation and should at least correct himself and the Government's negligence.

DEPUTY MINISTER'S OPINION

**Mr. Sergio Marchi (York West):** Mr. Speaker, my supplementary question is directed to the Solicitor General. Given

that last summer the Government called in the Army to ensure security and identity of refugee claimants, does the Minister agree with the report of the Deputy Minister of Immigration who claims that this convicted terrorist does not constitute a threat to Canadian safety? If he does, on what reasons does he base his decision?

Can the Minister explain why this individual was not arrested or detained, at least to guarantee that he would not escape or go underground during the inquiry process, which would really complete the circle of this extremely bungled case?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I believe this question has already been answered. However, I will repeat the answer for the benefit of the Hon. Member. We did the positive ID in May. It was turned over to Immigration in June. I repeat my original admonition that surely the Member would want us to follow the due process of the law.

Heinous as this crime is, and as much as we would like to get rid of this gentleman as quickly as possible, the due process of the law must be followed. We must have a sustainable case. I can assure the Hon. Member, without going into security details, that this man is under very close observation.

**Mr. Speaker:** I hesitate to interrupt Question Period except to ask Hon. Members to observe the clock and also observe that we have only had time for five questions. I would ask Hon. Members to couch their preambles in a brisk and succinct form. The Hon. Member for Thunder Bay—Atikokan.

* * *

• (1440)

## AIR SAFETY

AIRPORTS—BYPASSING OF SECURITY CHECKS

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, we have learned how easy it is for a convicted terrorist to get into Canada, even when CSIS and the Immigration Department know which flight he is arriving on.

My question is directed to the Minister of Transport in relation to his responsibility for airport security. In Section 3.4 of the May 19, 1987, notice of approved security measures that he issued, why is there an exemption for certain air passengers to bypass normal security checks, even though those passengers could come into contact with or gain access to planes or passengers subject to normal security clearance at Canadian airports?

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, natually I would have to know which clauses are being referred to and what particular passengers. There are certain exceptions for certain passengers. The hon. gentleman will have to give me more information.

It would be very helpful to have a little advance notice for a question like this if the hon. gentleman is really interested in getting an informative reply.

ACCESS TO RUNWAYS

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, perhaps the Minister's staff could advise him that we have been inquiring about the particular sections which actually allow a passenger on planes equipped for 60 or less passengers to bypass normal security procedures. This means that they could go into an airport terminal, out onto the tarmac with a weapon or bomb—

**Some Hon. Members:** Oh, oh!

**Mr. Angus:** —and come in contact or adjacent to another aircraft where individuals have been secured. It is a serious breach of the quality of air security about which the Minister has been boasting. How soon will he move to change that so that the travelling public in Canada as well as those going into some American airports are protected?

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, this is not a question, this is poppycock.

**Mr. Angus:** It is right here, John.

**Mr. Crosbie:** The hon. gentleman is talking about domestic security in our air system here in Canada. His question leads one to believe that he wants all passengers guarded or in chains so that they cannot possibly get out.

**Some Hon. Members:** Oh, oh!

**Mr. Crosbie:** The hon. gentleman's Party are the people who are against any strict measures for security. They are against any tightening of the Immigration Act. They are against the tightening of anything until they think it is to their cheap partisan advantage to raise noise in the House about something.

* * *

[*Translation*]

## AGRICULTURE

FREE TRADE—LIST OF CONTROLLED IMPORT MERCHANDISE—GOVERNMENT POSITION

**Mr. Clément M. Côté (Lac-Saint-Jean):** Mr. Speaker, my question is for the Minister of State (Agriculture). Under the Free Trade Agreement, yogurt and ice cream are not included in the list of controlled import goods and this omission was strongly criticized by the *Union des producteurs agricoles du Québec*. The Minister of Agriculture had promised to initiate

negotiations in this regard. I would like to know what progress has been made in these negotiations.

**Hon. Pierre Blais (Minister of State (Agriculture)):** Mr. Speaker, when our Government initiated the free trade negotiations, we undertook to safeguard our marketing boards and all other mechanisms which protect Canadian farmers. We indeed discussed this issue last December with the Department of International Trade, and my colleagues, the Minister of Agriculture and the Minister for International Trade, and myself finally decided to include products such as yogurt, ice cream, and about ten other dairy products on the list of controlled imports, which, added to the reference to Article 11 of GATT in the Agreement, should please the 42,000 Canadian dairy producers, including the 18,000 in Quebec, who know that they can rely on the Canadian Government.

* * *

[*English*]

## IMMIGRATION

ADMITTANCE OF CONVICTED TERRORIST—DEPORTATION NOTICE QUERY

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my question is directed to the Minister of State for Immigration. It concerns the terrorist in Canada. Will the Minister confirm whether or not the necessary documentation for deportation has been served on this particular individual? He has not answered that question yet. Have the necessary documents been served on this individual and will the Minister indicate whether his Department is aware of the whereabouts of this individual?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, I answered quite clearly that we have been collecting the evidence, the strong documentary evidence. The next step in the process is the hearing before the immigration adjudicator, which will take place very soon.

**Mr. Nunziata:** Surely Canadians are entitled to some straight answers to some straight questions.

WHEREABOUTS OF INDIVIDUAL

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, I will put the question again. Have the necessary documents been served on Mr. Mohammad, and is the Government aware of the whereabouts of Mr. Mohammad today? Yes or no?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, yes.

## CANADIAN SECURITY INTELLIGENCE SERVICE

ROLE IN ADMITTING CONVICTED TERRORIST TO CANADA

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, my question is directed to the Solicitor General. In June, 1986, the Standing Committee on Immigration recommended to the House that the procedures for investigating security clearance of prospective immigrants be tightened. It said that CSIS was too slack.

In November, 1986, CSIS headquarters in Ottawa knew that Mr. Mohammad was in Spain. When Mr. Mohammad, this terrorist, applied to enter Canada in December, 1986, why did the CSIS liaison officer in Spain not even bother to consult with CSIS headquarters in Ottawa who would have told him, if he had bothered to ask, that this person was a terrorist and should not have been allowed into Canada at all?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I can advise the hon. gentleman that I am well aware of the results and report of the Standing Committee that was delivered in June, 1986. As a result of that, in September, 1986, three months later, I requested the Security Intelligence Review Committee, in writing, to prepare an investigation and report for me into those procedures that might be brought forward. I just received that report last week.

With respect to the liaison officer in Spain, he received false and misleading information, as I have told you. It was on that basis that he asked for a police check in Europe and received a nil return. He then conducted a personal interview and, as a result of that, under the standing procedures as he is entitled to do, he made a decision that no further investigation was required and advised the immigration officer in Madrid that the security clearance should go forward.

**Mr. Robinson:** Instead of just checking with the Madrid authorities, why did the liaison officer not check with headquarters in Ottawa as he should have done?

[*Translation*]

FUNCTION OF CSIS

**Mr. Svend J. Robinson (Burnaby):** My supplementary is for the same Minister. Next Thursday, the CSN will make public very important evidence showing that the CSIS paid officer Mark Boivin to act as *agent provocateur* in the Quebec labour movement and that, in this capacity, he urged various criminal and dangerous acts. How can this Minister defend a security agency which targets democractic organizations such as the CSN and shows its total incompetence when dealing with real terrorists attempting to enter Canada?

[*English*]

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I have advised the Hon. Member on a number of occasions that CSIS does not target peace organizations or labour organizations because they are not within the mandate of CSIS. There is no investigation or evidence to date that has

revealed to me that it is exceeding or acting beyond its mandate.

As far as terrorists are concerned, as a result of the Osbaldeston Report which was brought forward over a month ago, we are concentrating and making counterterrorism a prime objective of CSIS and of the Government. We will continue to do so.

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## NUCLEAR ARMAMENTS

### CRUISE MISSILE TESTS—REQUEST FOR HALT

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. He knows full well that in a post INF world both superpowers will be putting more emphasis on air-launched and sea-launched Cruise missile weaponry systems. Therefore, today it is more important than ever for the two superpowers to put Cruise missile systems on the START agenda as a priority.

Why does Canada not cease the testing of the Cruise and demand that Canada's long term foreign policy objectives and defence interests be given top priority in that START agenda?

• (1450)

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the short answer to that is, as the Hon. Member has indicated, that the question of Cruise missiles is included in the START negotiations. It is a matter of negotiation between the United States and the Soviet Union. If an ally of the United States took an action that broke the solidarity of the West on questions in negotiation with the Soviet Union, that would weaken the prospects of progress being made in those negotiations. That may be the interest of the Liberal Party of Canada, although that is hard to know, but it is certainly not the position of this Government.

**Mr. Frith:** Mr. Speaker, the Secretary of State for External Affairs knows full well that the Liberal Party remains committed to our NATO alliance, unlike our colleagues in the New Democratic Party.

**Some Hon. Members:** Oh, oh!

**Mr. Frith:** But there is absolutely—

**An Hon. Member:** Good stuff!

**Mr. Hnatyshyn:** A divorce is so messy.

### INCLUSION OF CRUISE MISSILES ON START AGENDA

**Hon. Douglas C. Frith (Sudbury):** Is the Secretary of State for External Affairs therefore indicating to the House that Canada cannot within its obligations to the NATO alliance push forward our long-term foreign policy and defence interests by demanding at the NATO councils in Europe in Canada's interest—and I might add all of those countries in the circumpolar regions of the world share the same interests—that Cruise missile weaponry systems be placed as a priority on the START agenda?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, they are on the START agenda. They are on the START agenda, explicitly discussed by the Soviet Union and the United States. The House should bear in mind why it is we got an INF agreement. When my colleagues, the Minister of Communications and the Hon. Member for Victoria, were representing Canada, as was the Secretary of State for External Affairs and the Minister of National Defence, we were part of the two-track decision of NATO. The two-track decision of NATO was a position of solidarity within the western alliance. We held to that solidarity. The Soviets knew they were not able as a consequence to split the West and achieve their goals so they had to agree to negotiation.

What worked on the INF can work on strategic systems, and this Government intends to continue as we have in the past to recognize that solidarity in the West leads to progress in arms control.

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## TAX REFORM

### EFFECT ON FLOW-THROUGH SHARES

**Mr. John MacDougall (Timiskaming):** Mr. Speaker, my question is directed to the Minister of Finance. Everyone, the business community and individuals across Canada, agrees there had to be a reform of the tax system. However, with the October 19 stock market drop and the present uncertainty in the investment market, there are some real and great concerns among the prospectors and developers in the mining sector which must be addressed.

Can the Minister indicate whether he is prepared to discuss the impact of tax reform on flow-through shares financing with this vital resource sector in the very near future?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member has raised an interesting point. What I should point out to him is that since October 19 there has been extremely little equity financing of any sort, be it flow-through shares or large industrialized company shares. We have indicated in the response to the Standing Committee on Finance and Economic Affairs on tax reform on December 16 that we were prepared to, and did, make some significant changes to flow-through shares to ensure they were one of the most attractive vehicles in the equity markets, and I believe that will be the case.

I also said at the same time that, after depletion is phased out, we are prepared to consider alternative mechanisms

should exploration activity decline as a result of economic factors. However, in specific answer to the Hon. Member's question, yes, I would be prepared to meet with representatives of the industry should they so desire.

* * *

[*Translation*]

## SHIPYARDS

FUTURE OUTLOOK IN QUEBEC

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Prime Minister. At the end of the year, the Prime Minister said in an interview on TVA that the future looked rosy for Quebec's shipyards and that they would have enough contracts to maintain the three yards in Montreal, Sorel and Quebec City. What happened between December and January? Why will two of the three yards have to close down very shortly? Where are all those contracts the yards were supposed to get? What is so rosy about the future of 600 skilled workers who are about to lose their jobs?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member is mistaken about the federal Government's role with respect to Quebec's shipyards. Since we were sworn in, this Government has provided the yards with $97 million for modernization purposes. The Goverment has awarded $550 million in contracts to yards in Quebec. In addition, another $900 million or so in contracts is being awarded at this very moment and will be in the months to come. All things considered, including the modernization program started by the Quebec Government, by Mr. Johnson and his colleagues, I said that unlike the impression some people would like to give, the future looked very encouraging for yards in Quebec. I believe that in the light of action taken by the Parliament of Canada for the benefit of the Quebec yards, all Canadians may be proud of what we have achieved.

REQUEST FOR SPECIAL COMMITMENTS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have a supplementary. If it is supposed to be encouraging that Quebec gets to keep only one of the three yards, one wonders about the alternative if the situation is as disastrous as it seems to be to everyone except the Prime Minister.

Mr. Bourassa said he was very disappointed that no portion of the contract for the second set of six frigates had been awarded to shipyards in Quebec. What specific commitments is the Government prepared to make in response to the Quebec Government's request to ensure continued employment in Quebec's shipyards?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I realize that like any premier who has shipyards within his jurisdiction, Mr. Bourassa would have liked to see major contracts awarded to his yards. The Government decided that it was important to award contracts to New Brunswick, a province that suffers from very high unemployment and that also has the requisite expertise for producing the ships at lower cost. However, nearly one-third of the contracts awarded to St. John . . . the benefits of the contract are filtered through to Quebec through the Paramax contract. In addition, as I said before, $950 million in contracts is being awarded, and many of these contracts will benefit the yards in Quebec. Furthermore, now that the Government has tabled its White Paper on National Defence, several billion dollars in contracts will be awarded to modernize our defence fleet, and a major part of these contracts will be awarded to yards in Quebec. That is why I said the Canadian Government had served the Quebec yards very well and that the future looked rosy for the Quebec yards.

* * *

[*English*]

## ADMINISTRATION OF JUSTICE

PROTECTION OF CITIZENS—REQUEST FOR CHANGES TO JUDICIAL SYSTEM

**Mr. Gerry St. Germain (Mission—Port Moody):** Mr. Speaker, my question is directed to the Minister of Justice. In view of the fact this House recently voted against the reintroduction of capital punishment and, even more significantly, in light of the recent brutal killings in Alberta and British Columbia by alleged repeat murderers recently released by the judicial system, I would like the Minister to explain to this House and to all concerned Canadians the actions he proposes to take to change the necessary legislation and judicial system to ensure the protection of all of us here in Canada? Most important, when is this action going to be taken? Could the Minister give us a date when legislation will be tabled in this House, please?

**Some Hon. Members:** Hear, hear!

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I appreciate the question from the Hon. Member who is very much interested in this issue and who has spoken to me on a number of occasions in support of a sensitive judicial and justice system. We have not waited. We have taken a number of initiatives with respect to the judicial system and changes to the Criminal Code. An unprecedented amount of legislation and a number of initiatives have been taken by my predecessor, now the Minister of Transport, and myself.

• (1500)

We are looking at some fundamental questions, including the whole question of sentencing. The Archambault Report has been delivered to me. It is a matter which is now before the Standing Committee on Justice and Solicitor General. Indeed, I hope to have an opportunity to discuss this matter with my

provincial counterparts in the very near future. These matters will be dealt with with the usual expedition for which I am known.

REQUEST THAT FULL LIFE SENTENCES BE SERVED BY RAPIST-MURDERERS

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, my supplementary question is for the Solicitor General. In view of the circumstances of the question that I put to him yesterday, which has been put to him again today, is it too much for the Canadian public to expect that convicted killers who are sexual deviates should be kept in jail for the full term of their sentences rather than to be let out on parole? Should not life mean life?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I advise the Hon. Member that as a result of the passage of Bill C-67 last year we are now in a position for the first time to keep inmates, who meet the criteria under the Bill, in prison for the full length of their term. Since the introduction of that Bill some 25 per cent of all people who have come before the special parole board under the provisions of such a hearing are now being detained until the full length of their term has expired.

**Mr. Speaker:** This will be the last question in Question Period. The Hon. Member for Cape Breton—East Richmond .

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## FISHERIES

ISSUANCE OF OFFSHORE LOBSTER FISHING LICENCES IN NOVA SCOTIA

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Yesterday, in response to a question put by my colleague from Cape Breton—The Sydneys, the Minister tried to smear the name of a prominent Nova Scotian family. At best his answers can be described as very misleading.

Why has the Minister told his Lobster Advisory Committee one thing with regard to the issuing of new lobster licences only to turn around and issue four new offshore lobster licences to companies in Nova Scotia? Will the Minister not do the honourable thing now and cancel those lobster licences as has been requested by Members of Parliament and, indeed, by others?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I appreciate the question which allows me to clarify a statement I made in the House yesterday. In deciding to issue four new offshore lobster licences I followed carefully the advice of the Canadian Atlantic Fisheries Scientific Advisory Committee. I followed a set of prescribed criteria set out by my Department to ensure absolute fairness in the awarding of those licences to the best qualified individuals that is to say to ensure that it was a Canadian company with the capacity to harvest this additional resource and to create the additional economic opportunity that would be represented by processing that resource in Nova Scotia.

I must say that if in any way I created the impression that there was anything untoward in the awarding of previous licences, I must indicate today that licences were awarded and obtained in the 1970s according to the same appropriate, objective, and fair kinds of criteria that were the basis on which my decisions were made.

REQUEST FOR CANCELLATION OF LICENCES

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. Six months ago the Minister of Fisheries and Oceans assured the Lobster Advisory Committee that he would issue no more licences without consulting it. The Minister of Fisheries and Oceans has now broken that undertaking.

On Friday last members of that committee demanded the cancellation of those licences. They have been joined by the Premier of Nova Scotia and by the Leader of the Opposition in Nova Scotia calling for the cancellation of those licences. Will the Prime Minister now seize the opportunity to stand in the House and cancel those licences in order to rid his Government of the perception and the symbolism of patronage and sleaze at its worst?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I can assure the Hon. Member that, as is usually my practice, extensive consultation occurred and no undertakings of the sort which have been inferred were made. I did follow the advice of the Canadian Atlantic Fisheries Scientific Advisory Committee to the effect that a new exploratory fishery could be justified west of Sable Island, that there would be no impact on the inshore lobster landings, and that other quotas not be increased.

I have followed that advice and established practices to the letter.

* * *

## POINT OF ORDER

CLARIFICATION OF EARLIER RESPONSE

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, it has been brought to my attention that on a series of questions asked by the Hon. Member for York South—Weston (Mr. Nunziata) I had heard only the second question which was with respect to whether or not I knew where the individual was. I answered yes to that question. There was no intent on my part to answer both questions.

I wish it clearly shown to the House that I was answering the second question which was with respect to whether or not I know where the immigrant is. The answer to that question is yes. I did not hear the first question.

**The Acting Speaker (Mr. Paproski):** That is not a question of privilege, it is a point of clarification.

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, the point that was being made at the time the question was asked was whether or not the Minister knew or had taken the proper procedures. Was he aware that procedures had been taken today to make sure that this individual was subject to the due process of law? The Minister said yes. Is he now telling us that it is no? That makes a difference to the case.

**The Acting Speaker (Mr. Paproski):** The clarification has been made.

**Some Hon. Members:** No!

**Mr. Gauthier:** Mr. Speaker, I ask the Minister to clarify his answer so that all Members of the House can understand what he is talking about. But there were two questions put to him very simply. He answered yes the one time to both questions. Is he now telling us that he wants to answer no to the first one and yes to the second? Is that what he is telling us? Will he clarify his point?

**The Acting Speaker (Mr. Paproski):** He has already done that. The Hon. Member can ask the question again tomorrow.

## GOVERNMENT ORDERS

[*English*]

### PRINCE RUPERT GRAIN HANDLING OPERATIONS ACT

MEASURE TO ENACT

**Hon. Pierre H. Cadieux (Minister of Labour)** moved that Bill C-106, an Act to provide for the resumption of grain handling operations at the port of Prince Rupert, British Columbia, be read the second time and, by unanimous consent, referred to the Committee of the Whole.

He said: Mr. Speaker, it is my unhappy task to inform the House that once again the parties to a collective agreement have failed to accept their responsibility to resolve their differences. I refer to Prince Rupert Grain Limited and the Grain Workers Union Local 333 whose dispute has deprived Canadians of an important grain export facility. There is no indication or reasonable expectation that the dispute between the parties will be resolved in the foreseeable future, notwithstanding the fact that a sensible, formal proposal was placed before the parties which would have settled this dispute and avoided the intervention of Parliament.

[*Translation*]

Mr. Speaker, it is difficult for a Minister of Labour to have to make such an assessment. Our system of free collective bargaining is founded on certain fundamental principles of democracy which our society relies on to resolve differences between competing interests.

Like many of the relationships which we each encounter in our lives, labour relations are adversarial relations. Yet the basic principles which govern these relations generally ensure that these competing interests are reconciled without irreparable harm to the parties involved or to innocent third-parties.

• (1510)

[*English*]

Such is not the case in Prince Rupert. In Prince Rupert there are two opposing interest groups, Prince Rupert Grain Limited, representing interests of six grain handling companies, and the Grain Workers Union Local 333, representing the 69 employees at the terminal. These parties have effectively said to the Canadian public, "We don't care about your interests or about collective bargaining. We will pursue our own private interests no matter what the cost to the national economy or to the overseas reputation of Canada".

This attitude is absolutely unacceptable, Mr. Speaker. It really does not matter who is right and who is wrong in this dispute, or even whether there is a right or wrong side to these issues. What is unacceptable is that the parties have made up their minds that they are not going to settle their differences through the democratic mechanisms which are provided by our Labour Code.

While both parties claim to have the interests of western farmers uppermost in mind, they both appear quite prepared to wait it out while the most efficient grain terminal in the country sits idle and Canada's international reputation as a reliable supplier of grain is destroyed.

In the most recent exercise aimed at resolving this work stoppage, I summoned the parties to Ottawa to meet under the auspices of the Associate Deputy Minister of Labour, Bill Kelly. Mr. Kelly's skills as a mediator are well known to all in this House, and he has justly earned his reputation. However, it did not take Mr. Kelly too long to conclude that the parties are so entrenched in their respective positions on the issues that no compromise was possible. He then made a formal proposal to them that they agree to submit their dispute to arbitration for final and binding resolution.

This is a method which has been used on three occasions in the past to resolve bargaining impasses in the grain terminals in Vancouver between the B.C. Terminal Elevator Operators Association and the Grain Workers Union Local 333. It should have been crystal clear to the parties that Mr. Kelly's proposal was the obvious solution if they wished to avoid a legislated end to this dispute.

Even with this certain knowledge, they chose to continue their disregard for both the public interest and the principles of sound labour management relations. The union placed an unacceptable pre-condition on its acceptance of Mr. Kelly's proposal, while the employer rejected the proposal in its entirety. Indeed, the employer characterized the notion of arbitration on the key issue of manning as "irresponsible". One would have to wonder by what stretch of logic they considered it less than irresponsible to allow this dispute to continue.

Through their actions, the parties have effectively abrogated their responsibility to resolve their dispute, and made it quite clear that if the Prince Rupert Terminal is to be restored to operation, it will be through Government action, and not their own.

This is not what our collective bargaining system is all about. I find the attitude of these parties not only disappointing, but shameful. It is shameful in its disregard for the farmers of western Canada who are being held hostage to the intransigence of these two disputants, and shameful for its disregard of our collective bargaining system.

It is abhorrent for a Minister of Labour to have to recommend to Parliament that the right to be responsible for your own destiny be taken away from anyone, but the Prince Rupert Grain Terminal Limited and the Grain Workers Union Local 333 have left me with no other choice. This Government cannot allow the western economy to be further jeopardized by the private disputes of these parties.

[*Translation*]

For those who might question my assessment, Mr. Speaker, I would like to take a moment to describe the efforts which have been made to promote a resolution of this dispute through the accepted collective bargaining process.

[*English*]

When the collective agreement which applied to this bargaining unit expired on December 31, 1983 the parties were aware that the new, highly automated terminal on Ridley Island would become operational during the life of the next collective agreement, and that there were transitional issues that would have to be faced. The parties agreed that issues that were common between Prince Rupert and Vancouver would be dealt with in the context of the bargaining that was taking place between the union and the B.C. Terminal Elevator Operators Association.

These negotiations, which were conducted with the assistance of a conciliation officer and, subsequently, a conciliation commissioner, eventually concluded in May, 1985 with the signing of a three-year agreement. During the period of these negotiations, the new terminal in Prince Rupert was brought into operation. Although the issues which had been theoretical in 1983 were now very real, the parties remained unable to resolve them.

The conciliation commissioner my predecessor had appointed, Mr. Vince Ready, continued his efforts throughout the remainder of 1985, and in January, 1986 produced his report and recommendations for settlement. With certain reservations, the company accepted Mr. Ready's recommendations, but the union did not. In March, 1986, the Vancouver Regional Director of the Federal Mediation and Conciliation Service, Mike Collins, was appointed as a mediator.

Meanwhile, the union pursued its efforts to have the scope of its bargaining unit expanded through applications to the Canada Labour Relations Board and the Federal Court of Appeal. Negotiations between the parties continued on an intermittent basis between April, 1986 and November, 1987, but neither side gave any evidence of its willingness to compromise on the fundamental issues. The union commenced strike action on December 9, 1987. Mediator Collins once again convened the parties, but to no avail, and on January 4, 1988 he terminated his involvement. Even at that point, I was unwilling to accept that so important a dispute could not be resolved through negotiation.

I summoned the parties to Ottawa to meet with my Associate Deputy Minister, Bill Kelly. Mr. Kelly explored every possible avenue for settlement of the dispute. When it became clear to him that neither side would make any compromise, he made a formal proposal to them which would, if accepted, have resolved the dispute and ensured the immediate resumption of terminal operations.

In addition to recommending that they implement the terms of the collective agreement now in effect for the Vancouver grain terminals, Mr. Kelly proposed that the parties voluntarily agree to submit their outstanding differences on manning in the grain centre, job classifications, and security personnel to an arbitrator for final and binding determination.

While the union agreed to the concept, they imposed an unacceptable condition on the process by insisting that a specific individual be named as the arbitrator. As anyone who has had any involvement in quasi-judicial proceedings is well aware, it is a fundamental principle that the individual or tribunal with the decision-making power must not only be impartial but must also appear to be impartial.

• (1520)

While I have the utmost respect for the individual proposed as arbitrator by the union, the very fact that he is the choice of one party to the dispute immediately raises apprehension in the mind of the other party. That individual's acceptability as an arbitrator is then seriously compromised. By stubbornly insisting on this condition, the union was effectively rejecting the mediator's proposal.

For its part the employer maintained its position that it would not voluntarily agree to submit these issues to a third party. In its reply to Mr. Kelly's proposal the employer claims that the subject of manning in the grain centre, which is the primary issue in dispute, was placed before the Canada Labour Relations Board and decided in the employer's favour. Thus, it

contends that it would be irresponsible for it to agree to submit the issue to arbitration.

There is no logic to this response whatsoever. The matter which was placed before the CLRB for determination had to do with the inclusion or exclusion of certain positions from the bargaining unit. The board determined that the operations foremen in the grain centre are excluded from the scope of the union's bargaining certificate. However, at no time did the CLRB consider the issue of manning, which refers to the level of staffing that will exist in the grain centre. It is abundantly clear that the parties are unable or unwilling to resolve the manning issue through the negotiation process. If there is ever to be any hope of resolving this impasse, arbitration provides an ideal forum for an impartial hearing and determination of the interests which are involved.

Frankly the attitudes of this employer and this union are irresponsible. Given the extreme importance of Prince Rupert in Canada's grain export program, one might suspect that the parties are quite prepared to have Parliament make the difficult decision they are unwilling to make for themselves. Both sides are well aware that the Government cannot permit this terminal to remain idle for the months or years it might take before the parties decide that they should resolve their impasse.

[*Translation*]

Mr. Speaker, I believe that the employees in Prince Rupert want to go back to work and get the grain moving again. I know that the western farmers desperately want the Prince Rupert terminal reopened. The will of the Canadian public, as expressed through their representatives here in this House, must in this case take precedence over the will and interests of the immediate participants to the dispute.

[*English*]

Let me turn now to the specific provisions of the Bill which will accomplish the resolution of this long-standing dispute. Not surprisingly, we are not asking Parliament to deviate from the proposal for settlement which the parties had an opportunity to accept voluntarily. The clear purpose of this approach is to send an unmistakable message to any negotiators who think that they can achieve more through legislation than through collective bargaining. Parliament will not reward parties who propel their disputes to our level for resolution.

In addition to providing for an immediate resumption of terminal operations, the Bill requires the parties to incorporate the terms of the agreement between the B.C. Terminal Elevator Operators Association and the Grain Workers Union in Vancouver into their collective agreement. In fact, this merely formalizes the existing informal arrangement in which the employer has been implementing any changes that have arisen from time to time as a consequence of the Vancouver agreement.

In respect of the three issues which caused the impasse in negotiations, the Bill calls for the appointment by the Minister of Labour of any arbitrator to make a final and binding determination of these matters. A 45-day time limit is established for this process, subject to extension only if the parties mutually agree.

The public's patience with these parties is exhausted. They have had more than four years to resolve their differences. They have imposed the consequences of their dispute on western grain producers while continuing to reject every opportunity for a settlement through accepted dispute resolution mechanisms. The Government has an obligation to the farmers of the country to restore the export of their grain products through Prince Rupert, and this is precisely what we intend to do.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, on behalf of the Liberal Party of Canada, I would like to speak on Bill C-106, an Act to provide for the resumption of grain handling operations at the port of Prince Rupert, British Columbia, which has just been tabled. First, I wish to emphasize that we have co-operated with the Government to allow this Bill to reach the floor of the House of Commons as soon as possible. We agreed to forego the required 48-hour notice on the Order Paper and for the Bill to be introduced in the House of Commons today rather than Wednesday. We also agreed to the Bill being referred to a committee of the whole rather than a legislative or a standing committee, which would have made for a longer debate on this Bill.

[*English*]

If we have co-operated with the Government to try to ensure that the Bill passes the House of Commons quickly, it is because we think that it is about time the Government did something to get the grain moving again. Prairie farmers are already facing very difficult conditions. I am informed that on average the price of grain is about $110 per tonne, a level which is about half what it was five years ago. Needless to say, farmers are having a very rough time.

We are watching the United States and the European Economic Community systematically drive prices down. The American export enhancement program has a budget of $1.5 billion, which it is using to subsidize grain sales, sometimes in our traditional markets, and which has eaten away at some of our markets.

The only good news which prairie farmers have had recently is that sales have been good. The Canadian Wheat Board has been successful in selling grain. I am told that in 1986-87 we had record sales. However, it is one thing to conclude contracts with other countries to sell grain, and it is something else to deliver the commodity especially when grain terminals are at a standstill. The strike has cost us sales as the Canadian Wheat Board could not sign contracts for sales to be delivered prior to late March or early April.

Canada's reputation as a reliable supplier in what I consider to be a very competitive market was running the risk of being damaged.

• (1530)

This is what I mean when I describe the situation under which the farmers must live. This is what I mean when I say that it is about time that the Government did something. The elevators are clogged, the grain is not moving. The problem, though, is that the solution, the back-to-work legislation, is not exactly the solution we would have liked to have seen.

The Government is again indulging in what has become almost an addiction, and that is to wait until there is no other solution than back-to-work legislation. The Government seems to have fallen into the habit of wielding the billy stick whenever there is a labour dispute in Canada.

[*Translation*]

Mr. Speaker, other solutions were available to the Government. There were attempts to communicate with the parties involved, but there would surely have been a way to bring them to agree to binding arbitration instead of introducing back-to-work legislation.

In a press release last week, the Leader of the Official Opposition and Leader of the Liberal Party urged the Minister of Labour to meet last weekend with the two parties involved in the labour dispute which has shut down grain handling operations in the port of Prince Rupert to convince them to submit to binding arbitration. The Leader of the Opposition stated that the Minister should be ready to propose the name of an arbitrator to the two parties involved. However, the Minister chose not to meet with the parties involved and decided instead to introduce this Bill.

[*English*]

I am amazed at the fact that the Minister was not able to pass to the two parties this very simple message: "If you do not agree voluntarily to go into binding arbitration, it will be imposed upon you by back-to-work legislation". If that message had been passed properly, I am sure the two parties would have realized that an agreement had to come about and that it would be in their interests to agree voluntarily and have a say as to who the arbitrator would be. Now that will be imposed upon them. An arbitrator will be appointed, according to the Bill. Whether they like it or not, the parties will have to live with that individual who will be appointed.

Mr. Henry Kancs of Local 333 of the Grain Workers' Union had agreed in principle to go back to work voluntarily without a billy stick over his head. I agree that he was talking about a condition. He would have liked to have Mr. Justice Emmett Hall as the arbitrator, but he also said that someone else acceptable to his local could do as well. The employer did not agree to having Mr. Justice Emmett Hall as the arbitrator, but the employer did not disagree in principle with binding arbitration. In other words, the Minister could certainly have used words that would have helped these people understand that it would be better for them to agree voluntarily, first, on the principle of going back to work and, second, on the individual who would act as an arbitrator, and that if they did not do so, it would be imposed on them anyway. The Minister failed to say that. It is a failure on behalf of the Government to get the parties to understand what their interest in this dispute was.

I would like to turn to some of the details of the strike. This strike is not about money. This strike is about jobs. It is about the jobs of the people who staff the grain terminal at Prince Rupert.

I would like to quote a representative of the union, Mr. Henry Kancs of Grain Workers' Union Local 333, who said the following in a press release of last week:

> This dispute is about jobs—union jobs. The sacrifices our members are making on the picket line are not for selfish reasons. It is so union members can share in the future world of computer technology and not become a relic of the past like the grain shovels we once used. We are intelligent enough to participate in the future. We already do it at other elevators.

A big part of the problem is that some jobs will be lost because of computerization. The union and the workers understand that, but they would like to see some of the remaining workers trained to work on those computers rather than having people come from large urban centres to operate these new electronic machines while the union members go on welfare or on unemployment insurance. That is what the strike is all about.

It is not an abusive use of the rights of workers when one considers that they have been out of a contract for four years. They waited for four years before going on strike last December, and they went on strike simply because they want the assurance that the people who will operate the modern, up-to-date grain handling equipment will be union members. I think it is only fair that they be given a fair chance to be trained to operate these computers rather than having computer operators come from the central part of Canada. That is the root of this strike. It is not strange that people would walk out to try to protect some of their basic rights as these people have done.

I mentioned earlier that the union membership was willing to return to work voluntarily without back-to-work legislation. I would like to quote again from the same press release put out by Local 333 of the Grain Workers' Union. Mr. Kancs said:

> —two days after the strike began, I was approached by farmers and other organizations to return to work and accept an inquiry by former Supreme Court of Canada Justice Emmett Hall. I agreed to recommend this to our members with no conditions attached. The Company rejected this proposal from the farmers.

This must be put on the record so that the people of Canada who are watching these proceedings will know exactly what the score is.

After quoting these documents, I would say that the Government and the Minister failed to recognize the willingness expressed by the workers to try to avoid back-to-work legislation and to use methods that are more like the ones we

would like to see used in this country, methods by which management and workers agree by themselves.

Let us take a look at this piece of legislation which, in my opinion, is what we have become accustomed to seeing in this Parliament. It is the standard back-to-work legislation. It extends the collective agreement until the end of 1989. It amends it by including the items that have been agreed to so far by the two parties. It appoints an arbitrator who will have to deal with three specific items; namely, the staffing of the grain terminal which is at issue, the classification of those workers and also the issue of whether or not security personnel will be included in the same bargaining unit. This arbitrator will have 45 days to complete his report unless the parties agree to an extension.

• (1540)

What we find abusive in this Bill are the same stiff penalties that we will never become accustomed to but that we have become accustomed to seeing in each and every piece of legislation which the Government tables in the House to bring workers back to work.

Let me take a quick run through this particular part of the Bill. For example, an officer of the union or representative of the employer who will contravene the present Act will be subject to a fine of no less than $10,000 and no more than $50,000 a day for an offence. We will be talking to this later when we come to the Committee of the Whole. On previous occasions, for instance in the postal strike, we have tried to educate the Minister to understand that one does not need penalties that high to get people to live up to their responsibilities in a country like Canada. Our judges and tribunals do not need a minimum penalty of $10,000 set out if the judge is to have the flexibility to determine what type of fine it will be.

We hope that this legislation nevertheless, and as unhappy as we are with its tabling, will get through the House as soon as possible because we want to get the grain moving again. We believe farmers have suffered enough from this breakdown in transportation of cereals. We hope the legislation will solve the problem. We have no hope that it will improve employer-employees relations generally in Canada because we think it is another bad example of the Government moving in and swinging the axe or the billy stick to try to put people up against the wall. We have no hope that it will change the attitude of the Government, but if we can get the grain moving again, at least we will accept that.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Children—Television documentary on runaways; the Hon. Member for Ottawa Centre (Mr. Cassidy)—Trade—Free trade—Elimination of control by Canadians over American investment—Request for details / Control over American investment; the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)—External Affairs—Haiti—Possibility of Canadian initiative at United Nations.

## GOVERNMENT ORDERS

[*English*]

### PRINCE RUPERT GRAIN HANDLING OPERATIONS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Cadieux that Bill C-106, an Act to provide for the resumption of grain handling operations at the Port of Prince Rupert, British Columbia, be read the second time and, by unanimous consent, referred to Committee of the Whole.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, in rising to speak on Bill C-106, an Act to provide for the resumption of grain handling operations at the Port of Prince Rupert, British Columbia, I would like to state on behalf of our caucus that we are upset that this legislation was necessary. We believe that legislation of this nature, although perhaps not the exact legislation that we have before us, has indeed become necessary. During the negotiation and mediation process the two groups were unable to come to any satisfactory conclusion of negotiations. A long strike, although it helped to bring the issue to the public's mind, again did not result in the issue being resolved in a collective agreement.

We oppose the legislation as it is written not only because we find it unfortunate to have it in front of us but because the Government is insisting on retaining its regime of heavy fines, fines which quite often the employer can afford to pay but which are crippling to the individual if he or she ends up in a situation of being fined.

That is a problem and one of the major reasons we cannot support the legislation. Having said that, as you, Mr. Speaker, know, we have agreed to allow the legislation to pass the House of Commons. When we get into clause by clause study later on today we will be putting forward some amendments and voting against some parts of the legislation in an attempt to improve it. We believe that there are changes which could make this legislation better.

For Canadians there is no more difficult decision than whether to support workers who are trying to preserve their jobs or whether to support farmers who are trying to make sure that their grain or other commodities get to market. Canadians tend to sympathize with both groups. Some,

depending on where they live in this country, may support one group over the other, but in almost all cases, whether you are a farmer, a worker or involved in some endeavour, you recognize that the issues can be important to both the farmers and the workers. It is not an easy issue in legislation of this nature. You cannot really say that the farmers are at fault, because they are not at fault, they have legitimate concerns. You cannot say the workers are at fault, because they too have legitimate concerns. Legislation of this kind quite often creates a very emotional debate, a debate that sometimes gets quite unreasonable in the way Canadians treat each other.

I find it unfortunate that the two parties could not come to an agreement. In this case I think we have a situation where other methods were suggested to resolve this dispute. The appointment of former Justice Emmett Hall was not suggested just a week or two ago; it was suggested before Christmas. The union representative at that time said they would be willing to have the workers go back to work if former Justice Emmett Hall were appointed to arbitrate the issue. The union representatives went on to say that if it were not former Justice Emmett Hall, perhaps some other acceptable person could be brought in. They made that an option, an option which could have resolved the issue before Christmas or, at least if it did not resolve the issue, it could have resolved the work stoppage and allowed the grain to flow. But that was not done, Mr. Speaker. A month passed, mediation was attempted by the Associate Deputy Minister, Mr. Kelly, and that did not work. Now we are getting legislation in this House that is basically doing what could have been done a month ago.

At no time during that process did the employer agree to allow the issue in dispute to go to binding arbitration. As recently as yesterday, Party leaders were receiving telexes from the employer denying that the issue was whether or not the jobs in question should be part of the collective agreement. The employee was saying that that should not be dealt with by an arbitrator or by the House of Commons because it was strictly a management right. If the issue could not be settled through negotiations and if it could not be settled through mediation and if a strike could not settle the issue, what other mechanism was left but arbitration to settle the dispute?

In the communication which the owner sent out yesterday, it it was claimed that the issue had been resolved in the past by the Canadian Labour Relations Board and, therefore, there was no reason for it to be settled through arbitration. Again, that is not the truth. As a result of that communication and through the co-operation of the Department's labour officials, I have the previous decisions that were made concerning Prince Rupert. They did not deal with the specific issue which is causing the work stoppage at this time. They dealt with foremen and the position of a supervisor, but they did not deal with the whole category of workers. It is obviously a very important issue in dispute which must be resolved.

• (1550)

I find it unfortunate that there is a management attitude in some parts of the country that if it is dirty work, it is union work, but if it is computer work where you punch buttons, it is management work. There are a lot of highly trained people in the Public Service, engineers, doctors, and other professionals. There are people in the largest companies in this country who have degrees and are members of unions. However, there is an attitude that if you are playing with buttons on a computer, as opposed to working with a shovel, it cannot be a union job. That attitude will never lead to the settlement of a dispute.

Prior to Christmas the union offered to have the outstanding issue of whether the jobs in question should be done by union members or non-union personnel put forward for arbitration. The union was doing a service for the people of Canada and especially the farmers of western Canada.

I know that all things are not all black and white. I know there may be a reason why former Justice Emmett Hall, with all of his qualifications, was unacceptable to the employer, but surely to God they could have suggested appropriate, qualified and experienced people who are as respectable as former Justice Emmett Hall. They did not do that. Hence we have the legislation before us today.

Although we will not support the legislation I am glad to see that many of the more objectionable clauses in the legislation ordering the postal workers back to work have been dropped from this legislation. One of the concerns we had with the postal worker legislation was that the arbitrator was referred to a particular report which management liked and the workers did not like. We were also upset about what we considered to be an unconstitutional clause in that legislation which denied union members the right to run for re-election for up to five years after they contravened the legislation. We believe that that was completely uncalled for. Some of those things are not contained in this legislation, and to that extent we believe it is an improvement.

However, there is a contradiction in that in the postal workers' legislation where the Government liked the conciliation report it referred to this report and said that the arbitrator must look at it. Just a few minutes ago the Minister said that he would not appoint former Justice Emmett Hall because the union suggested him.

I suggest that former Justice Emmett Hall is respected by all Members of this House and by Canadians right across the land for the work he has done in such important areas as medicare and transportation. He has experience with regard to grain transportation, the very issue of this dispute. If we cannot accept him as an independent-minded arbitrator just because the union suggested his name, then we obviously apply a double standard in back-to-work legislation. Something was acceptable to the Post Office, therefore we put it in the legislation. When something is acceptable to the grain handlers and to most Canadians, we do not put it in the legislation. The Minister said that he will not accept that.

I think there are some problems with the legislation, although I believe it is necessary at this time. I find it very unfortunate that the two parties did not get together and resolve the dispute, but I do believe we could make this legislation better. I hope that in the time we have before us today, after we hear from the Member for Skeena (Mr. Fulton), in whose riding this dispute is occurring, and from others from western Canada who are concerned about the plight of farmers, the Minister will accept some amendments and send a clear message that when someone as respected as former Justice Emmett Hall is named as a possible mediator perhaps we in this House should respect the fact that that person was available, qualified, experienced, and should have been used.

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, I am very happy to rise this afternoon to speak on this Bill introduced by the Minister of Labour (Mr. Cadieux). The Minister of Labour has given Members of the House a very detailed account of a dispute which has gone on for more than four years. The strike by Grain Workers' Union Local 333 has halted the flow of grain at Canada's newest inland terminal, Prince Rupert Grain 2. This facility is owned by Prince Rupert Grain Ltd. and incorporates state of the art computers and equipment. It has just begun to demonstrate its potential in terms of its role in the prairie grain transportation system. I believe it would be useful to look more closely at the PRG 2 operations to give us an indication of the significance of this work disruption to the grain economy.

During the recent parliamentary break I took the opportunity to visit all of the RM councils in my constituency which were having their first meeting of the year. I was able to visit 22 of 27 rural municipalities. That covers a pretty sizable chunk of southwestern Saskatchewan which I represent. Each municipality mentioned the Prince Rupert grain situation. They made mention of the fact that the dispute had been building for years because they had no contract and could not imagine why that situation was allowed to exist. It is not a matter of pointing the finger at either union or management. Both have a responsibility which certainly is not being lived up to.

The grain elevator facility at Prince Rupert was constructed to give the West Coast a second outlet for export grain markets. The facility was rated at the time of its construction to have an annual export capability in excess of 3.5 million tonnes. During the 1986-87 crop year exports totalled 4.2 million tonnes. That level of throughput was achieved using a two-shift operation for the first five months in the crop year beginning August 1, 1986, and a three-shift operation for the last seven months ending July 31, 1987. Under certain conditions with maximum throughput PRG 2 has the potential to reach even greater production and to play an even greater role in West Coast exports.

It should be mentioned that one of the outstanding features of the PRG 2 terminal is its ability to clean grain at a very high rate. According to the description of the facility published by the company, the terminal has the highest throughput of any grain cleaning elevator in the world. Its high performance, which results from state of the art engineering and technology, allows gain to be cleaned about as fast as it is unloaded.

• (1600)

The significance of this cleaning capacity is that it avoids the potential bottleneck in processing grain and contributes to PRG-2 being one of the most efficient grain terminals in the world.

The Prince Rupert terminal is serviced by CN Rail which transports grain through the mountains and connects thousands of grain producers to the terminal. Grain is received on one of the four tracks at the terminal and each of these tracks is capable of accommodating an entire train. The terminal storage bins can hold approximately 210,000 tonnes and shiploading is done at a very high rate through three tower mounted spouts. This gives us an indication of the operation of Prince Rupert Grain No. 2.

What is perhaps most outstanding about PRG2 is the fact that all of the grain-handling functions and grain flows at the plant are remotely controlled and monitored by computer from the elevator grain centre.

As has been described earlier by the Minister of Labour, it is the manning of this computerized grain centre that is one of the key issues in dispute between Prince Rupert Grain Ltd. and the grain workers union.

Earlier I referred to some 4.2 million tonnes of grain exports through PRG2 in the last crop year. This level of export gives the terminal an annual throughput efficiency of approximately 20 times its capacity, compared to perhaps 10 to 13 times capacity at other grain terminals. PRG2's throughput efficiency gives the terminal a very significant role in grain exports. Fourteen per cent of the 1986-87 crop year exports went through Prince Rupert. Prince Rupert's share to December 6, 1987 is unchanged at 14 per cent. In 1986-87, grain exports from the West Coast, that is Prince Rupert and Vancouver combined, amounted to over 16 million tonnes, and PRG2's share of West Coast grain exports amounts to 26 per cent.

It is interesting to note that the facility PRG2 is 80 per cent owned by the prairie co-operatives. It has been mentioned that the Prairie co-operatives also own most of the other ports that load grain into the export market. There has been some suggestion that their position is that the grain will move through their facilities, albeit at another point, and therefore they are not as anxious to settle this particular issue as they might be.

This strike has gone on for more than a month. In fact, it began on December 9 of last year and has been in effect for the better part of five weeks. That is a long time for a terminal

to be left idle when our export grain commitments are at an all-time high.

There is no question that responsibility for settling the issue lies with the two parties in dispute. They have demonstrated a complete lack of responsibility, which has resulted in these collective bargaining negotiations breaking down and has caused the present impasse and consequent impact on grain shipments. The parties in dispute have shirked their responsibilities by failing to come to an agreement. Both union and management have a role to play, and it certainly has not been carried out.

The shareholders as well as the union have known for the past four years that this issue must be settled. The manning of the computerized grain centre is in dispute, and this issue must be resolved.

The dispute now poses a severe threat to the prairie grain economy in terms of lost grain sales and in terms of our international reputation as a reliable supplier of grain.

It is indeed a most unfortunate situation. Not only are the grain handlers at this facility out of work, we also hear reports of ships lying idle in the port, waiting to load. As well, there are railway cars to be unloaded at the terminal. Some 80,000 to 90,000 tonnes of grain would normally flow through this terminal in the course of a week. If this situation is allowed to continue, Vancouver elevators would be the only terminal export point available until spring. As Hon. Members are aware, Thunder Bay operates on a reduced scale during the winter. Only a relatively small amount of grain is shipped by rail to the Lower St. Lawrence transfer elevators during the winter months. As long as the Prince Rupert dispute is not resolved, each day will add to the current congestion.

The other problem associated with moving the grain down to the Lower St. Lawrence elevators is the increased cost. That, in addition to the demurrage paid for the ships that are in a position to load, must ultimately be borne by the prairie producers who have no input in this impasse.

This labour dispute points out very clearly that strikes and lock-outs are not the answer. If we must resort to the Government instituting compulsory binding arbitration, as in this particular case, perhaps disputes should never be allowed to get to this stage. Perhaps we have reached the time when we should consider measures such as the Private Members' initiative introduced by the Member for Swift Current—Maple Creek (Mr. Wilson) last summer when we debated this very issue. Perhaps the time has come to consider such a solution.

I have attempted to describe what I see as the very significant role that this relatively new grain terminal facility plays in the prairie grain economy. PRG2 is a significant new grain export facility, with 26 per cent of West Coast grain exports going through the port. It has the potential to become even more significant in the years ahead.

This work stoppage has brought a halt to the flow of export grain through PRG2 and, in doing so, prevents the realization of the efficiency potential of this important national asset. The company and the union have failed to make the compromises that would resolve their long drawn out dispute, even with the repeated efforts made by the Minister of Labour through conciliation and mediation, including the assistance of Canada's top mediator. The parties have brought their dispute to a critical stage and the Government has no alternative but to require the resumption of operations and the resolution of the issues through arbitration. I urge all Hon. Members to support the Bill and work toward its immediate passage.

**Mr. Gustafson:** Mr. Speaker, my riding of Assiniboia is the largest wheat producing riding in Canada. During the Christmas break we had no end to calls from farmers who were concerned about this strike.

The Hon. Member for Moose Jaw (Mr. Gottselig) alluded to that somewhat, but I am surprised by the position of the Opposition in regard to the action the Government is taking. It would almost appear that many of them do not understand the conditions facing the farmers.

• (1610)

We in the agricultural and grain producing areas have been through difficult times. We have faced a very low price. We have faced other difficulties. I am surprised at the insensitivity of the Opposition in this respect. I would like to hear from the Hon. Member for Moose Jaw. I am sure his experience has been the same as mine. The telephone rang steadily during the break. Farmers were calling to ask what can be done about this. Surely there must be a better way than tying up the country. The cost of demurrage alone, which the farmers end up paying through the Canadian Wheat Board, is very significant. Certainly, the Government has a responsibility to look into this matter, and the Minister has done so.

**Mr. Gottselig:** Mr. Speaker, I had the same comments put to me in discussions I had with the rural municipal councils, for example. Each time this matter was raised they wanted to know what was going to happen. I told them we would get Bill Kelly involved and if he could not solve it, it would not be possible to solve. They want the port operating. They are not necessarily only pointing the finger at one side. Both parties in the dispute have a responsibility to bear. They obviously have not lived up to their responsibilities or this situation would not have developed.

As the Hon. Member pointed out, the problem is that the producers we represent in western Canada feel totally helpless and frustrated. They ask why the situation has been allowed to happen. That is what we have to deal with. We must put a process in place that settles these disputes before they reach this critical stage or before the present contract expires, and if they cannot settle, we must have the next step firmly in place so we do not have this disruption.

Another example is the Air Canada strike which disrupted Christmas plans for everyone across Canada. The parties in dispute seemed to be totally insensitive to that situation.

**The Acting Speaker (Mr. Paproski):** If there are no more questions or comments, debate.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I am glad to have a chance to say a few words with respect to the Bill before us today, Bill C-106. I think the Parliamentary Secretary to the Prime Minister (Mr. Gustafson) has pointed out the problem. The Government has dillied and dallied around on this matter for too long. It is just getting around to taking action today with respect to this dispute between the grain handlers and the Prince Rupert grain terminal.

The problem has been with us for three or four years and the Government has not really taken any action until earlier this month when it appointed Mr. Kelly as the mediator in this dispute. It became very clear after Mr. Kelly had completed his mediation attempts that only compulsory arbitration, hopefully, joint voluntary compulsory arbitration, could resolve the dispute. That is why the Leader of her Majesty's Official Opposition issued a statement last Friday calling on the Government to call in the parties to propose a suitable arbitrator between the two parties and seek a negotiated settlement thus avoiding this back to work legislation. It seemed clear at that time that if a suitable arbitrator could be found the union involved would go back to work on a voluntary or agreed basis. Unfortunately, after those negotiations last week it appeared obvious that that could not happen. The wheat pools are concerned that an arbitrated settlement may strike at the prerogatives and normal powers of the employer in this case. They see it as a dangerous precedent because the decision that is made with respect to the management role in the operations of this terminal may reduce that role, and some of that management role would be turned over to the union's employees at the terminal.

There seemed to be almost an inevitability that the only solution was compulsory arbitration, as the legislation before us proposes. Clearly, action had to be taken. This morning in the Standing Committee on Agriculture the Commissioner of the Canadian Wheat Board suggested that every month the terminal moves $70 million worth of wheat and other grains, and the strike has been going on for over a month. If the terminal is shut down the grain simply does not move. At the other end of the equation, when wheat has to be moved from prairie points to the East Coast ports, there is at least a $15 million loss in additional costs which are not received by the farmers.

We are facing an incredibly difficult time in the grain industry today with prices running at half of what they were five years ago. There is no clear indication that the American Farm Bill will not ratchet down prices another notch or two in this coming year. The Americans are putting up more and more money in the Export Enhancement Program. The budget has been increased to $1.5 billion in direct violation of the trade agreement that they would not take pre-empted strikes and actions against Canada. The Wheat Board has been selling grain at a maximum rate. We hope the free trade agreement will not have an adverse affect on that body which is doing such a marvellous job in selling our grain and maintaining extremely high quality, which is putting our grain in demand around the world.

The contracts are being put off for delivery from the West Coast by the Canadian Wheat Board now into March or early April because of the strike. There is no question that prairie agriculture is suffering from this strike. We need to take the action which is proposed before the House today in order to maintain Canada as a reliable supplier and retain its reputation as the best wheat producer and the highest quality wheat producer in the world. We want to see this legislation enacted so that the dispute can be resolved. Perhaps if the Minister had acted last Friday and called in the parties, proposing a series of acceptable arbitrators, we could have had a voluntary agreement and would not have to take the legislative route which is being proposed here today.

We want to study this Bill clause by clause so we can have a more detailed question and discussion kind of format. We believe it is essential that the Port of Prince Rupert be brought back into operation and that grain starts to move on an urgent and immediate basis so that the grain industry, so vital to our entire national economy, can get moving again.

**The Acting Speaker (Mr. Paproski):** Questions and comments? Debate.

**Mr. Jim Fulton (Skeena):** Mr. Speaker, I do not enjoy participating in these kinds of debates involving the ordering of workers back to work. However, it appears that in this situation there were not a lot of options because of the intransigence of the employer. I want to spend a moment on that because I know the Minister crafted his speech to condemn equally Prince Rupert Grain Limited and Local 333. However, there is a larger picture about which Hon. Members should be reminded.

The problem, as Members here know, is that Local 333 has been without a collective agreement for three-and-a-half, going on four years. There are reasons for that. There are reasons for a great many of the delays.

• (1620)

There has been a funny deal in the works ever since 1980 when the federal Government agreed to provide Prince Rupert Grain 1, the old waterfront elevator, to the consortium of Alberta Wheat Pool, Saskatchewan Wheat Pool, United Grain Growers, James Richardson and Sons, Cargill Limited and Manitoba Pool Elevators, an elevator estimated at some $50 million plus in value for $1. The federal Government, as well as the taxpayers of Canada, put in something in excess of $30 million in infrastructure on Ridley Island to Prince Rupert Grain 2, a truly amazing and modern state of the art elevator.

People in Prince Rupert do not forget easily, nor do I. Prince Rupert lost some 60 grain jobs as a direct result of the closing of PRG 1 and the opening of PRG 2. There was a direct loss in wages to the Prince Rupert economy of $3 million per year and almost double that if we take into account the lay-offs and movement of CN workers as well as the dislocation of other people in the economy as a result of the direct loss of those very important and longstanding historic jobs in Prince Rupert that have been there for more than half a century.

Just after the last election I asked a question of the then Minister of Transport, the present Deputy Prime Minister (Mr. Mazankowski), about the old grain elevator. I knew then, and the same is the case now, that it would long be necessary, as are the jobs, to the Prince Rupert economy. On November 21, 1984, as reported at page 457 of *Hansard*, he said:

> On the issue of the Prince Rupert Grain Terminal, I share the Hon. Member's concern. I am deeply disturbed by the prospect of the loss of jobs. I had an opportunity to meet with members of the union during the course of the election campaign, at which time I set out to explore whether there were other ways and means by which the existing terminal could be utilized. There has been some demonstrated interest in that. I think there is a way in which that terminal might be used for non-grain services, such as specialty crops, pellets and things of that nature. I will be discussing this with some members of the provincial government, and other interested parties, with a view to attempting to maintain that facility, even on a one-shift basis, to help alleviate some of the problems affecting workers. More important, in the long term we should make sure that we do not close down a facility, something which we may regret later on.

That is the signal that the Deputy Prime Minister sent to the grain workers at Prince Rupert. The signal that he sent to Prince Rupert generally is that we are going to keep the old elevator going and get the new elevator under way.

By the time of the opening, farmers were receiving 30 cents more a bushel by using Prince Rupert. Of course, there was a saving to those countries which were sending freighters to pick up grain, a saving of 500 miles each way, particularly for grain vessels from the Orient. Thus Prince Rupert has a great many reasons for being popular, not only with the farmers who receive a better price for their grain by moving it through Prince Rupert. Countries buying grain from Canada receive a better deal because it is even closer than Vancouver.

So there was a change in capacity from 1.2 million tonnes with just PRG 1, which in 1983 was about 15 per cent of West Coast exports, to 3.5 million tonnes, the potential throughput through PRG2, which now, as other Members have pointed out, was 26 per cent of the West Coast exports last year. During the 1983 crop year over 4 million tonnes were shipped through Prince Rupert, providing a very substantial benefit and gain to the farmers of Canada.

I agree with what other Members have said. We have to keep in mind not only the interests of Prince Rupert, the grain workers or anyone else in particular in the local sense of this issue, but the farmers. My colleague, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), reminded me that 500,000 tonnes were diverted from Prince Rupert to the Lakehead at a $30 per tonne loss to prairie farmers. Once demurrage, storage and so on is added on to that, one finds that this dispute from December 9 until now has been very costly to the farmers of Canada. There is no doubt that that loss amounts to millions and millions of dollars.

There may have been other measures the Government could have taken. On December 14 the grain workers offered voluntarily to go back to work. They have always wanted to go back to work. Of course, they suggested at that time, and continue to suggest, Mr. Justice Emmett Hall as being an entirely appropriate person to arbitrate such a matter. I agree. I think that the Minister of Labour (Mr. Cadieux) agrees, although he has made some suggestions today that, by the grain workers continuing to suggest Mr. Hall and Prince Rupert Grain Limited not liking the suggestion, that may have made it impossible for him as a Minister to appoint Mr. Hall.

As I stated earlier, the Minister crafted his speech to be equally condemnatory of the union and of Prince Rupert Grain Ltd. I hope he will keep in mind that he should take great care in whom he chooses as an arbitrator. For whatever reasons, the Minister has not included a clause in the Bill requiring the mutual consent of both parties to the appointment of an arbitrator for this very important matter.

Records were set and broken regularly at old Prince Rupert Grain 1 prior to its demolition. It was one hell of a hard-working group that put that all together, with the kind of antiquated equipment it had, particularly in terms of boxcars and in terms of bringing them in, loading them and moving them out very quickly. Some 40 per cent of the union jobs have been lost since 1985. The jobs went from 115 down to 51, while the number of supervisors has grown from 6 to 15. As I pointed out earlier, that is a direct income loss to the Prince Rupert area of $6 million per year in wages alone.

While Prince Rupert Grain 2 has been a welcome facility in terms of high technology and its ability to move a great deal of farmers' grain, it has been a really sore point in Prince Rupert, especially in terms of the promises of more jobs and how great it would be. The great promises from Prince Rupert Grain Ltd. never came to be. In fact, Prince Rupert generally lost, in a net sense, as a result of the new elevator.

As the union pointed out in evidence given to various tribunals and in press releases, it is not opposed to technological change but wants the right to perform the same jobs as are performed by members of the same union in Vancouver. In 1984 the employer would not recognize Local 333's right to continue with its collective agreement to represent employees on Ridley Island. That gives one some idea of the kinds of bad faith that was demonstrated by the employer very early on in the relationship in terms of the development of the Ridley Island site.

The Canada Labour Relations Board upheld the union's right to do so. The employer then laid off 76 employees from Prince Rupert Grain 1. I wish to point out that the Alberta and Saskatchewan Pools have unionized workers operating the computers as panel control operators in Vancouver. They are

the principal owners of Prince Rupert Grain 2. We have to understand the nature of this difficulty. The Minister touched on the matter of manning the grain centres as being the principal problem. He pointed out the discrepancy between what Prince Rupert Grain Ltd. is saying publicly and what the CLRB ruled on. The position being taken by the company is quite different from both the interpretation of the Minister of Labour and what the CLRB ruled in relation to manning the grain centre. It ruled in relation to foremen but never ruled in relation to the level of staffing. There are also the questions of job classification and security to be considered.

The point I want to make is that the same principal owners of Prince Rupert Grain 2 have unionized workers doing these panel jobs in Vancouver, but are making that the key issue blocking a satisfactory settlement through collective bargaining at Prince Rupert.

● (1630)

The employee classification at Prince Rupert Grain 2 has been done by the employer without regard to Prince Rupert Grain Terminal No. 1 in terms of grandfathering, the collective agreement, or the Vancouver operations. I would like to know on the basis of what logic, let alone law, the employer has attempted to stuff that down the throats of Local 333, which, Mr. Speaker, over the last three and a half years has been about as cool-headed a group of bargainers as I have ever seen.

The employer did not respect seniority rights. In fact, many laid off workers were forced to move and find other work while they were waiting for a decision from Prince Rupert Grain Ltd. The employer then contracted out the watchman's work. There has been no agreement since 1983. As the Minister and other Members have pointed out, that is almost four years.

Over the past few weeks the Minister of Labour appointed Bill Kelly to find a solution. The Member for Assiniboia (Mr. Gustafson) attempted to paint some type of picture that the Opposition have created the delay. We know that the House was sitting on December 14 when the farmers made a proposal, which was then supported by the Grain Workers' Union Local 333, to have arbitration at that point. That was some six weeks ago, so it is hardly appropriate for the government side to be attempting to paint it as some nefarious deal cooked up on the opposition benches.

Of course, the employer refused voluntary arbitration, as Mr. Kelly suggested. Let us not forget that the Minister must exercise care in his choice. I listened with care to his reasons why Mr. Justice Emmett Hall may not now be suitable. Mr. Justice Emmett Hall could in fact end up being the arbitrator in this matter. I listened with care to the reasons of the Minister, and even though it is not in the Bill, I would hope that when looking at his short list the Minister might at least call Prince Rupert Grain Ltd. and Local 333 with a suggested short list to see whether or not mutual consent could not be obtained in that manner.

All along the union has been prepared to accept an agreement negotiated and concluded in June, 1987 in Vancouver. It is the other three contentious issues which, as I have demonstrated could easily have been resolved. Rather than suggesting Mr. Justice Emmett Hall, Henry Kinks of Local 333, could have suggested me. I could have resolved these matters in five minutes, but I am not sure that that would have been entirely appropriate.

I know that farmers across the country are listening to this debate, I know that the grain workers are listening, and I know people in Prince Rupert are listening. But I will speak now for a moment to the farmers. They must ask just who is the employer at Prince Rupert Grain 2 and how well are they being served. How well is the country being served when the grain workers are being treated so shabbily year after year at Prince Rupert? At a time when the U.S. Farm Bill is hurting Canadian farmers, and low prices, high debt, and high costs are all harming Canadians farmers and their families, I think those farmers, particularly those associated with the Alberta Wheat Pool, the Saskatchewan Wheat Pool, United Grain Growers, James Richardson and Sons, Cargill and Manitoba Pool Elevators should be scratching their heads and wondering how it is possible that a collective agreement and a dispute such as this has to wind its way to Parliament to find resolution.

Farmers may well hold the key. We do not need some type of specialized dispute settlement mechanisms as proposed by the Member from Swift Current. We need some cool heads at Prince Rupert Grain Ltd. and with the cool heads that there have been at Local 333 I think we will find the way out of future disputes, if the farmers take that key. They know what the problem is and they can look at how this dispute has come to be. I think that they hold the lever and the key in replacing some of the management at Prince Rupert Grain Ltd. in order that this type of dispute does not rear up in the future.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Paproski in the chair.

Clauses 2 to 6 inclusive agreed to.

On Clause 7—*Arbitration*

**Mr. Murphy:** Mr. Chairman, I move the following amendment:

That Clause 7 of Bill C-106 be amended by

(a) striking out lines 28 and 29, on page 3 thereof, and substituting the following:

"Arbitration 7. (1) Retired Justice Emmett Hall is hereby appointed as arbitrator and the Minister shall refer to him all matters"

(b) by striking out lines 31 and 32, on page 3, and substituting the following:

"classification and security personnel that, on the date of the coming into force of this section, are in dispute"

**Mr. Althouse:** Mr. Speaker, I rise to speak in favour of this motion. I wish to put on the record the fact that there are two sides involved in this dispute. As it is viewed by many prairie farmers who are also shareholders somewhat at arm's length in Prince Rupert terminals, they see the problem being not only a problem with workers but also a problem with management. They are quite cognizant of the fact that the number of management positions has increased from six to fifteen with this new terminal. They are also very much aware that the amount of unionized workers has decreased by more than a half. They are quite familiar with the old cries of some pro-management writers about featherbedding.

That is not the case with the unionized workers here. The unionized workers have lost a considerable number of jobs and a considerable amount of power. On the other hand, what they are looking at with some distrust is a rapid increase in the amount of management positions from six to fifteen, as I stated. These are generally very highly paid positions. They are starting to wonder if they are not being held up to ransom by some of these high paid workers on the management team. They are beginning to use words like "job-napping" to refer to the ransom that this increased group of managers are engaging in in this particular negotiation.

It is very important that the arbitrator be cognizant of both the needs of the farmers and of the needs to get the grain moving, as has been relayed to the agriculture committee this morning by the Deputy Commissioner of the Canadian Wheat Board. In order to meet commitments, the Wheat Board has been forced to divert 500 tonnes of shipments through Thunder Bay and St. Lawrence ports at a net loss to producers in direct income of some $30 per tonne for each tonne so diverted, a loss of 15 million.

• (1640)

We could add to that the cost of demurrage for ships sitting in Prince Rupert harbour, which will be taken out of the final returns to wheat, barley, and oat producers. As well there are the storage charges which terminal operators have been able to put in their pockets during the course of the strike. Farmers are paying all these costs. They are paying for increased high-cost management, for the delays, and for the terminal having been down for 30 some days. It has become a very expensive proposition.

I regret that the two sides did not agree to the back to work proposal before Christmas. I understand that it was rejected by the group of 15 managers. As a result, this strike has been going on much longer than it needed to. There is no choice except to put an arbitrator in place. I hope the House will accept the long experience of Chief Justice Emmett Hall who is cognizant of all problems in the grain industry. He would be acceptable and is held in high regard by workers, management, farmers, railways, and elevator companies. I think he would be an excellent choice. It will take an arbitrator of that standing in the community for this particular difficulty to be permanently resolved.

**The Deputy Chairman:** Does the Hon. Member for Saint-Jacques want to speak on the amendment, or does he want to wait until we have disposed of it and then speak?

**Mr. Guilbault (Saint-Jacques):** Mr. Chairman, I have a statement to make on Clause 7 and a question for the Minister once we have disposed of the amendment.

**Mr. Cadieux:** Mr. Chairman, with respect to the particular amendment, for the reasons I gave in my speech earlier today, and with the greatest of respect for the individual who has been specifically named in the House, we cannot accept that amendment.

**The Deputy Chairman:** Does the amendment carry?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

Amendment (Mr. Murphy) negatived: (Yeas, 6; Nays, 27.)

**The Deputy Chairman:** Shall Clause 7 carry?

**Mr. Guilbault (Saint-Jacques):** Mr. Chairman, we were at a stage last week where it appeared that the two parties were fairly far apart. The individual who put forward a proposal which was quite worth-while was the Deputy Minister, Bill Kelly, who is with us in the House today. He made a proposal for binding arbitration to be voluntarily agreed to by both parties. This came close to ending the strike without the use of back to work legislation. On behalf of my Party, and I guess on behalf of all Hon. Members of the House, I should like to congratulate Mr. Kelly.

Unfortunately, for the proposal to go forward additional moves had to be made. The Leader of the Opposition made a very concrete suggestion last Friday in a press release. I should like to quote the first paragraph of it for the benefit of Hon. Members. It indicates: "Liberal Leader John N. Turner today called on Labour Minister Pierre Cadieux to meet with the two sides involved in the Prince Rupert Grain Terminal strike this weekend to persuade them to accept binding arbitration. He said the Minister should be ready to suggest the name of an arbitrator to the parties".

This suggestion was in fact meant to put into action the proposal which had previously been put forward by Mr. Bill Kelly.

I should like to ask the Minister whether he went to the trouble last weekend to meet personally with both sides to try to see if there was a possibility for the sides to agree to binding arbitration on a voluntary basis instead of having it forced upon them by back to work legislation, and also to try to test them with regard to the possible name of an individual, who would be agreeable to both parties, to act as an arbitrator. Did the Minister try that last weekend?

**Mr. Cadieux:** Mr. Chairman, with respect to binding arbitration, whether it be voluntary arbitration or involuntary arbitration, Mr. Kelly who was appointed to this dossier tried personally to get both parties to agree to voluntary binding arbitration. The union accepted it with a condition.

When I received the union's qualified acceptance, I communicated by telex with the employer or employers in order to get their response to the proposal made by Mr. Kelly, which included voluntary binding arbitration. The employers at that point responded indirectly, and again I went back to them to get their response on the principle of binding arbitration. The employers refused the principle of going into binding arbitration because, according to them, the manning issue was a management issue which should not be subjected to arbitration. They refused that concept.

**Mr. Althouse:** Mr. Chairman, I have two brief questions for the Minister. I am not sure whether either of them is a proper question. However, since he has rejected the proposal for an arbitrator in the person of former Chief Justice Emmett Hall, does he have another arbitrator in mind? If he cannot answer that question, would he at least tell us if people who have been acting on this case will still be acceptable as potential arbitrators when he gets around to nominating them? Specifically, could Mr. Kelly still be nominated for this job?

**Mr. Cadieux:** Mr. Chairman, I was about to ask my hon. colleague to qualify his question by asking to whom he was specifically referring.

I want to make a particular comment in respect of the individual to whom the NDP refers. The first time that the name appeared was in the context of mediation. At that time my understanding was that that suggestion was formally refused by the employer.

Mr. Collins who was mediator in this particular dispute at that time reactivated the meetings with the parties, which unfortunately led to a dead end. Then I appointed Mr. Kelly in order to intervene in the dossier and to try to mediate the dispute. That was not possible, and then he made the formal proposal which unfortunately was not totally accepted by the employer and was unfortunately not totally accepted by the union in the sense that it qualified its acceptance.

Obviously, once this particular Bill is accepted, I will consider some options in respect of the appointment of an arbitrator. With respect to Mr. Kelly specifically as a public servant, I am informed that he would not accept such an appointment.

• (1650)

**Mr. Fulton:** Mr. Chairman, I have a very quick question for the Minister of Labour relating to the mutual consent clause which is found in a great deal of legislation. With such a clause, both parties would have either an individual or a short list proposed to them. Quite often when a final binding solution is put forward by the arbitrator, it tends to stick better and be more acceptable if both parties at the beginning agreed to a person to arbitrate.

I wonder why the Minister has not included a mutual consent clause in this Bill. Perhaps he could expand on the proposal I made while I was speaking. I proposed that he could, here on the floor of the House, agree that when he comes up with a short list, he would be prepared, though it may well be the Minister who will have to decide alone who the arbitrator will be—to meet privately and see if there is a mutually acceptable and consensual arbitrator.

**Mr. Cadieux:** Mr. Chairman, I thank my hon. colleague for a very interesting question which makes a lot of sense. We are not always used to that in this House, but with respect to the—

**Mr. Frith:** Especially on your side.

**Mr. Cadieux:** We don't ask questions, we answer them.

With respect to the consent clause being in the Bill, my hon. colleague has answered part of that question himself by saying that the Minister may have to decide himself. That is obviously one of the reasons why I would not wish such a clause to be in the Bill.

With respect to possible consent by the parties to the choice of an arbitrator, I can assure the House that, as we have done in the past, we can consult with the parties and ask them to provide us with a list of possible candidates, say three candidates, just for the sake of argument, and then I would make my own decision, taking into consideration their suggestions and mine, which may be the same or different. We have done that in the past and I am obviously prepared to do that again.

**Mr. Murphy:** Mr. Chairman, Clause 7, subclause 3, calls upon the arbitrator to have, within 45 days of being appointed, dealt with all the issues before himself or herself. In Bill C-85, which was passed in August of 1987, there was a similar clause, though I realize it was not quite the same clause, relating to back to work legislation for the railway. In that piece of legislation, we gave the arbitrator 60 days. Since then, the Minister has given the arbitrator an extension to March of 1988. I understand that another request has come forward for the arbitrator in the railway case to be given even more time to finish his work. I do not know whether or not the Minister wants to comment on that, but I think it is a very important issue.

When we do pass legislation saying that an arbitrator has only so much time to do his work, then the parties involved and the people concerned expect justice within that period of time. Bill C-85 was passed without any pay increases for the workers and the management was able to do all sorts of things in the meantime. Each and every time the arbitrator's time to do his work is extended, we are being unfair to the people involved. The House did pass the legislation in the form in which it was passed with an understanding that the work would be done within 60 days. That has not happened in the case of the

railway arbitration. It is dragging on and on, and I think it is actually resulting in an injustice to the workers involved.

**Mr. Cadieux:** Mr. Chairman, if I understood correctly, the question addresses Bill C-85 more than it addresses this particular legislation. Consequently, I do not think this is the appropriate forum in which to deal with that particular issue. However, I will acknowledge that I have received some representations from various parties about the possibility of an extension. I have not received any formal request for extension, and I can assure the Hon. Member that should I receive such an extension, I will look into the situation.

I have given instructions to my officials to look into the situation right now because of those representations. I can assure my hon. colleague that I will deal with it in full knowledge of what is going on if it comes to me.

**Mr. Guilbault (Saint-Jacques):** Mr. Chairman, on the same subject, we too were aware of the fact that the arbitration decision in the rail strike is taking a long time. This is all because an extension could be granted by the Minister.

I would suggest an improvement in this Bill. I would suggest that an extension could be agreed upon by the two parties. If the two parties decided that they wanted to give the arbitrator one more month, they themselves could make the decision to wait before getting a collective agreement. If they were to reach such a decision, it would be because they came to the conclusion that they had better wait for an additional period of time in the hope of getting a better agreement.

This is something to be remembered for the next legislation of this kind, although I hope that this kind of legislation will not be coming to the House too often. I think the Minister knows our position on back to work legislation, which is that we resent and hate it, but the problem exists in the back to work legislation that settled the rail strike. They are without a settlement and we hope that if an extension is again requested by the arbitrator, the Minister will turn it down. It is about time that these workers saw the end of the process and were finally able to enjoy their own collective agreement, although part of it will be imposed on them by outside sources.

**The Deputy Chairman:** Shall Clause 7 carry?

**Some Hon. Members:** Agreed.

Clause 7 agreed to.

Clauses 8 and 9 agreed to.

**Mr. Lewis:** Mr. Chairman, I rise on a point of order. I wonder if we might not seek unanimous consent not to see the clock in order to continue progress on this Bill, with the understanding, of course, that if we were able to finish the Bill within a reasonable time, we would complete discussions on the Bill and then proceed immediately to Private Members' Hour and allow the Hon. Member to have a full-hour's debate on his Bill if so required.

**Mr. Riis:** Mr. Chairman, in an effort to complete discussions on this legislation today, we are prepared not to see the clock, with the clear understanding that Private Members' Business would be a full hour. Of course, we anticipate that the Secretary of State for External Affairs would be in support of that Bill. We would like to see debate for the entire hour.

**The Deputy Chairman:** Is that so agreed?

**Some Hon. Members:** Agreed.

On Clause 10—*Offence by individuals*

[*Translation*]

**Mr. Guilbault (Saint-Jacques):** Mr. Chairman, I want to refer to Clause 10 of the Bill. Unfortunately it would seem that the Government got used to imposing penalties which, in our opinion, are much too severe.

Allow me to read Clause 10(1)(*a*), page 4 of the Bill, and I quote:

(a) of not less than $10,000 or more than $50,000—

—each day, applicable to—

—an officer or representative of the employer or the union—

—who contravenes any provision of this act.

Mr. Chairman, we agree on the principle that a law must contain such penalties that people will want to abide by the law. However we think that the penalty I have just referred to in the case of an officer of the employer or the union is much too severe.

• (1700)

[*English*]

In the same way the penalty for a single individual who would contravene the Act is a minimum of $500 and a maximum of $1,000 per each day that the infraction occurs. The employer or the union is likely to be subjected to a fine of not less than $20,000 and not more than $100,000 per day. These are penalties which have never been seen before this Conservative Government came to power. As well, these fines make a mockery of the flexibility a judge has in making a decision in a tribunal. Why impose a minimum fine? If there were no minimum fines and if those minimum fines were removed from the Bill, keeping the maximum fines, although the maximum penalties are very high, a judge would still have the flexibility to impose a fine which is reasonable and appropriate to a violation. We think that these penalties are unfair and not appropriate to the situation, especially the question of a minimum penalty. To try to deal with that I offer the following amendment:

That Clause 10 of Bill C-106 be amended:

(a) by striking out the words "less than $10,000 or—" from line 26 on page 4 of the Bill

(b) by striking out the words "less than $500 or—" from line 31 on page 4 of the Bill

(c) by striking out the words "less than $20,000 or—" from line 38 on page 4 of the Bill.

The effect of this amendment would be to remove the minimum penalties mentioned in Clause 10 of the Bill, allowing a judge to use his educated judgment in handing down the proper sentence to anyone who violates the Act. We do not think it is desirable or fair to have a judge strapped into having to hand down a minimum fine of $10,000 for one day's contravention. It is barbaric. We think the judiciary should enjoy the same flexibility in this piece of legislation as it enjoys with others. This is the reason for the amendment, Mr. Chairman.

**Mr. Harris:** Mr. Chairman, I want to speak on the same issue as my colleague from the Liberal Party did concerning Clause 10. I want to speak in support of his amendment.

A similar argument was placed before Committee of the Whole on Bill C-86 in the postal dispute. The Minister as a lawyer is well aware of the arguments put forward at that time, and he is also aware of how justice abhors minimum fines and penalties in any legislation.

I think all Members of the House are aware of the minimum sentence of seven years in jail for importing narcotics. We have had instances of young people caught with a very small amount of marijuana or a drug like that who are subject to a minimum sentence of seven years in jail. It is obviously an abhorrent type of measure. I say that despite the fact that we are talking here about a situation where the employer or the union contravenes the Act and there is a minimum fine of $20,000. In this case, the union is anxious to have binding arbitration while the employer is not and, on a matter of principle, we cannot have in legislation the kind of minimums stated. The judges of this country who deal with offences and contraventions of legislation are very well prepared to deal with them.

I will give one example because I think an example is worthy of note even though it may be theoretical. If we look at Clause 3(b) of the Bill we read:

every employee shall, when so required, forthwith resume the duties of that employee's employment.

Forthwith, Mr. Chairman, has been interpreted by many courts as to its meaning; namely, that it has to be done right away. If somebody did not report for work right away for some reason, then it may be a very minor period of time, it may be a very minor offence, but it is still subject to a minimum fine. There are also provisions in Clause 4(b) which require a union and each officer or the representative of the union to take all reasonable steps to ensure that employees comply with Clause 3(b).

Some judge might decide that the union or an individual should have done something which the judge thought was reasonable but they did not, and that union or that individual could be found guilty under this Bill. It may have been a minor or a technical breach, yet a minimum fine would apply.

The Minister of Justice has left the Chamber, so I would like to ask the Minister of Labour to respond to this point. It is a very serious precedent not only to have a minimum penalty in this legislation but in other legislation and I ask him to reconsider the inclusion in a Bill of this type of minimum penalty. There are ways of making sure that the seriousness of the offence is recognized by the judiciary by placing maximum fines or providing for other penalties other than fines. Having a minimum fine in place is not an appropriate measure in dealing with this type of thing.

We have many examples across the country of labour disputes where court orders are issued and sometimes individuals are brought before the court for contempt. In those situations judges deal with the contempt of court order, if there is one in place. This is a similar kind of matter where there is an order from Parliament to return to work. Without any minimum fines or minimum approach, judges across the country are well able to deal with the seriousness of crimes committed in similar circumstances. Sometimes jail penalties are provided and sometimes very large fines, sometimes fines as large as those proposed here are imposed.

Could the Minister of Labour tell the House why it is that he is including this type of minimum fine in the Bill when there is an opportunity to accomplish the same object without this measure?

**Mr. Cadieux:** Mr. Chairman, I have had the occasion to reflect on these particular fines on a number of occasions now since they were placed in Bills C-24, C-85 and C-86. I recall that we had a particularly long debate on Bill C-86 in this regard. I have acknowledged, and I will acknowledge again today, that these fines are severe. We have been using fines consistently in these types of back to work legislation. In this case I would like to point out that if the parties had agreed to voluntary binding arbitration we would not be here today considering back to work legislation and considering these penalties. As in the past we have not supported amendments in this regard. I believe that on Bill C-86 my colleague from Saint-Jacques proposed the same amendment, which we did not support then and we will not support today.

• (1710)

**The Chairman:** Shall the amendment carry?

**Some Hon. Members:** No.

Clause 10 agreed to.

**The Chairman:** Shall Clause 11 carry?

**Some Hon. Members:** On division.

Clause 11 agreed to.

**The Chairman:** Shall Clause 12 carry?

**Some Hon. Members:** On division.

Clause 12 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

**The Acting Speaker (Mr. Paproski):** When shall the Bill be read the third time? By leave, now?

**Some Hon. Members:** Agreed.

**Mr. Cadieux** moved that Bill C-106, an Act to provide for the resumption of grain handling operations at the port of Prince Rupert, British Columbia, be read the third time and passed.

He said: Mr. Speaker, I just want to take a few seconds to mention again that it is not one of my greatest moments as Minister of Labour when I have to rise in this House to introduce back to work legislation. However, in this case I think everyone will agree that this was the last option. Notwithstanding the fact that we may not agree totally with all the clauses of the Bill, this legislation was necessary in order to get the grain moving again in Canada to help our farmers and to maintain our reputation as a grain exporter throughout the world.

I think we should give credit when credit is deserved. I want to thank my colleagues in both opposition Parties for their co-operation in the speedy passage of this piece of legislation.

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the Minister of Labour (Mr. Cadieux) just said that it is not pleasant for him to stand in the House to introduce back to work legislation. I can tell you that it is certainly not pleasant for me, as the spokesperson for labour for the Liberal Party of Canada, to see him bringing this regressive type of legislation to the House of Commons time after time, especially when these Bills contain overly harsh penalties such as we discussed earlier.

We have been trying to amend the Bill. The Minister will recollect that we tried to make him understand when dealing with Bill C-86 that these penalties were too stiff, were unnecessary, and were tying the hands of judges. I do not think our arguments were well heard because he has brought back the same type of measure as was contained in Bill C-86. Our only hope is that after the passage of this Bill operations will resume as soon as possible, that the grain will get moving, and that we will be able to safeguard our markets and deliver grain to people who have concluded contracts with us.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I wish to speak for just a few minutes on third reading. We have done much today to expedite the passage of this legislation. It is in third reading after just over two hours of debate. Much of the legislation is familiar to us in that we have seen a fair number of Bills in the last six months which contained similar words and clauses. It is, therefore, not new to Members of the House. We recognize that, there having been a breakdown in negotiations, a long strike which has not resolved the issue, and since mediation has not worked, there is a necessity to go to arbitration. However, as I said earlier, there are still some problems with this legislation.

As the Member for St. John's East (Mr. Harris) said, this legislation is very strict in terms of the minimum fines it provides for. An individual who has every intention of abiding by this legislation but is unable to do so will be fined a minimum of $10,000. That person may not be in Prince Rupert today, tomorrow, or Thursday when this legislation is proclaimed. It has been a long strike and the people have not all stayed in that community.

That type of clause is obviously meant as punishment for people who deliberately disobey the law. However, people who may have gone away to visit family, or could not pay their mortgage because they have not been working for the last while and have gone to live with family elsewhere, would be subject to a minimum fine of $10,000 a day.

When there is a dispute in the City of Thompson, where I am from, there is usually a cooling off period, a certain amount of time to allow people who are out of town to return to town and resume work. Those are the types of things that should be done.

This is not the first time the Minister has introduced this particular clause, and I hope that if he believes it is necessary to have minimum fines in the future he will make them subject to a wilful disregard of the legislation. He has not included that and, as a result, has a very dangerous clause which could be used against any individual. I am not talking about a hypothetical situation. The law is the law and someone, especially after a bitter labour dispute, may try to enforce the law in a way which would not see justice done.

Motion agreed to and Bill read the third time and passed.

**The Acting Speaker (Mr. Paproski):** It being after five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

### CANADA-ALASKA BOUNDARY ACT

MEASURE TO ENACT

**Mr. Jim Fulton (Skeena)** moved that Bill C-222, an Act respecting the international boundary between Canada and the State of Alaska, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased once again to bring a Bill regarding 54-40 or as we know it on the north coast of B.C., the A-B line, before the House for debate. Many

Members of the House will know that just over a year ago the legislative committee chose this as one of the Bills to be brought before the House for a vote. Through a variety of calendar changes ranging from the changing of opposition days and government days to the proroguing of the House, Bill C-222 did not get to the floor of the House for a vote. I am hoping that before 20 minutes after six this evening Members of the House will allow this Bill to come to a vote so that it can either go to committee or be passed into law.

Everyone who has followed the rather sad history of the disputes in relation to 54-40 will know how important it is that a statutory and parliamentary vote be taken putting the A-B line into law, not to send a message to individual Canadians but to send a collective message to Washington that we are tired of the steps they have taken throughout this century to try to capture a part of Canada which has always been Canada and is supported by many treaties.

I would like to thank my colleague, the Member for Kamloops—Shuswap (Mr. Riis), who spoke on this Bill the last time around. I hope that the Secretary of State (Mr. Crombie) and others will take the opportunity to participate in this debate today because I think it is an historic moment for this House to pass Bill C-222 into law. It entrenches the boundary lines from Cape Muzon to Cape Chacon, to the opening of the Portland Canal.

• (1720)

Let me outline the location of that boundary. The Alaskan Panhandle which comes down the north coast of British Columbia and ends just above the Queen Charlotte Islands where an area known as Dixon Entrance Lies. Prince Rupert lies in that immediate vicinity and there is extensive fishing in Dixon Entrance.

The history of the A-B line essentially begins in 1825 with a treaty that was struck between Russia and Great Britain. At that time, and well into the century, Britain produced our treaties for Canada. That was followed by another treaty in 1867, after what was probably the greatest land transaction in the history of the world when the United States purchased Alaska from Imperial Russia for $15 million in gold. Just as in 1825, the 1867 treaty included very specific references to 54-40 as being the southern terminus of the territory that was acquired from Imperial Russia.

There was some trouble in that area during the gold rush period in 1897 and 1898, up the Stikine, through various of the transboundary rivers and over the Chilcoot.

As well, President McKinley was assassinated in 1901 and was succeeded by President Teddy Roosevelt. He was a rather notorious and rowdy President, who did not like the trouble among the miners in the disputed area between Alaska, British Columbia and the Yukon. He threatened then Prime Minister Wilfrid Laurier with sending troops into the area north of Prince Rupert and up into the transboundary areas to quell this so-called uprising.

Not many who have studied history will forget the cry of "54-40" by the Americans back in 1884. That became a famous slogan of the United States that wanted to move the boundary from Oregon all the way up to join the southern terminus of Soviet territory at that time, 54-40 and further up so that the United States would effectively have been all of North America.

The events in 1903 were unfortunate in relation to the rest of the Alaskan Panhandle. However, it supports very strongly my Bill because the Hay-Herbert Treaty was brought forward. Teddy Roosevelt wanted to ensure that there were no Canadian MP's who did not understand how serious he was. He appointed his Secretary of War, E. Root, the Secretary of State, Henry Cabot Lodge and George Turner, the senior Republican senator from the State of Washington.

As I stated earlier, at that time Great Britain was responsible for making our treaties and therefore sent Lord Alberton from the House of Lords. We also had on our side the Lieutenant Governor of the Province of Quebec and a lawyer from Toronto. That was the Canadian contingent, up against the Secretary of War, the Secretary of State and the senior Republican senator from the northwestern United States.

Unfortunately, Lord Alberton voted with the three Americans on six of the seven boundary questions and gave up about 10,000 square miles of Canada to the United States. This included all of the headwaters and the beautiful inlets up the north coast of British Columbia which were never part of the 1867 treaty or 1825 treaty. These were given to the United States, effectively closing off the northern half of British Columbia from access to ice-free ports, of which Stewart is the most northerly ice-free port on the West Coast of North America.

There was a four to two vote on the six questions of the Panhandle, but a unanimous vote on the A-B line, 54-40. It was unanimously ratified, placed into the Hay-Herbert Treaty, an international treaty, passed through all of its necessary legislative means in the United States, which entrenched the A-B line as the international boundary.

Finally, in 1909, six years after the Americans had taken charge of a big chunk of Canada, an Order in Council finally wove its way through the august chambers here when Cabinet met and said it should do something about the A-B line. By 1911, Canadians not only in British Columbia but right across the country were still enraged about the 1903 rip-off. The newspapers from 1903 to 1911 will show that Canadians continued to be angry, whether in Toronto, Moose Jaw, Prince Rupert or elsewhere. People everywhere felt very badly about how we were treated.

It is interesting how history collides with itself from time to time. At that time the Government of Canada had initiated free trade talks with the United States. It was the dispute over the A-B line that brought about a quick end to those talks. The people of Canada rejected the free trade talks with the United States in 1911.

For many years the A-B line disappeared into the mists of time until a conscious decision appears to have been taken in Washington by the State Department to start harassing Canadians, almost simultaneously with the kind of boundary harassment we saw on George's Bank and have now come to see on a more regular basis in the Beaufort in relation to the 141st meridian between Alaska and Yukon.

In June, in 1981, a vessel known as *Sable Mist* was boarded. This caused a great furor on the north coast of British Columbia and protests by fishermen who closed off the Port of Prince Rupert, ferry traffic movements and so on.

In July, 1981, a number of American vessels attempted to come to fish in Canadian waters south of 54-40. Those six fishing vessels were ordered back out of Dixon Entrance.

In May, 1984, the Secretary of the Interior of the United States offered 40 square miles of Canada off the Queen Charlotte Islands for sale. That did not attract too much attention for some days and, in fact, the Federal Register, Volume 49, No. 63, published March 30, 1984, offered this particular sale of a chunk of Canada by the U.S. Secretary of the Interior to various U.S. oil and gas companies.

I raised that matter in the House and the Minister promised and subsequently sent a note of protest to Washington. In the next publication of the Federal Register, the sale was withdrawn.

The Learmonth Bank, the area in the Dixon Entrance above which many anadromous and non-anadromous species tend to school, has long been of interest to both Canadian and American fishermen. It was in relation to the Learmonth Bank in 1984 that the *Storus* and *Brooks Bay* were boarded inside Canadian territory by the U.S. navy and coast guard. Again, notes were sent by Canada to Washington.

The issue became more involved when President Reagan and Secretary of State George Shultz became more interested in the A-B line. There were a number of reasons for this.

There was enormous fishing value, enormous gas and oil potential. Polymetallic sulphides have already been located on the ocean floor. There are military reasons as well. The Americans want to move various *Trident* submarine related activities into the southern Panhandle area. This has raised jurisdictional questions and so on.

There is a very serious test of Canada's will and our ability to stand together on an issue which exists even today.

It was just two years ago that George Shultz appointed Ed Derwinski as the U.S. negotiator for the A-B line. He is a 25-year member of Congress and someone we know through the Canada-U.S. group and other meetings. He is a very knowledgeable and respected member of the U.S. House.

Finally, the Secretary of State for External Affairs (Mr. Clark), under pressure from British Columbia fishermen, myself and others, wrote in August, 1986, to the Secretary of State, Mr. Shultz, saying no to the negotiations. That was a puzzling period of time. I think it is important that I quote from *Hansard* to show how woolly-minded the Secretary of State for External Affairs was on this issue. One can only wonder what kind of advice he was receiving from various bureaucrats and officials at the Department of External Affairs to have even considered entering into negotiations on the A-B line. It has always been Canada's boundary. Why would any government want to get involved in negotiations? If would be the same as if some bum walked in off the street into your home, Mr. Speaker, and said: "I would like to negotiate this house. Why do you not get out?" What was being proposed out of the Department of External Affairs was that someone could come in and say: "This house is actually mine. Let us negotiate a price. How about $50?" A preposterous situation began to evolve. On March 21, 1986, I was questioning the Secretary of State for External Affairs in the House about why he was having discussions with British Columbia about appointing a negotiator on the A-B line. I said the following, as reported, at page 11747 of *Hansard*:

> —the article in *Maclean's* is not an editorial. It quotes Canadian officials. I wonder if the Minister would explain to the House why he and the B.C. Government are discussing the movement of West Coast Canada-U.S. boundaries like the A-B line. Does not the axiom "if it isn't broken, don't fix it" hold in the case of Canada's sovereign boundaries?
>
> RIGHT HON. JOE CLARK (SECRETARY OF STATE FOR EXTERNAL AFFAIRS): Mr. Speaker, it is often difficult to know if opinions put forward in Maclean's magazines are stories or opinions. Whatever they are, this one was false.
>
> With regard to why we are discussing with the Government of British Columbia whether or not it would be useful for us to discuss with the United States a negotiation to bring clarity to a situation about which there is now dispute, it is precisely because clarity is better than a lack of clarity. I made it very clear on several occasions that if it is not in Canada's interests to enter into those negotiations, we will not do so. If, once in those negotiations, it is not in Canada's interests to conclude an agreement, we will not conclude an agreement.

• (1730)

I think that stands as an all-time Canadian great of woolly-mindedness. If that is clarity of the Canadian position on the A-B line, it is an astonishing state of affairs. Nevertheless, I give the Minister full credit. He finally did write to George Shultz to say no to the negotiations after Mr. Derwinski had been pulling together various files and so on in relation to this matter.

I will not bore Members of the House with the enormous amount of legal writings, academic investigations and so on which have been done in relation to the A-B line. There is an abundance of evidence, including from American sea captains, mariners and so on, who all agree that 54-40 historically has always been Canada's international boundary with the State of Alaska and the United States of America.

What I am pleading about with the House today, Mr. Speaker, is to set aside whatever kind of orders various caucuses might be under in relation to this Bill and to think for a moment of how simple this Bill really is. What I am suggesting is something which previous Cabinets have gone part way with. In 1909 an Order in Council passed through

Cabinet identifying 54-40 as our international boundary with the United States running from Cape Muzon to Cape Chacon to the end of the Portland Canal. However, what is happening is that there are funny things going on within the Department of External Affairs and between Washington and Ottawa in relation to a whole variety of things. I do not think any part of Canada be it marine, submarine, island or offshore, should, under any circumstances, be part of negotiations, whether in relation to free trade, hotel conventions or some other boundary area. I think it is of fundamental importance. This was entrenched in 1825, in 1867, in 1903, and substantiated many times since then.

All I am asking for in this Bill is to allow a vote to occur this evening to send it to committee. If Hon. Members have more questions, why not send it to committee? The Bill is fundamentally simple. It simply entrenches the boundary in statute as are other boundaries in this country.

I stood in this House and supported the Secretary of State for External Affairs following the voyage of the *Polar Sea* when he brought legislation forward to bring closing lines in the Arctic Archipelago. I congratulated him as a Canadian and as a Member of this House, as someone who recognized that the right thing in terms of sovereignty was being pursued by the Government on behalf of all Canadians. It is not a partisan issue when members of different Parties rise to support something that is right.

This Bill has been chosen by a legislative committee consisting of a majority of government Members. Very important questions were asked. I see some of the members of the committee here this evening. That Bill was chosen to be voted on. That is this Bill, Bill C-22. However, because of the prorogation of the House last year, it missed its opportunity to be voted on.

We have the opportunity now to either vote on the Bill or to send it to a committee where it can be amended or redrafted. If Members have questions, I have piles of information, legal, academic, you name it. I can answer, I am certain, or find the source for an answer to any question Hon. Members might have.

I plead with Members of the House to focus the debate this evening and direct it towards a vote to send the Bill to committee or to pass it into law. I think it is important for Canada and I think Canadians have waited far too long in this century and are the last to make absolutely certain, statutorily, that 54-40 is our international boundary with United States.

**Mrs. Mary Collins (Capilano):** Mr. Speaker, I am pleased to have the opportunity to speak on this Bill put forward by the Hon. Member for Skeena (Mr. Fulton), Bill C-22. I know that several of my colleagues from British Columbia from this side of the House will also have the opportunity to speak on it today. It is the kind of Bill where it would be helpful if we could actually use maps, because I think it is a difficult thing for those hearing us perhaps to visualize what we are talking about with respect to this boundary. Lacking that possibility, I will try to explain in words some of the concerns I have about the Bill.

Although I laud the Hon. Member's intentions, I must say to him that I do not support either the technical wording of the Bill or his approach to the resolution of this particular boundary issue. As the Hon. Member has said, in purporting to recognize and declare that the Canada-Alaska land boundary is the boundary established in 1903, Bill C-22 merely states a fact that is disputed by no one in either Canada or in the United States. If the Bill did no more than this, I would still be obliged to criticize it as being redundant and unnecessary. That is because, by its very redundancy, it calls into question all of Canada's extensive boundaries with the United States. Why should we create uncertainty where none now exists?

It seems that Bill C-22 purports to deal with more than the boundary dividing the lands of Canada and Alaska. Clause 2 of the Bill, states:

> For greater certainty, the Canada-Alaska boundary includes the "A-B line" running from Cape Muzon to Cape Chacon to the mouth of the Portland Canal, and a line running headland to headland from Cape Muzon to Langara Island, . . .

That does not translate the intention into clear legislative terms.

**Mr. Fulton:** I rise on a point of order. I would just like to point out that there is no reference whatsoever to a headland to headland boundary from Cape Muzon to Langara Island. That was removed several years ago from a completely different Bill. I would hope the Member could perhaps address her remarks to Bill C-222, not Bill C-22. Bill C-222 is presently before the House.

**The Acting Speaker (Mr. Paproski):** That is not really a point of order. It is a point of clarification. The Hon. Member for Capilano (Mrs. Collins) has the floor.

**Mrs. Collins:** Thank you, Mr. Speaker. I think I am quite familiar with Bill C-22. I am quite aware that this is Bill C-222. I am sure it will not provide a headache, hopefully, for the Hon. Member or anyone else in this House.

Indeed, there is no doubt that the A-B line was indeed established by the 1903 Alaska boundary award and that it divides the lands of Alaska and Canada. That is the view of both Canada and the United States. But the United States insists that it is the land boundary only in the sense of a line for the allocation of the land territories alone and not for the allocation of sea areas under the sovereignty or jurisdiction of either country. Canada, on the other hand, has always taken the position that the A-B line is not only a boundary dividing the land but a maritime boundary as well, and that the waters south of that line are Canadian, together with the sea bed under them.

Regrettably, Bill C-222 would seem to adopt something like the U.S. view of this matter instead of the Canadian view. The language of the Bill, given the history of this dispute, requires greater precision if it is to avoid being interpreted in that way.

• (1740)

I think that there are problems with the drafting of the Bill. One might say that that can be fixed up when and if it goes to committee, if they deal merely with technical areas. However, these problems are also symptomatic of different difficulties that could arise if we ignore the language of Bill C-222 and address its apparent intention instead.

Imagine for a moment that the Bill before us did enshrine in a clear statutory form the longstanding Canadian position with regard to the A-B line in Dixon Entrance. We would still have to ask ourselves whether such a Bill would truly achieve its objectives, or whether it might harm the very interests it seeks to protect. These objectives and interests would be to secure Canada's maritime sovereignty in the Dixon Entrance beyond all doubt of challenge. But could any Bill do this?

The answer is clear. No domestic law or other unilateral action can of itself resolve a boundary dispute with another sovereign state. International law and practice lay down a few basic guidelines for the settlement of maritime boundary disputes between neighbouring countries. I think, as my colleague will recall, these were well stated by the Chamber of the International Court of Justice in its 1984 decision in the Gulf of Maine case. I quote:

> No maritime delimitation between states with opposite or adjacent coasts may be effected unilaterally by one of those states. Such delimination must be sought and effected by means of an agreement, following negotiations conducted in good faith and with the genuine intention of achieving a positive result. Where, however, such agreement cannot be achieved, delimitation should be effected by recourse to a third party possessing the necessary competence.

Of course, it can be said that the A-B line in Dixon Entrance is itself the result of a third party settlement by the Alaska Boundary Tribunal. That, indeed, is Canada's position regarding the status of the A-B line as a maritime boundary. The United States, however, does not accept that position. Successive Canadian Governments have recognized that the only way forward in this matter is either by negotiation or by international adjudication. So far, negotiation has been the preferred route, although it has not yet brought about the result that we in Canada would like to see.

Any Bill enshrining the A-B line as a maritime boundary in Canadian law might well rule out the possibility of a negotiated settlement and virtually force Canada to refer the dispute to third party proceedings. Is that what the Hon. Member for Skeena wants? Is that what the House wants? International adjudication is a valuable last resort, but one to be entered into by design rather than by mere accident.

Hon. Members will be aware that discussions on the West Coast boundaries were suspended in 1979, pending the conclusion of the Gulf of Maine case. With that case behind us, the U.S. Secretary of State, George Shultz, suggested that special representatives be appointed to oversee discussions and possible negotiations on West Coast maritime boundaries.

Before responding to Mr. Shultz, the Secretary of State for External Affairs sought the views of the Government of British Columbia. He also heard from numerous groups and communities on the West Coast. Having carefully weighed their views and the attitude of the provincial Government, he concluded that now is not an opportune time for Canada to resume discussions with the United States on West Coast maritime boundary matters. In reaching this conclusion the Minister was conscious of the sensitivity of the issues involved, particularly with respect to Dixon Entrance, and the need to allow some breathing space to ensure the smooth implementation of the Canada-U.S.A. Pacific Salmon Treaty.

At the same time, however, the Secretary of State advised Mr. Shultz that he intends to keep the situation under review and to leave open the possibility of taking up his proposal for discussions on the boundary at some future time when circumstances may be more propitious.

Whether we negotiate now or later, or whether it is ultimately decided to refer the question to third party settlement, we must still ask ourselves whether any version of Bill C-222 might advance the Canadian position. I have already indicated that domestic legislation would not resolve the problem under international law. But could it have some effect on the United States? Let me ask the question another way.

How would Canada react if the U.S. Congress were to adopt a law of its own regarding the maritime boundary in Dixon Entrance? Such a law, we can be sure, would incorporate an equidistant line dividing Dixon Entrance equally between Canada and the United States. That, of course, is the U.S. position regarding the maritime boundary in Dixon Entrance. So far, the United States has only declared its position in a public notice in the U.S. Federal Register, and has done so on the express condition that such notice be without prejudice to any negotiations with Canada.

A law adopted by Congress in response to some variation on Bill C-222 might not include a condition of this kind, as Bill C-222 does not. No doubt Canada would protest a unilateral attempt by the United States, France, or Denmark, to settle a disputed boundary by domestic legislation. But what credibility would our protest carry if we ourselves had acted in the same way?

There is no way in which any version of Bill C-222 can help to resolve the dispute with the United States over the maritime boundary in Dixon Entrance. Any such legislation would only aggravate the dispute. It would induce a more forthcoming attitude by the United States. Indeed, it would virtually guarantee the opposite result and place us in a situation from which we could probably only extricate ourselves by international adjudication.

The Hon. Member for Skeena might well respond that Canada cannot be forced into third party proceedings against its will. Strictly speaking he would be right, since the United States and Canada are under no binding reciprocal obligation to refer their disputes to an adjudication. But if we reject negotiation and refuse adjudication, the result is an impasse, something like the situation we were in earlier today with the Prince Rupert grain situation. An impasse could lead to incidents. Incidents can lead all to easily to confrontation. Each side scrambles to stake out its claim at the expense of the other. I need hardly spell out the implication of such a development in the Dixon Entrance area.

Clearly, there must be a way to deal with this issue which is mutually satisfactory to both sides. To be sure, there have been incidents from time to time, but thanks to a policy of mutual restraint these have been isolated and have remained manageable.

Any version of Bill C-222 would put this delicate equilibrium at risk, with unpredictable implications for fishing patterns and offshore resource exploration in the disputed area. The impact on the halibut fishery could prejudice local interests. And what about the implications for the Pacific Salmon Treaty? Surely, the last thing we should contemplate at this stage is to say or do anything that might interfere with the successful implementation of the salmon treaty.

We have other outstanding maritime boundary questions to resolve with the United States. They include those seaward of Dixon Entrance, those seaward of Juan de Fuca Straits, in the Beaufort Sea, and both landward and seaward of the boundary fixed by the International Court of Justice in the Gulf of Maine area. In addition, we have boundaries to settle with Denmark in the Lincoln Sea and with France off the coasts of Newfoundland and St. Pierre and Miquelon.

I have only spoken of the possible implications of Bill C-222 for Dixon Entrance. I do not wish to address its possible implications for other areas in question in the limited time I have. Let me only say that I doubt whether they have been given adequate thought in the preparation of the Bill before us today.

We do not need legislation to protect Canada's position in Dixon Entrance. We do not need it to convince ourselves of the rightness of Canada's position there. We do not need it to convince the United States of our own convictions. Finally, we do not need it for the greater certainty that Bill C-222 promises but does not truly deliver.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I am pleased to have this opportunity to rise and to debate Bill C-222, the Bill put forward by my colleague, the Hon. Member for Skeena (Mr. Fulton). My hon. friend has been raising this issue both in the House of Commons and through Private Members' initiatives for some time. It is important that we recognize that at the moment we are speaking about the principle of the Bill. We are not debating the clause by clause details of the Bill. There will be ample opportunity in committee to do that, and there will be ample opportunity in committee to bring forth witnesses both in terms of international law, particularly witnesses who are expert in boundary disputes, and academics who have studied this particular matter and put it in an historical context.

• (1750)

Anyone who has examined the whole phenomenon of the 54-40 line in terms of the boundary between Alaska and Canada on our West Coast, would recognize that back in 1903 when the International Alaska Boundary Tribunal got together, the representatives of Canada and the United States, it was unanimously agreed that the so-called A-B line or the boundary of 54-40 was to be the southernmost limit of the Alaska panhandle, and clearly indicated that that would be the boundary between the two countries.

I am not even certain what the dispute is, in the sense that all this Private Member's Bill does is to agree to what the International Tribunal unanimously agreed to back in 1903, that yes, this is the boundary. Mr. Speaker might say, if it was agreed to in 1903 and this Bill simply confirms that, what is the discussion? The discussion is that now the United States has decided that it does not accept that particular ruling in this area of our West Coast.

I am concerned about the fact that our Secretary of State for External Affairs (Mr. Clark) has not said, "That's it. There is no discussion. There is no need to negotiate. We agreed to this boundary, you agreed to this boundary, and that is it". In a sense we are wimping out here as a country. The Secretary of State for External Affairs has been sending that type of message to the United States when he stated that we are not prepared to negotiate now. That implies that perhaps we would be prepared to negotiate in the future. We should have sent a much stronger message to the United States and simply said that we are not prepared to discuss this now, in the future, or ever because the decision has been made and we are quite prepared to stand by the original decision.

If the United States is unprepared to accept that, if it in fact wants to deviate from this original decision and move that boundary more down into Canadian territory, that is their problem. We should not do anything to facilitate those negotiations or the American case in terms of achieving more territory that rightfully belongs to Canada.

It is obvious that the United States wants to do that for military purposes in terms of movement of submarines and other military activity along our West Coast. It is obvious because of the very important fishing grounds in that area. It is obvious because of the potential oil and gas reserves in that area.

Of course, as my hon. friend from Skeena reminded us, there are some valuable minerals on the floor of the ocean in that particular area that the United States would desire. For a whole set of reasons that is a very valuable piece of territory

which presently belongs to Canada that the United States wants. It is now prepared to continue pressuring Canada until it obtains that boundary change. I do not see why we as a country do not say, "No, we are not interested. We have established the A-B line, we have established the boundary at 54-40, that is it".

As on so many other occasions, and I do not wish to list all the requests that the United States has made of Canada in the last number of years, virtually every single one we have agreed to. In other words, all the Americans have had to do is to ask, and we shall agree. This is simply another one.

I am afraid that our Secretary of State for External Affairs was not firm, steadfast, and definite in his response, because he certainly left a very clear implication that we were not negotiating at the moment, but in the future we can consider this matter.

There is an international court in place for this very matter. If the United States wants to challenge the original 1903 decision, if it wants to question the unanimous decision made by those individuals designated by Canada and the United States to determine this border, that is its problem. It has a right to take this to the international court. But for goodness' sakes, it ought not to be our role to facilitate that process and give any indication at all that we are prepared to give more of our territory to the United States, particular such valuable territory off the West Coast of Canada.

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, it is with pleasure that I rise to speak to Bill C-222 put forward by the Hon. Member for Skeena (Mr. Fulton) regarding second reading and reference to a legislative committee of an Act respecting the international boundary between Canada and the State of Alaska.

This is a subject that I have taken part in at the Canada-U.S. meetings when we meet annually. I am sure, Mr. Speaker, as has been alluded to, you have also been part of those discussions. Nevertheless, there is a debate that goes on between our two countries regarding the preciseness of this boundary. This afternoon I would like to lay out and to point out just what Canada's position has been down through these many years.

We have already heard that we should be enshrining in statutory form a long standing Canadian position with respect to the A-B line in Dixon Entrance. Unfortunately, it could be seen to support the U.S. position instead, as what has been put forward here this afternoon. Nevertheless, it may be worthwhile to outline briefly for the House the colourful history of Dixon Entrance. It is in this history that we find the origins both of the A-B line and of Canada's position with respect to the status of Dixon Entrance.

I realize that some of these points may have been alluded to, but by way of making the record as factually correct as we possibly can, I should repeat them in the chronological order in which they should be presented.

Today, when Canadians think of the boundary between Canada and the United States in Dixon Entrance, they think of the A-B line as set out in the Alaska Boundary Award of 1903. However, this award was preceded by over 75 years of disagreement and dispute over the position of the boundary between the territories of Great Britain and Russia, and later of the United States and Canada, in this area.

In 1821, the Tsar of Russia issued a decree reserving to Russian subjects the right to engage in commercial activities on the coast of North America north of latitude 51 degrees N.

In 1825, Russia and Great Britain concluded a treaty delimiting British and Russian possessions in the area. Articles III and IV of the treaty provided for a line commencing from the southernmost point of what is described in the treaty as Prince of Wales Island, lying in the parallel of latitude 54° 40' N. and ascending along Portland Channel. The treaty also provided that Prince of Wales Island should belong wholly to Russia.

In these treaty provisions we find the origins of today's A-B line. The post-1825 history of the relations of Russia and Great Britain, of the United States and Great Britain, and of the United States and Canada must, however, be examined closely in any consideration of the articles of the 1825 treaty that relate to the A-B line.

Between the 1825 treaty and 1867 when Russia ceded Alaska to the United States, there is only one recorded incident of relevance to the interpretation of the treaty. In 1834, the governor of Russia's American colonies issued an order to prevent foreign ships from trading with Indians in the straits and territories of Russia northward of latitude 54° 40' N.

The British protested this order after a Hudson's Bay Company ship, the *Dryad*, was prevented, contrary to the terms of the 1825 treaty, from sailing up the Stikine River to establish a post 10 marine leagues inland. The Russian Government subsequently repudiated the governor's order.

In 1867 Russia ceded Alaska to the United States. The treaty of cession defined the eastern geographical limits of Alaska in the same terms as those used in the Russian-British treaty of 1825. After 1867 trading activity in Alaska, northern British Columbia, and the Yukon increased continuously and rapidly. Since access to these parts of Canada was easier by sea than by river and mountain passes through Alaska, British and American interests were often in conflict. For the most part the issues were on the exact location of the boundary on the mainland between Canada and Alaska. There is apparently no record of any intergovernmental discussion of an issue involving the legal status of the sea north of the 1825 line.

• (1800)

With respect to the waters south of the 1825 line, an incident in 1897 illustrates the Canadian view. In that year, a Canadian fishery protection cruiser warned a United States

fishing vessel that United States vessels were not permitted to fish anywhere in Hecate Strait or in any other territorial waters off the coast of British Columbia. Although this Canadian assertion of jurisdiction was protested by the United States, it constitutes early evidence of a Canadian claim to the waters of Hecate Strait and Dixon Entrance.

In the 1890s the growth of activity in the area made the need for a definitive settlement of the entire boundary between Canada and Alaska more pressing. The matter was discussed throughout the decade by the Canadian and British Governments on the one side and the United States Government on the other. In 1892 a convention was signed providing for a joint survey of the territory adjacent to the boundary, but the task was not successfully completed. By the beginning of this century, the views of the Governments concerned were irreconcilable, negotiation had failed to settle the dispute, and arbitration seemed the only solution. In 1903 Great Britain and the United States agreed to refer the interpretation of the 1825 treaty to arbitration.

The arbitration treaty of 1903 put three questions to the arbitral tribunal, the answers to which would give an authoritative interpretation of the relevant article of the 1825 treaty. Those questions were as follows: first, what is the intended point of commencement of the line; second, what channel is the Portland Channel; and, third, what course should the line take from the point of commencement to the entrance to Portland Channel?

The first and third of these questions are obviously the most relevant to the subject under discussion, and the third question is of particular interest.

The arbitral tribunal was able to reach quick agreement on the first question before it. The point of commencement was Cape Muzon on Dall Island and not Cape Chacon, the southernmost point on Prince of Wales Island.

The second question—which channel is Portland Channel—gave rise to one of the key controversies in the whole case. In deciding the issue, the tribunal opted partially for the British view, drawing the line north of Pearse and Wales Islands but then through Tongass Channel to run south of Sitklan and Kannaghunut Islands.

The third question was also the subject of some dispute. Great Britain argued that the line should be a straight line drawn from Cape Muzon to the Portland Channel provided that if that line intersected Prince of Wales Island, the whole island would, in accordance with the 1825 treaty, still belong to the United States. The United States contended that the line should run along latitude 54 degrees 40' N. In the end the tribunal accepted the British argument and drew a straight line from Cape Muzon to the entrance to Portland Channel. This is the line that has become known as the A-B Line.

The 1903 Alaska Boundary Award gave rise to a storm of protest in Canada. The complaints concerned the location of the boundary on the mainland, and particularly the division of the four islands at the entrance to Portland Channel. Much of the Canadian outrage was directed at the British jurist, Lord Alverstone, who was suspected of selling out to the Americans.

In spite of this hostile reaction, the line drawn by the tribunal, which established the contour of the Alaska panhandle, was accepted as definitive by both Canada and the United States so far as it concerned the land, but a dispute ultimately arose with respect to the waters.

Following the 1903 award, Canada continued to assert exclusive fishing rights in the waters of Hecate Strait and Dixon Entrance. I have already mentioned an incident in 1897 when Canada issued a warning to an American vessel found fishing in Hecate Strait. A similar incident occurred in 1905 and, as on the previous occasion, the United States protested the Canadian action.

In 1909 the State Department received further complaints from United States fishermen and, as a result, the Secretary of State wrote to the British Ambassador at Washington to request an official statement on the British position with respect to the waters of Hecate Strait. This led to the adoption in 1909 of an Order in Council asserting Canadian jurisdiction over both Hecate Strait and the waters of Dixon Entrance south of the A-B Line. This same position was maintained in another Order in Council in 1914.

In 1910, however, the United States officially asserted its position that the waters of Hecate Strait and Dixon Entrance beyond the three-mile limit were not British waters.

Since World War I, various incidents have occurred that tend to support Canada's position regarding the status of the A-B line. For example, in 1924 a United States cruiser seized a Canadian fishing vessel in Clarence Strait seven and one-half miles north of the A-B line and five miles from the nearest United States shore. The United States reportedly justified this seizure on the ground that the vessel was fishing well north of the international boundary. This incident would appear to suggest that the United States considered the A-B Line to be a boundary for both land and sea.

It is also worth noting that at least until 1921 the International Boundary Commissioners concerned with fixing the Alaska boundary did not treat the A-B line differently from other sections of the Alaska boundary. In particular, during the 1920s the American Commissioner tried to persuade his Canadian counterpart to agree to request their Governments to move the boundary line from Cape Muzon to the middle of the Dixon Entrance, because its position at Cape Muzon was anomalous, as it meant that there was no United States territorial sea off Cape Muzon.

In the 1940s there were unsuccessful attempts to settle the issue by negotiation. Efforts to negotiate a settlement were made again in the 1970s, but these efforts too did not succeed.

Throughout the years from the 1890s to the present Canada has maintained that the waters of Dixon Entrance are Canadian, and Canadian practice since that time has been

consistent with that position. In this regard several more recent Canadian measures are particularly noteworthy. For example, in 1964, when the fishing activities of Russian and Japanese vessels off Canada's West Coast began to increase, the Canadian Government issued a warning for them to stay out of the Dixon Entrance and Hecate Strait. Both Governments heeded the warning and, apart from a few minor incursions, their fishing vessels have not entered these waters.

In addition, in 1971, under the authority of the Territorial Sea and Fishing Zones Act, Canada delimited its exclusive fisheries jurisdiction within Dixon Entrance and Hecate Strait by means of the A-B line and a line drawn across the Dixon Entrance from Cape Muzon to Langara Island. This action by Canada was protested by the United States. Nevertheless, Canada's position on the status of Dixon Entrance and Hecate Strait has remained unchanged.

I opened my remarks today with a reference to the long and colourful history of the Dixon Entrance question. All Members of the House will agree that this brief account of that history and of state practice in the area generally supports the view that the A-B line is the boundary for both land and water inside Dixon Entrance. That is Canada's longstanding view, and it is this view that Canada can and must affirm in any negotiations with the United States.

**Hon. Allan B. McKinnon (Victoria):** Mr. Speaker, I should first like to express appreciation to the Hon. Member for Fraser Valley East (Mr. Belsher) who has just done much to clarify the disputed area, if I can use that word. As was pointed out by the Hon. Member for Capilano (Mrs. Collins), it is a pity that we cannot have large maps here so that everyone can see the different parts of which we are speaking. However, I think the speech just delivered is the best one can do without a map.

I notice that several of our colleagues from British Columbia are participating in the debate tonight. It is nice to hear correct pronunciation of all these places, which is rather startling, as we who come from Esquimalt—Saanich and such places know. However, tonight there has been a welcome absence of those mistakes.

In discussing the question of the Dixon Entrance, it is important to remember that boundary delimitations are more than a matter of law and that they may have a significant impact on the allocation of resources, both living and non-living. In the brief time allowed to me I should like to focus on the natural resource potential of the area surrounding Dixon Entrance.

First it should be noted that the subsurface geology of Dixon Entrance has not been studied extensively, but certain inshore tests, seismic profiles, and extrapolations based on wells drilled in Hecate Strait and on Graham Island have offered some clues to assist us in estimating the prospects of oil and gas in and around the area in dispute. The results of these analyses indicate, for example, that the volcanic and sedimentary rocks under Dixon Entrance may be sufficiently thick and deep to permit the generation and entrapment of certain hydrocarbons. In general, though, the over-all oil and gas potential in the area is believed to be modest at best.

• (1810)

In the time I spent in Prince Rupert many years ago, it was entirely a fishing town. I see that the Hon. Member for Skeena (Mr. Fulton) is shaking his head. I was there long before he was born and spent considerable time in Prince Rupert. Of course, some people say that in Prince Rupert a short time seems like a long time, but I enjoyed the hospitality of the people of Prince Rupert and of the civic Government there.

In those days, the city was practically overrun with Americans. There were more American troops there than there were Canadian plus the local inhabitants, but everyone got along very well. We certainly had sufficient fish resources, shrimps, crabs and the like to instil a lifelong love of seafood in anyone who spent any time in Prince Rupert.

The frequency of exploration activity in the area is modest. The first federal permits for oil and gas in Dixon Entrance were acquired in August of 1961 by Husky Oil, a Calgary and Edmonton corporation. Following a perfunctory seismic exploration program, these lands were subsequently surrendered. In December, 1964, Pan American, which is now Amoco Canada Petroleum, filed on permits North and West of Graham Island including the area of Dixon Entrance North to the A-B line.

At the same time, outside the Entrance, permits were taken up to an equidistant line, with a caveat placed on those submerged land areas impinging directly on the line. Seismic exploration and onshore geological surveys were also undertaken in the area in 1966. Successes, however, were few and far between, as evidenced by the fact that the permits in and outside the Entrance were surrendered in December, 1967.

South of Dixon Entrance in Hecate Strait and Queen Charlotte Sound and within the Queen Charlotte tertiary basin, Shell Canada acquired exploration permits for about 3.5 million hectares. The company conducted geological mapping and offshore seismic surveys and drilled exploratory wells in the period from 1967 to 1969, with generally negative results.

In 1970, Shell entered into a farm-out agreement with Chevron Canada Resources whereby Chevron would earn an interest in the Shell offshore area by conducting seismic surveys and by drilling two deep exploratory wells. Some of the wells I invest in are too deep, that is, t-o-o, so much a foot.

Currently, submerged lands held by the petroleum industry for exploration purposes include two blocks held by Petro-Canada Resources Ltd. in Dixon Entrance, a small block by Union Oil Company of Canada located immediately northeast of Graham Island and the northern end of a large block of Hecate Strait held by Shell Canada Resources and operated

by Chevron Canada Resources under the terms of the farm-out agreement to which I have already referred.

The United States has also indicated some tentative interest in the oil and gas potential of the area. Indeed, in 1984, the United States took the first steps toward calling for bids for offshore leases that would have included an area claimed by Canada outside Dixon Entrance. This action prompted a Canadian protest. Subsequently, Canada was informed by the United States that the proposed offers of lease sales had been withdrawn due to lack of interest by the petroleum industry.

Notwithstanding Canadian holdings and some United States interest in the area, little new has been learned about the resources base in the area since the late 1960s. This is due in large part to a moratorium on exploration and oil tanker traffic in the area which was imposed in 1972 by our federal Government.

The 1972 moratorium was intended to prevent crude oil tankers travelling through Dixon Entrance, Hecate Strait and Queen Charlotte Sound en route from the Trans-Alaska pipeline terminal at Valdez, Alaska. Subsequently, a federal Order in Council indefinitely relieved existing offshore exploration permit holders from their obligations to conduct exploratory drilling in these waters and prohibited any further drilling.

In 1981 the Province of British Columbia declared the area an inland marine zone. At the same time, an indefinite moratorium was placed on offshore exploration in Johnston Strait South of Telegraph Cove and in the Straits of Georgia and Juan de Fuca. These respective moratoria are still in effect.

In June, 1984 the federal and British Columbia Ministers of the Environment appointed a five-member environmental assessment panel to conduct a public review of the environmental and related socio-economic effects of any renewed program of petroleum exploration off the West Coast of Canada North of Vancouver Island.

At that time, consideration was being given to lifting the moratorium so that exploration programs could be pursued. Accordingly, the West Coast offshore exploration environmental assessment panel was asked to develop recommendations on the terms and conditions under which petroleum exploration could proceed in a safe and environmentally responsible manner.

During the course of the review, the panel gathered information on the environmental and related socio-economic effects of the proposed offshore exploration program and held two series of public forums in November, 1984 and in the latter part of 1985.

Chevron Canada Resources and Petro-Canada were designated by the federal and provincial regulatory bodies as proponents of the offshore oil and gas exploration activity. As proponents, they were expected to develop information on environmental and socio-economic effects that might result from exploration activity in their area of interest and to explain and answer questions related to this information during the public hearings. In November 1984, Petro-Canada withdrew from the review process, explaining that it had other higher priorities.

During the course of the environmental assessment panel's review which is now completed, participants raised a variety of concerns, the most serious of which related to the biophysical and socio-economic impacts associated with the level of risk and the potential for a major oil well blowout. Other significant concerns and issues raised included the social and cultural impacts on the area's residents, the biophysical effects associated with seismic surveying and routine exploratory drilling and compensation programs for losses and damages which might result from a major oil well blowout.

After careful consideration, the panel made a number of recommendations including (a) that a two-year seismic survey program such as that proposed by Chevron might proceed—

**The Acting Speaker (Mr. Paproski):** I am sorry, the Hon. Member's time has expired. It is 6.19. There is still a minute left.

**Mr. Manly:** Mr. Speaker, very briefly, we have time to vote and I suggest we do that.

**Mr. Dorin:** Mr. Speaker, I think this is an important matter and deserves a full discussion, more than can be given it in the next minute or two available.

What I had in mind—

**The Acting Speaker (Mr. Paproski):** The hour provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

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• (1820)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### CHILDREN—TELEVISION DOCUMENTARY ON RUNAWAYS

**Mr. Alan Redway (York East):** Mr. Speaker, have you ever had the opportunity to visit the Eaton Centre—not the West Edmonton Mall—I am referring to the Eaton Centre in Toronto? I can see by the smile on your face that you have been there and you have visited many of the delightful shops and wonderful stores. I know you are aware that the Eaton Centre in Toronto is a people place. It is filled with fountains, trees, walkways, and hundreds and hundreds of people mill about. I bet you did not know that originally when the Eaton

Centre was built people thought it would be a gigantic flop. It does a booming business, but it does a booming business in more than one way, that of runaway teenagers.

The police in Metropolitan Toronto and the social service agencies indicate that if there is one place in Metropolitan Toronto area that runaways tend to concentrate and head for it is the Eaton Centre. There at the Eaton Centre they are met by all sorts of weird people. They are met by drug users, drug pushers and pimps. These people offer runaway teenagers a helping hand. They befriend them. They offer them help and a place to stay. Sometimes that place to stay may only be an abandoned house or an abandoned hotel, but they give them the guiding hand. In addition to that they offer them other things, like drugs. Pretty soon after they have taken the opportunity of utilizing all the things being offered by these "wonderful" people, they are into all sorts of things themselves. They are into drugs, drug trafficking, breaking and entering, muggings, street soliciting and prostitution.

There have been a number of cases of individuals of this sort reported in our own press in Toronto, one of them the Kristy McFarlane situation, a 17-year old girl who was found dead of a heroin overdose in a stairwell of a hotel. Another case which has been reported very recently and extensively in the press is that of Kelly Anne Mombourquette, a 14-year old runaway who lived in stairwells, walked the streets and recently, at the preliminary hearing of three people charged with her murder, there was a report that she had died a very, very violent death.

We would like to think these are very isolated cases, but they are not. There are many other cases of runaway teenagers. There have been cases that I am aware of in my own constituency and I suspect there are cases of which you are aware as well. You and I, Mr. Speaker, I, anyway, and I am sure, the Parliamentary Secretary saw the television documentary program back in September entitled *Runaways*. That program indicated quite clearly that this is not a phenomenon unique to Metropolitan Toronto. It is something that occurs in all parts of Canada, whether it be Nova Scotia, New Brunswick, Quebec, Alberta or British Columbia. *Runaways* was a shocking program to me in many aspects, but particularly the last scenes. You will recall in the last scene where you and I, the viewers, came face to face with a teenage runaway who was engaged in the process of taking a syringe and shooting up with heroin or with some other drug, sitting there talking to us just a few feet in front of us on our television screens. If nothing else shocked us, that certainly did. It certainly shocked me.

What can we do as a Government and a country to help runaways and their families like this? The Government has already taken a number of initiatives one of which is a pilot program to deal with runaway victims of child abuse. The Government recently announced a drug program which involves a health aspect and more criminal legislation to seize the profits and proceeds from this sort of crime. Of course there is tighter enforcement. Prostitution is another aspect of the problem. We have had new legislation passed within the last few months dealing with street solicitation and prostitution. Then there is child pornography, and before the House right now is Bill C-54 which deals in an important way with that dreadful problem. Missing children is another aspect, and again recently the Government has undertaken a program to deal with missing children.

You and I and the Parliamentary Secretary, Mr. Speaker, know very well that there are other things we should be doing, many other things. Things have been suggested such as the use of street workers, and the Children's Aid in Metropolitan Toronto is doing that sort of a thing now. The suggestion has been made of support groups to support the parents and the teenagers to try to get them back together again. The mother of Kristy McFarlane suggested that we need more protection for witnesses to testify against the people who lure the runaways into these illegal activities. We need more shelters for runaway teenagers. We need more programs on child abuse. Quite frankly, we need something to enable the police to deal with the situation, not just when teenagers who have run away are considered to be at substantial risk.

There are many things that we should be doing, and it only takes political will on the part of the Government. Tonight I expect the Parliamentary Secretary to stand up in his place and tell us that the Government has that firm political will. I hope he will spell out in detail specific steps which the Government intends to take to deal with this dreadful problem in Canadian society, the problem of runaway teenagers on our streets.

**Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, on September 10, 1987, the Hon. Member for York East (Mr. Redway) asked a question on the subject of runaway youth and the CBC television special *Runaways*, the problem of street children and youth. I wish to take a few minutes to tell Members about some of our Government's initiatives directed at the problem of runaways and to place these initiatives within the context of concerted action on the broader matter of family violence.

The television special vividly introduced many of us to a problem which is representative of a set of related problems experienced by many Canadian families. These include child sexual abuse, spousal assault, drug abuse, child prostitution and pornography and abducted children. Together these problems challenge the response capacities of our social service, health, police and court systems. This Government is committed to addressing these problems and has been deliberate in formulating action.

Bill C-15 on child sexual abuse became law on January 1, 1988, and Bill C-54 on pornography was introduced on May 4, 1987. The Royal Canadian Mounted Police have established a national missing children's registry. The Department of Justice has collaborated with provinces in establishing a tracing service. Within their various mandates, we have mobilized the Departments of Justice, National Health and Welfare and Indian Affairs and Northern Development; the Ministries of

the Solicitor General, the Secretary of State and the Status of Women and the Canada Mortgage and Housing Corporation to plan collaboratively comprehensive action on the prevention of family violence. The breadth of involvement of government Departments serves to demonstrate the various and many factors which must be considered in responding to these pervasive problems.

While the federal Government may take limited, unilateral action on family violence, it must be recognized that provincial and territorial Governments constitutionally provide front-line services. As well the voluntary sector has long been a source of family support.

Our success in preventing and treating these problems will only result through collaboration with provinces, territories and voluntary groups. In recognition of this fact, a special adviser on child sexual abuse was appointed on August 25, 1987, and has initiated consultations aimed at a national strategy on this problem. Further, officials of National Health and Welfare and other Departments are planning to begin consultations with provincial and territorial Governments on all aspects of family violence.

• (1830)

The problems introduced by the TV program *Runaways* are complex in their origins and in their solutions. Regardless, all in this House would agree that we must give our every effort to their treatment and prevention. I believe that these few comments indicate to Members that we are making that effort.

## TRADE—FREE TRADE—ELIMINATION OF CONTROL BY CANADIANS OVER AMERICAN INVESTMENT—REQUEST FOR DETAILS/CONTROL OVER AMERICAN INVESTMENT

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, this adjournment debate relates to an exchange I had with the Minister for International Trade (Miss Carney) on October 7. I was dissatisfied with the response I received from her at that time. My question was asked in an attempt to point out to the Hon. Minister the fact that more than 99 per cent of the new jobs that had been created in Canada between 1978 and 1985 had in fact come from Canadian controlled companies, that American-controlled companies had made next to no contribution to job creation in this country and yet Canada was abandoning any effective means of trying to get better performance from foreign-owned companies, particularly American, because of the trade agreement which the Prime Minister (Mr. Mulroney) signed with the President.

I am always impressed by the ability of the Minister for International Trade to believe anything she likes so long as she tries hard enough. That is certainly the case in this particular instance. I suggested that under the agreement Canadians would not be allowed to say anything at all about American investments. She said that she did not understand the NDP's what she called "obsession" with American firms. She said:

> The American firms that we are talking about will still be subject to monitoring by Investment Canada.

I have taken the trouble to look at the agreement, Mr. Speaker. As you well know, the current limit on Investment Canada reviews is of takeovers and investment of over $5 million. According to the agreement, that will be raised to $25 million in respect to American firms taking over Canadian ones after 1989, to $50 million after 1990, to $100 million in 1991, and to $150 million in 1992 and thereafter. In other words, there will be a 30-fold increase. That effectively means that almost all takeovers by American firms of Canadian firms will not be subject to review. Therefore, the Minister's statement that Investment Canada will continue to subject these American firms to monitoring is just plainly not true.

The Minister said:

> We insist that we have sold out nothing.

However, if you look at the elements of the agreement with respect to investment, they indicate that the parties are not to impose export, local content, local sourcing, or import substitution requirements on each other's investors. Effectively the Government of Canada, acting for the people of Canada, will no longer have the ability to try to insist that foreign-controlled companies coming from the United States which are active in Canada act on behalf of Canada or to implement a Canadian industrial strategy. The Minister said that we have given away nothing. In fact, we have given away our power to have an industrial strategy insofar as it affects foreign-controlled companies with parent companies in the United States.

The Minister then said:

> We have protected our right to invest in America.

That was never in question, Mr. Speaker. The statement by the United States that they will give national treatment to Canadian firms investing in the United States is all very well, but there have never been particular problems at that level. When Dominion Textile recently tried to take over Burlington Industries, we saw that there are problems at the state and local levels in the United States. National treatment does not get you freedom from state and local interference in Canadian takeovers or investment in the United States.

It is ironical that the Americans, who have such a large control of their own economy, jump up and scream when Canadian firms go from 5 per cent to 7 per cent control of a particular industry, whereas we have tolerated 50 per cent or more control in many of our industries.

The Minister then said that the Government welcomes foreign investment because foreign investment creates jobs. She rejects utterly the evidence from Statistics Canada which I sought to cite in the House of Commons which is absolutely compelling. That evidence indicates that over the course of time from 1978 to 1985 Canadian-controlled companies created 876,400 new jobs while American controlled companies created only 1,500 new jobs on a net basis. Yet in the same period the share of total corporate profits by American companies rose from 31 per cent of the total to 43 per cent of

the total. American controlled companies saw their profits double to $17 billion. It is particularly telling to note that for every $1 billion in profits, Canadian companies created 5,700 jobs. For every $1 billion in profits, American controlled companies created 17 jobs and no more.

• (1835)

The Minister has no understanding about the degree to which Canada is being shortchanged by foreign investment and foreign-controlled companies in this country. There has been a buying spree by American companies in Canada, which has been documented by Investment Canada and which affected firms with 100,000 employees in 1986-87. There is no indication that we will be able to have any condition at all to make sure those companies act on behalf of Canadians, to protect Canadian jobs, do research and development here in Canada, buy from Canadian sources, and develop unique Canadian inventions in Canada. None of that will be required. Furthermore, we have the evidence that these companies are not creating jobs.

I stated during Question Period on October 7 that the Government was giving up our right to protect Canadian jobs. I cited the situation at Firestone.

The Minister said my allegations were absolutely false and without foundation and did not deserve a further answer. Fortunately, the rules of the House allow me to seek a further answer and I call on the Minister to support her spurious allegations which are totally in contradiction with the facts. The facts are that Canadian companies have been creating the jobs in Canada in the last seven or eight years and American-controlled companies are taking the profits but not creating the jobs. Yet the Government wants Canada to enter into a free trade agreement that will abandon any means by which our Government and Canadians asking the Government to act for them can ensure that there is a requirement of good corporate performance and citizenship by American companies which are operating and moving into Canada. I call on the Minister or her Parliamentary Secretary to refute my case.

[*Translation*]

**Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, the Council of Canadians obtained figures from Statistics Canada on employment levels, indicating a difference between the number of jobs created by Canadian firms and firms under foreign control between 1978 and 1985.

We can draw three conclusions from this information. First, there is a very close correlation between employment levels and business size. Everybody knows that small businesses are responsible for most of the increase in employment levels in Canada.

Second, over the period in question employment dropped in manufacturing and increased in the service sector, whether firms were Canadian or foreign-owned.

Third and last, the information does not indicate that foreign investment is harmful to the economy or that foreign-controlled companies are less likely to create jobs.

**Mr. Cassidy:** That sounds too good to be true!

**Mr. Hudon:** I suggest the Hon. Member take a deep breath to get some oxygen to his brain.

A careful analysis of the Statistics Canada figures would also have considered the investment policy of the Government at the time. Remember, we are talking about the period between 1978 and 1985. During that time, foreign investment in Canada was discouraged with policies like the National Energy Program and the Foreign Investment Review Act. In fact, between 1978 and 1985, the number of foreign-controlled firms dropped from 3,838 to 3,179. Since there were fewer large firms that were foreign-controlled, it is not surprising that large companies contributed less to raising employment levels then small companies.

New foreign investment will be crucial to economic growth, innovation and trade within a free-trade zone. Consequently, within the framework of the Canada-U.S. Free Trade Agreement, both countries have developed a set of principles that will help increase transborder investment flow. Canada has retained the right to monitor significant takeovers by U.S. investors. The minimum review level for direct takeovers will be raised to $150 million in four years, in other words by 1992. By that time, about two-thirds of all non-financial assets in Canada will still be subject to review.

Mr. Speaker, monitoring of indirect takeovers, involving the transfer of control of a foreign-controlled business to another business will be gradually phased out over the same period.

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 3(1).

The House adjourned at 6.41 p.m.

# HOUSE OF COMMONS

**Wednesday, January 20, 1988**

The House met at 2 p.m.

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*Prayers*

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## STATEMENTS PURSUANT TO S. O. 21

[*English*]

### FARM IMPROVEMENT LOANS ACT

IMPLEMENTATION OF PROVISIONS

**Mr. Maurice Foster (Algoma):** Mr. Speaker, last June 30, on the last sitting day of the session, the Minister of Agriculture (Mr. Wise) got the co-operation of the Opposition to pass amendments to and extend the life of the Farm Improvement Loans Act. This was done on an urgent priority basis to help tens of thousands of farmers get lower interest rates on their bank loans. The latest information is that over 50,000 farmers are insolvent and in serious financial difficulty. This legislation could have helped them in consolidating and refinancing debts on a wide range of agricultural costs.

What has the Minister of Agriculture done to proclaim and implement the legislation, Bill C-78, since he asked for our help on an urgent basis last June? Exactly nothing! This is the same contemptuous attitude he has displayed toward the farm debt crisis since 1984. Seven months after we rushed this legislation through there has still been no action. I call on the Minister to take action and implement this legislation immediately.

* * *

### HOUSING

SITUATION IN TORONTO—AVAILABILITY OF BUILDING SITES

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, one reason housing prices and apartment rents in Metropolitan Toronto have sky-rocketed is because population growth has exceeded the apparent supply of land available for residential construction. However, this shortage is more apparent than real. There is an almost hidden supply of land which could be made available for housing and, ironically, it belongs to three levels of government: municipal, provincial, and federal.

I have in mind land around the head office of none other than the Central Mortgage and Housing Corporation, the Armed Forces Base at Downsview, land devoted to the Scarborough Expressway which apparently will not be constructed, and provincially owned land around Pickering expropriated years ago for abortive airport construction.

If we increase the supply of land we can reduce the cost of housing. Surely all Governments concerned should want to initiate such an action to meet this basic human need. I therefore urge that an inventory of government land in Metro be taken and that representatives of all three levels of government confer on the most effective way of distributing it.

* * *

• (1405)

### TRADE

OMISSION OF BRITISH COLUMBIA REPRESENTATIVE FROM FEDERAL ADVISORY PANEL

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, Premier Vander Zalm is angry because the Conservatives did not include a British Columbia representative on a federal advisory panel on the effects of the Mulroney-Reagan trade deal. This is a tragic oversight because many British Columbia workers and industries will be hurt by this deal. We should have had someone on the council who would speak up for our interests.

However, instead of simply blaming the Conservatives Mr. Vander Zalm should take a good part of the blame himself. He was too quick to jump on the free trade band wagon without looking at the disastrous consequences on such industries as fish processing, plywood production, and wine-making. Mr. Vander Zalm is at fault because, instead of looking after British Columbia's interests, he trusted the Prime Minister (Mr. Mulroney), a man who has shown all Canadians that he cannot be trusted.

*S. O. 21*

## HISTORIC EVENTS

ANNIVERSARY OF PROCLAMATION OF UKRAINIAN INDEPENDENCE

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, this Friday marks the seventieth anniversary of the proclamation of Ukrainian independence. In 1918, following the fall of the Tsarist Empire, the Ukrainian Parliament proclaimed an Independent National Democratic Republic, and based that democracy on the revered freedoms of speech, press, religion, assembly, association, and human rights.

It was a short-lived democracy as four years later a Russian communist regime conquered the independent state. But the spirit of that freedom has lived on in every Canadian of Ukrainian descent.

1988 also marks the millennium of the introduction of Christianity to Ukraine. It was King Volodymyr, later St. Volodymyr, who, 1,000 years ago, converted his people after learning of the splendid services being offered by the Church of St. Sophia in Istanbul. Upon receiving baptism from the Patriarch of that city he began building the first of Kiev's great churches, the Church of the Tithe.

1988 is an important year for Ukrainians all over the world—the millennium of the introduction of Christianity and the seventieth anniversary of the proclamation of an independent Ukraine.

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[*Translation*]

## ACID RAIN

URGENT NEED FOR GOVERNMENT ACTION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I think the people of Quebec have every reason to blame Conservative Members, and I am referring particularly to the Hon. Member for Lévis (Mr. Fontaine), the Hon. Member for Sorel and the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers), for their failure to act and for letting the Government close the shipyards.

And this morning—and I must say I support the representations made by my colleague and our environment critic, the Member for Davenport (Mr. Caccia)—we heard that the UPA, the Quebec farmers' association, is organizing a conference to discuss acid rain.

This will involve participation by scientists from various countries as well as participation by the provincial Government. And now, it seems the federal Government has refused outright to provide any financial or technical assistance.

I urge Conservative Members from Quebec City and the Hon. Member for Lévis to wake up and put pressure on the Government to defend the interests of Quebecers at this conference and to provide funding to help farmers cope with environmental problems.

* * *

[*English*]

## REFUGEES

PLIGHT OF PALESTINIANS

**Mr. W. R. Bud Jardine (Northumberland—Miramichi):** Mr. Speaker, they live under occupation, they have no recognized homeland, they have no passport, no freedom of movement, no vote, and little hope. They live on the most crowded piece of land on this earth. They are literal wards of the United Nations. They are the homeless Palestinian refugees.

Unfortunately, Mr. Speaker, the name "Palestinian" has become synonymous with terrorist and terrorism. This belies the tens of thousands of moderates; men, women, and children, who seek what we enjoy—peace, security, and freedom.

The children born into desolation, growing up in despair, have turned in pitiful frustration to battling a modern army with sticks and stones. Now we hear that food and clothing donated by United Nations relief agencies, Israeli Arabs and Jews, have been blocked from entering the relief centres.

Enough is enough, Mr. Speaker. It is time for this House to express its outrage and indignation.

* * *

## TRADE

RECYCLING OF GOVERNMENT INFORMATION PAMPHLETS

**Mr. Neil Young (Beaches):** Mr. Speaker, news that the lavish written praise of the Prime Minister's (Mr. Mulroney) efforts in securing a free trade agreement is being recycled and used as toilet paper struck me as being appropriate. Although there was little demand for the original packaging, I am sure the recycled product will not go to waste.

• (1410)

When the Government promised the free trade agreement would bring "jobs, jobs, jobs", an unsuspecting public did not realize that the jobs would be in the bathrooms of the nation.

Many Canadians have suggested that they would tear up this free trade agreement. Perhaps, instead, we should follow the Government's example and turn it into toilet paper. The agreement itself would surely be of the two-ply variety, and useful in cleaning up the propaganda that we have been hearing from the government benches.

Meanwhile we are told that the Government is getting set to produce yet another three million pamphlets that it hopes will be attractive to Canadians. Millions of taxpayers' dollars have already been wasted. I say, "Stop the presses". It is time the Government realized that all the glossy pamphlets in the world will not convince Canadians that the Prime Minister has secured a fair deal for Canada.

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## HOUSING

SITUATION IN TORONTO—GRANT OF LAND MADE BY CARDINAL CARTER

**Mr. Alan Redway (York East):** Mr. Speaker, in his New Year's message, Cardinal Carter, the Roman Catholic Archbishop of Toronto, said: "In our city there are many for whom there is no place. As 1987, the International Year of the Homeless comes to a close, our work has just begun".

At the same time Cardinal Carter and the Roman Catholic Church put their money where their mouth is by giving a valuable parcel of downtown Toronto land to Street Haven, a group that provides housing for needy women.

Now that all of the conferences and studies sponsored by CMHC in connection with the International Year of the Homeless have been completed, hopefully the Minister responsible for Canada Mortgage and Housing Corporation will provide the same leadership demonstrated so well by Cardinal Carter.

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## ENVIRONMENTAL AFFAIRS

PROPOSED PRINCE EDWARD ISLAND FIXED LINK WITH MAINLAND—CALL FOR ENVIRONMENTAL ASSESSMENT

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, following the referendum on a fixed link for Prince Edward Island to the mainland, Premier Joe Ghiz has requested an immediate full scale environmental impact study of the options under consideration. However, the Minister of the Environment (Mr. McMillan) called this request "the kiss of death" because it would delay the project by two years and cost several million dollars.

The Minister's credibility as the environmental conscience of the Government is badly damaged. His desire to make political hay in his home province clouds his judgment and is bad news.

Canadians are shocked. I urge the House to support Premier Ghiz in his call for a full environmental assessment. The Federal Environmental Assessment and Review Office supports Premier Ghiz and so do, I am sure, most Islanders. The environmental impact assessment is and must be given first priority in the fixed link project. This is the only sensible way to proceed, and the Minister of the Environment should be ashamed.

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[*Translation*]

## MINES AND MINING

VAL-D'OR, QUÉBEC—IMPORTANCE OF FLOW-THROUGH SHARES

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, on December 20 last year in Val d'Or, 800 people demonstrated to show their full support for flow-through shares financing of the mining exploration, after the Minister of Finance (Mr. Wilson) tabled his tax reform proposals.

Thanks to the support of Minister Savoie, the Government of Quebec has made a two-year commitment to a rate of 133 1/3 per cent.

Mayor Pelletier of Val d'Or said that just because people in the Abitibi area were unemployed, that did not make them outcasts.

Abitibi-Témiscamingue has benefited enormously from this plan, which has caused the unemployment rate to drop from 24.8 per cent in 1984 to 6.3 per cent today. What is at stake is the federal Government's commitment to a rate of 133 1/3 per cent for 1988-89. In 1987 more than $500 million was injected in mining exploration in Quebec.

So far, only Mr. Savoie, the Quebec Minister, has defended the flow-through shares plan in Canada, while our neighbour in Ontario, the provincial Minister of Mines (Mr. Conway), has failed to take any action at all.

Today, prospectors in Quebec and across Canada are in great difficulty following the tabling of the tax reform proposals and the recent stock market crash.

Mr. Speaker, I intend to continue my fight to get the Minister of Finance to revise his position.

* * *

[*English*]

## NUCLEAR ENERGY

PARLIAMENTARY COMMITTEE'S RECOMMENDATIONS

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I want to call the attention of the House to a report released yesterday by the Standing Committee on the Environment and Forestry. It is a report on high level radioactive waste in Canada, entitled "The Eleventh Hour".

This report is one of the results of parliamentary reform. This was a subject that the committee chose to study itself and

one which no Government in the past was ever willing to refer to a committee. It makes many good recommendations, many of which I have been promoting myself in the House over the years. That is why it is a rather good day for me and others who want more attention to be paid to the whole question of nuclear energy in Canada.

In particular I want to call the attention of the House and Canadians to recommendations concerning moving more control over nuclear issues away from the Department of Energy Mines and Resources and toward the Department of the Environment where those issues properly belong.

I also call attention to the final recommendation which states that a moratorium on the construction of nuclear power plants in Canada should be imposed until the people of Canada have agreed on an acceptable solution for the disposal of high-level radioactive waste.

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• (1415)

## ORAL QUESTION PERIOD

[*English*]

### IMMIGRATION

ADMITTANCE OF CONVICTED TERRORIST—WHEREABOUTS OF INDIVIDUAL

**Mr. Sergio Marchi (York West):** Mr. Speaker, my question pertains to the case of the convicted terrorist who was granted landed immigrant status by the Government. I address my concern to the Right Hon. Prime Minister, who, I believe, must begin to respond to what is now clearly a national concern.

We have the spectacle of a man who received immigrant status despite being sentenced to 17 years for blowing up an aircraft and killing a person, who then walks past our immigration officials at Toronto International Airport despite an alert advance warning. He is then permitted to settle in the community of Brantford for a full year—

**Mr. Hawkes:** Question.

**Mr. Marchi:** —without a comprehensive response by this Government. We now have reports in the press today that indicate this individual has fled that community and gone underground.

Given that the Minister of State for Immigration yesterday in this House substantiated that the Government knew the whereabouts of this individual, can the Prime Minister reassure the House and Canadians that the Government knows the precise whereabouts of this individual as of today? If it does, why has the Government failed to apprehend the individual in order to secure his physical presence at any inquiry and for the protection of Canadians who are growing increasingly concerned about this man's presence in our country?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, the next step in the process for deportation has been taken. Legal proceedings have been initiated. A deportation hearing has been set for next Monday.

NOTICE OF DEPORTATION HEARING

**Mr. Sergio Marchi (York West):** Mr. Speaker, the Minister has avoided the first part of my question.

**Mr. Andre:** There was no question. That was a speech.

**Mr. Marchi:** I return to the Minister of State for Immigration. The Minister has confirmed that a deportation inquiry has been scheduled. Has the notice been served without knowing the whereabouts of this individual as of today? Or does the Government know precisely the whereabouts of this individual in Canada at this moment?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I can advise the Hon. Member and all Members of this House, and the people of Canada, that our surveillance is continuing. Our surveillance is there, it is continuing, and in light of the fact that proceedings have now been commenced and a hearing set for Monday, I feel any further comments by the Solicitor General at this time would be inappropriate.

LOCATION OF INDIVIDUAL IN QUESTION

**Mr. Sergio Marchi (York West):** Mr. Speaker, I return now to the Solicitor General. Here is a Minister and a Government that established a hearing, established a date, but they are not going to have any clients, because it is one thing to say you are pursuing and surveilling the individual, but Canadians also know that you missed him in Spain, you missed him at the Toronto Airport, and you had to take days to track him down in Brantford. I am asking the Minister very clearly, does the Government at this present moment know the precise whereabouts of this individual? If it does not have the precise whereabouts, can it at least have the integrity and courage to come forward and say so and to tell Canadians what it is going to do about it?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I can advise the Hon. Member that shortly before I entered the House, at approximately five minutes to 2 p.m., I was informed of his whereabouts, where he is. I knew at that time, and we are continuing our surveillance.

[*Translation*]

QUERY WHETHER DEPORTATION ORDER SERVED ON MR. MOHAMMAD

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question is directed to the Minister of State (Immigration). Earlier, the Minister was rather vague in his statement about deportation proceedings. I would like to ask the Minister more

specifically: Has the individual concerned, has Mr. Mohammad been issued a deportation order personally, yes or no?

• (1420)

[*English*]

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, I have indicated clearly that the legal proceedings have been initiated. The man is here illegally as a convicted terrorist. Our primary objective is to get this man out of the country. He either leaves because of the threat of deportation or because of a deportation order issued under due process.

[*Translation*]

QUERY HOW TERRORIST MANAGED TO ESCAPE

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the Minister is still being very vague. He tells us that legal proceedings have been initiated. We understand what that means. However, he refuses to tell us outright whether a deportation order has been issued to this individual personally. The question in everyone's mind is, of course: How could a terrorist and convincted criminal disappear under the very noses of the Government authorities who were supposed to be watching him?

[*English*]

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, any further remarks would be inappropriate. We are doing everything we need to do to make sure that within due process we are carrying out our wishes, which are to resolve this issue as quickly as possible.

* * *

[*Translation*]

## EXTERNAL AFFAIRS

ALLEGED REFUSAL BY GOVERNMENT OF ISRAEL TO ALLOW DELIVERY OF FOOD TO PALESTINIAN REFUGEES—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Prime Minister. Last night we all saw on television how the Israeli government was preventing the delivery of food to Palestinian refugees. Has the Canadian Government informed the Israeli government that this action is totally unacceptable?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I share the views of the Leader of the New Democratic Party on the food issue. This kind of action is unacceptable.

[*English*]

Food should not be used as a weapon. We have reports from the United Nations that, while starvation is not occurring in those camps, serious hunger is. We hope that all parties will agree that food not be used as a weapon in this circumstance or in others.

POSITION OF CANADIAN GOVERNMENT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I think that all Canadians will appreciate the answer that the Secretary of State for External Affairs has just given in the House. In addition to expressing that opinion here in the House of Commons, has the Government of Canada expressed that opinion directly in the form of a protest to the Government of Israel?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I am sorry, the Hon. Member did pose that question earlier and I did not respond to it. We have not delivered that message in the form of a protest to the Government of Israel. The reason for that is that we are holding very active discussions with parties in the Middle East with regard to this situation to try to see if there are ways in which we might contribute to some kind of solution.

I do not want to be misinterpreted as suggesting that a protest may not ensue. I am simply describing a process in which Canada is trying to make its views known to all parties in a way that is as effective as possible. Naturally, I am quite prepared on such an issue of grave importance to offer to the Hon. Member and to others in the House any kind of briefings that they might find helpful as steps to leading Canada to be able to contribute to a resolution of a situation that is rapidly becoming more dangerous and that is involving actions that are becoming less acceptable.

• (1425)

PROPOSAL TO HOLD INTERNATIONAL CONFERENCE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, again I express the appreciation of the members of my Party, and I am sure of the people of Canada, for the sentiments expressed by the Secretary of State for External Affairs. All Canadians, and people throughout the world, including a great many Israelis, obviously, are disgusted by the increasing amount of violence used by the Government of Israel, and I think we should make that very clear, as a people directly.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** On the same constructive approach that the Secretary of State for External Affairs has taken on this, as the Minister knows, the Foreign Minister of Israel, Mr. Shimon Peres, has made a very specific proposal for an international conference as a useful process for resolving the ongoing problems in this region, a proposal which regrettably has been rejected by the Prime Minister of Israel.

I would like to ask the Secretary of State for External Affairs if he will give public endorsation of this important means of resolving an incredibly unacceptable situation?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** We want the violence to end. We want the disregard for the United Nations resolutions to end. We think that the situation is serious and holds the prospect of becoming more serious.

With regard to an international peace conference, it has been our view, and expressed for some time, that a conference of that type acceptable to the parties, which means the Government of Israel, among others, is far and away the preferred course for us to follow. We are looking for ways in which we can encourage all parties who must agree to that process to prefer that type of approach, through conference, to the instability and the violence that are unfortunately spreading in the Middle East.

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## ENVIRONMENTAL AFFAIRS

PROPOSED PRINCE EDWARD ISLAND FIXED LINK WITH MAINLAND—REQUEST THAT ENVIRONMENTAL ASSESSMENT BE MADE

**Mr. George Henderson (Egmont):** Mr. Speaker, my question is for the Minister of the Environment, and it has to do with a press release. The people of Prince Edward Island, and indeed all Canadians, were annoyed to witness the spectacle of the Minister of the Environment suggesting that a full environmental assessment of the proposed fixed link to P.E.I. may well have given the project the "kiss of death".

As an Islander who voted "yes" the other day in the plebiscite, and I believe I speak for most Islanders, we did not vote "yes" for a proposed link that could have any environmental effect on the Northumberland Strait, and indeed on the farmers and fishermen of Prince Edward Island.

I wish to ask the Minister today is he prepared to give this House and all Islanders the commitment that a full and comprehensive environmental assessment will be carried out before any proposal for a fixed link, in any form, is considered by the Government of Canada.

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the Hon. Member refers to a "press release". I presume he meant a press report.

There is no news release from me or from my Department indicating that the federal Government will not apply the most rigorous standards of environmental inquiry to this project. It will be subject to the same rigors of environmental inquiry as any other federal project. No discrimination will be brought to bear on this one in favour of the fixed link for Prince Edward Island merely because that fixed link happens to relate to the province from which the Minister comes.

I give that commitment to him and, through him, to anyone who is interested in the subject.

PROTECTION OF NORTHUMBERLAND STRAIT FISHERY

**Mr. George Henderson (Egmont):** Mr. Speaker, I wish to follow that up. It is a release or a story in *The Globe and Mail.*

**Mr. Gormley:** Unimpeachably true.

**Mr. Henderson:** I am sure that it is unimpeachably true.

I want to be sure of what the Minister is saying here, all Islanders want to be sure, and indeed all Canadians want to be sure because the protection of our environment has to come first and foremost.

The fishery in the Northumberland Strait needs to be protected. We want a full and comprehensive environmental study done immediately—not to delay the project for any great length of time—but the Minister is quoted as saying that, if we do not go ahead with it now, and we have a full environmental impact study or inquiry, it will delay the project until 1992.

There should be a one-year delay to ensure that Canadians and Prince Edward Islanders are guaranteed that there are no adverse effects to our environment, I ask the Minister today, and I ask the Government today, to get on with a full environmental impact study in order that we can get that link across there and we can all be assured that the fishermen, the farmers, and the people of Prince Edward Island are protected.

• (1430)

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, if the Hon. Member wants a highly selective gathering of half-truths, I commend to him the article in *The Globe and Mail* this morning on the front page. If he wants the full truth, I refer him to an article on the front page of the Charlottetown *Guardian*, another great national paper, which quotes me at length as saying that there should be no doubt about this Minister's intention to follow the full federal environmental assessment and review process.

It was one of the conditions which the Premier of Prince Edward Island identified among nine or so others. The Minister of Public Works has given his commitment, as I have, that those conditions will be met. I reconfirm our commitment now. The federal environmental assessment and review process will be followed to the letter in this project as in every other relevant project.

* * *

## IMMIGRATION

ADMITTANCE OF CONVICTED TERRORIST—ARREST QUERY

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question is for the Minister of State for Immigration. The Minister has heard the Solicitor General tell this House that Mr. Mohammad entered this country last February fraudulently, in violation of Section 104 of the Immigration Act which authorizes the

Government then to deport him, and further that the officials interviewed him on December 9.

My question to the Minister is this. Why did he not direct the officials to arrest Mr. Mohammad on December 9 according to law and hold him for an inquiry under the Immigration Act to bring about his deportation according to law?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, we wanted to bring forward a strong case for deportation by having strong documentative evidence. We did that. When we met the candidate or the immigrant in the month of December, it was to advise him in no uncertain terms that we would be advancing with deportation proceedings.

The process is working very, very well, and I do not think that it would be helpful to interfere with that process today.

REQUEST THAT INDIVIDUAL BE ARRESTED

**Mr. Dan Heap (Spadina):** Mr. Speaker, this Government, as the Minister well knows, has detained hundreds of immigrants, hundreds of refugee claimants, every year, on the legal ground that they are unlikely to appear for an inquiry into the question of their deportation.

Given the record of Mr. Mohammad in already, according to the Government, having defrauded the Government, having lied to the Government, why did the Minister give such exceptionally privileged treatment to Mr. Mohammad by refraining from detaining him and, since the Solicitor General has said that he knows where he is, will the Minister agree to arrest and detain Mr. Mohammad today, or does the Government prefer to let Mr. Mohammed go into hiding and escape?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, the process is advancing very, very well. It would not be helpful to make any careless comments such as was made by the Leader of his Party yesterday, which has caused distress to an innocent Canadian citizen who now finds himself in jeopardy.

It is possible that some members of the Opposition may now want to talk to the other Chamber about Bill C-84 to see if that could be advanced very quickly. It is possible that some of those who have spoken against it, now want to speak in favour of what we are trying to do, which is to keep terrorists, saboteurs, and spies out of the country.

**Some Hon. Members:** Hear, hear!

## TRADE

RECYCLING OF GOVERNMENT INFORMATION PAMPHLETS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is for the Prime Minister. It concerns an issue which is literally rubbing Canadians the wrong way.

How can the Prime Minister justify the wasting of $13 million of taxpayers' money to print useless propaganda propping up a bad trade deal and subsequently turning 80 tonnes of this printed propaganda into nothing else but toilet paper?

Does this not show that Canadians do not want to be subjected to this kind of brainwashing? Is this why the Government is resorting to this rearguard action plan?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker—

**Ms. Copps:** Take the toilet roll and drop it.

**Mr. Tobin:** Pick up the roll and run with it.

**Mr. Speaker:** The Hon. Minister.

**Miss Carney:** Mr. Speaker, if the Opposition can dispense with toilet jokes, I can give them some information about this subject, and that is that of course there has been a great demand by Canadians—

**Some Hon. Members:** Oh, oh!

**Mr. Boudria:** Mr. Speaker, this is no way to wipe the slate clean, and Canadians won't accept it.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Hon. Member for Glengarry—Prescott—Russell.

[*Translation*]

ALLEGED CARELESS EXPENDITURE OF FUNDS—GOVERNMENT POSITION

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, some of the documents that were recycled as toilet paper may have cost as much as $40 each. Canadians want an answer from the Prime Minister. We are fed up with the devious, two-ply attitude of this Government. Is the Prime Minister willing to make a commitment here and now before the House that he will stop wasting taxpayers' money on useless and frankly ludicrous projects? Yes or no?

[*English*]

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, we would like to dispense with this tissue of lies—

**Some Hon. Members:** Hear, hear!

**Miss Carney:** —and wipe this issue clean by pointing out that there has been a tremendous demand by Canadians for

information related to the free trade agreement. There have been close to 10 million pieces of documentation made available to Canadians.

Naturally we are working hard to ensure that Canadians get the most current information available. Therefore we have been sending out, after the agreement was signed, the up-to-date material on the agreement. In the process about 5.9 per cent of the documentation has been considered obsolete because it has been overtaken by updated information, and it is being recycled, which is the policy of the Government. I am advised by officials that 5.9 per cent on a demand driven item like information on the free trade agreement is considered very low by government standards.

We will continue to attempt to give Canadians the most up-to-date information on the free trade agreement.

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## EXTERNAL AFFAIRS

### NICARAGUA—RESUMPTION OF UNITED STATES ARMS DELIVERIES TO CONTRA FORCES

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns the announcement in Washington about the resumption of arms deliveries to the Contras and President Reagan's decision to seek additional funding for the Contras, coming only days after the Nicaraguan Government has taken steps, its latest in a series of steps, to comply with the peace process.

Will the Minister take this opportunity to tell the House and to tell Canadian people, and for that matter to tell the international community, that Canada finds these actions by President Reagan to be jeopardizing the peace process and to be unacceptable?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the decision to which the Hon. Member refers is an American decision respecting an American policy. The policy of the Government of Canada and the analysis by the Government of Canada of the situation in Central America are different.

Our view is that the elemental problems which must be addressed there are problems that are local in nature, and that the most important initiative which has been taken has been the initiative taken by the five Central American Presidents. We are, as I am sure the Hon. Member is, encouraged by the fact that the five Central American Presidents continued to make progress on the Aria's peace plan in their meeting last weekend.

• (1440)

The Member would know that the Presidents asked the Ambassador for Guatemala to Canada to brief officials of my Department on progress and that the five ambassadors accredited to Canada from those countries have asked for a meeting tomorrow with me in which I look forward to discussing practical ways in which Canada can contribute to the continued movement forward of progress on the plan established by the Central American leaders themselves as to how to bring peace to that region.

### ARIAS PEACE PLAN—POSITION OF CANADA

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, that is precisely the point. Progress is being made and one of the points that President Arias himself, who won the Noble Peace Prize for his leadership in this area, has made absolutely clear is that the United States must not do what President Reagan has announced he will do, if the peace process is to succeed.

If a country like Costa Rica, which is much more beholden and vulnerable to U.S. influence and power than presumably Canada is, can make that kind of statement, why can't the Secretary of State for once get up and say Canada is opposed to continued aid to the Contras?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, this is an old debate. There are some who believe that the most effective way for Canada to contribute to peace in Central America is to attack the United States.

We believe, as I indicated clearly in the statement I made on my return from Central America, that that kind of pre-occupation is not only fruitless but is counter-productive in terms of the influence that we may be able to have at some point along the process in encouraging compliance by all parties who must in the largest sense comply with the Central American peace plan.

There is a role for Canada to play, a constructive, substantive role. We are not sitting on the sidelines offering advice to other Governments. What we have to do is maintain intact our ability to contribute in distinctive Canadian ways to a peace process in Central America, and that is what we are doing.

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## HOUSE OF COMMONS

### PRESENCE IN GALLERY OF SPEAKER OF THE HOUSE OF ASSEMBLY OF NOVA SCOTIA

**Mr. Speaker:** I wish to bring to the attention of Hon. Members the presence in the gallery of the Hon. Arthur R. Donahoe, Speaker of the House of Assembly of Nova Scotia.

**Some Hon. Members:** Hear, hear!

[*Translation*]

PRESENCE IN GALLERY OF MR. ANDRÉ VIGER

**Mr. Speaker:** I have the pleasure of bringing to the attention of the House the presence in our gallery of Mr. André Viger, wheelchair marathon winner and olympic champion.

**Some Hon. Members:** Hear, hear!

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[*English*]

## CANADA ELECTIONS ACT

FUNDING OF MUNICIPAL NEW DEMOCRATIC PARTY CANDIDATES IN TORONTO

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the President of the Treasury Board.

The Ontario Government has made it illegal for supporters of political Parties to make contributions to political municipal candidates. However, now the NDP supporters in the Metropolitan Toronto area are laundering contributions to municipal candidates through the New Democratic federal Party rather than the NDP provincial Party of Ontario the way it used to be done.

Will the President of the Treasury Board ask the Commissioner of Elections Canada to investigate this NDP tax scam? Will he also introduce new legislation to ensure that the NDP can no longer rip off the taxpayers of Canada? Usually scams are illegal.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I have raised this matter with the Chief Electoral Officer. I think the Hon. Member knows that under the provisions of the Income Tax Act, specifically relating to the Elections Act, it does not place specific restrictions on the way in which the money is spent although there is a clear intention that the money should be used for purposes relating to federal elections.

I will certainly take the Hon. Member's representation into consideration, and in view of the fact that we are currently reviewing the Elections Act and intend to bring in some changes, perhaps it might be the wish of all Hon. Members to clarify this issue in an amended form.

## CANADIAN NATIONAL RAILWAYS

ANNOUNCED CLOSURE OF MONCTON MAINTENANCE SHOPS

**Mr. Fernand Robichaud (Westmorland—Kent):** Mr. Speaker, my question is for the Deputy Prime Minister. The Minister is aware that CN has announced a closure of the shops in Moncton as of September 30. The foundry and rail shop components of the Moncton facility are found nowhere else in CN's entire railway system. Thus, when the shops close, some of that work will have to be done somewhere else and will have to be contracted out. In addition, CN will have to increase its staff at its Montreal facility in order to repair Bombardier locomotives, work which has traditionally been done at the Moncton shop.

In light of the fact that some workers could be rehired in Moncton to do this work and maintain some components of the Moncton shops, will the Government for once show some concern? Will this Minister intervene, at least at this moment, to save the remaining 350 jobs?

[*Translation*]

**Hon. Monique Vézina (Minister of State (Transport)):** Mr. Speaker, CN is a Crown Corporation that is, of course, competing with the private sector. The assurance we can give is, that if the company is competitive, employees will keep their jobs. The reliability of CN employees and the quality of their work are guarantees for a successful future.

ALLEGED REFUSAL OF GOVERNMENT TO ACT TO SAVE 350 JOBS IN MONCTON REGION

**Mr. Fernand Robichaud (Westmorland—Kent):** Mr. Speaker, those words are cold comfort for the Moncton workers, considering they were promised there would be no massive lay-offs in the region. It is a fact that if the Minister were prepared to intervene and instruct CN to maintain some components of the Moncton shops—I am thinking of the foundry and the rail shop—350 jobs could be saved.

How can people in New Brunswick be expected to believe this Government is sincere in its efforts to promote regional development, when it has consistently refused to take action to save the 350 jobs that could be saved in the Moncton area?

**Hon. Monique Vézina (Minister of State (Transport)):** Mr. Speaker, this Government has demonstrated its concern for promoting regional development and alleviating regional disparity.

I repeat that CN is a Crown Corporation that operates on a commercial basis, and that it must be competitive. Markets have to be identified, and I am convinced that thanks to the excellent quality of the work done by these workers, we will be able to find a solution.

So we have to be competitive and we have to identify demand.

*Oral Questions*

## NATIONAL DEFENCE

REFUSAL TO HOLD PUBLIC HEARINGS INTO ESTABLISHMENT OF CF-18 TEST RANGE IN SAGUENAY REGION

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, my question is directed to the Associate Minister of National Defence.

According to the Quebec Minister of the Environment, the Department of National Defence has refused all public hearings on the F-18 firing range in the Saguenay.

Why is the Conservative Government refusing to give the people in this major area at least the same right to provide input as it gave prior to expanding the airport at Saint-Jean? Why the double standard?

[*English*]

**Hon. Paul Dick (Associate Minister of National Defence):** Mr. Speaker, perhaps the Hon. Member is not aware but DND has already completed an environmental study. All municipal councils in the area, and in the county in particular, have indicated their support for the firing range to go ahead. At least five public meetings have been held at which the commander of the base in the region was in attendance. Perhaps the Hon. Member would like to know those facts too.

[*Translation*]

REQUEST THAT IMPACT STUDY BE MADE PUBLIC

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, the Minister reffered to an impact study. The Department has refused to publish this federal impact study.

Why is the Minister refusing to publish this study? What is he trying to hide by refusing public hearings and keeping this impact study under wraps? When is it going to be released?

• (1450)

[*English*]

**Hon. Paul Dick (Associate Minister of National Defence):** Mr. Speaker, the impact study has been made available, I understand, to four Departments in the Province of Quebec. The four Departments that have an interest in it have been getting together, and I understand that the Department of National Defence is now in official negotiations with the Province of Quebec on this matter.

* * *

[*Translation*]

## SHIPYARDS

QUEBEC SHIPYARDS SHARE OF WORK

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, my question to the right honourable Prime Minister refers to the Quebec shipyards.

The House will remember that not so long ago, the Federal Government asked the Quebec Government to purchase the Lauzon and Vickers shipbuilding yards. In a letter, the former had promised the latter to be very generous and to lavishly award contracts to the Quebec shipyards.

Yesterday, the Prime Minister stated on television that the Quebec shipyards are doing fine and that they would get their share of the $950 million contracts still to be awarded.

The Prime Minister will certainly agree that Quebecers are sick and tired of promises that do not materialize. Could the Prime Minister spell out what percentage of these $950 million contracts still to be awarded will go to Quebec shipyards? Could the Prime Minister indicate whether it will be 50 per cent, 60 per cent, 10 per cent or 20 per cent? We want a clear answer and a firm commitment!

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** First of all, Mr. Speaker, this question having already been raised, I should like to indicate to my honourable friend that since taking office, the government has provided directly to the Quebec shipyards $97 million to streamline its operations. It has awarded them contracts worth about $550 million; there are other contracts worth $950 million which are being studied or calls for tender which could benefit Quebec shipyards.

I suggest, therefore, that the statements made by my honourable friend are wrong, that his premises are wrong, and that the reality of the situation indicates a promising future for the industry in question.

REQUEST FOR FORMAL COMMITMENT

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, the Minister did not answer the question. When he says that the federal Government gave $97 million to upgrade the shipyards, it is true that it allocated funds to buy cranes, to buy soldering irons, to enlarge the piers. But he forgot to award contracts to build ships. This is why Sorel and Vickers have both shut down, they have no ships to build.

What we want to know is whether Quebec will be awarded contracts to build or repair ships. About the $950 million, can anyone be sincere and honest and say that Quebec will get 60 per cent of the contracts, a formal commitment? No false promises!

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** False promises! Mr. Speaker, I should like to quote the president of the company involved. At a press conference about which *Le Devoir* wrote an article on Thursday, January 7, 1988, he had this to say after unveiling his restructuring projects: "On the other hand, on the basis of contracts already on the books—" Contracts already on the books, not promises, contracts already on the books. "—and due for completion by 1990, the Marine president expects an

increase in the number of workers directly involved in production. That group of workers will increase from 1,557 in 1987 to more than 2,900 in 1990." That is not a setback, that is progress!

* * *

[*English*]

## EXTERNAL AFFAIRS

ISRAEL—PLIGHT OF PALESTINIANS—REQUEST THAT MEMBERS RECEIVE BRIEFING

**Mr. W. R. Bud Jardine (Northumberland—Miramichi):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the concern expressed by a number of Members of the House regarding food supplies getting through to the Palestinian refugees, would the Minister be prepared to arrange a specific briefing for all Members of Parliament having an interest in this matter?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Yes, Mr. Speaker, I would certainly be prepared to do that, either through the standing committee or through some other arrangement which might be agreed to by either the External Affairs critics of the various Parties or the House Leaders. I would want to set that up as quickly as possible. I would also think the House might find it valuable to have that briefing extend to a broad range of questions and not simply that of access to food by persons in the camps.

* * *

## REVENUE CANADA

REVIEW OF FARMERS' MACHINERY PURCHASES

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, my question is directed to the Minister of National Revenue. He will recall that last spring he ordered a halt to his officials who were harassing farmers who applied for investment tax credits under provisions of the Income Tax Act. His officials were in effect rewriting the valuations for the used equipment involved.

He is aware that his Department has recommenced this practice and I am wondering if he can tell the House under what part of the law he permitted this to go forward and why his Department is pursuing this harassment of farmers over the question of whether or not the implement dealers allowed them too much for their trade-ins.

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, I know my friend opposite would not want to misstate the facts inadvertently. He is perfectly correct that last April 19 this audit was terminated. Some of the conditions that our auditors discovered are being processed in an orderly way. The audit has not commenced again. On the other hand, no sector can be given absolute immunity from regular taxation audits.

I give my undertaking to the House and individual Members that if there are any difficulties they will be looked at very sympathetically.

APPLICATION OF DEPARTMENTAL GUIDELINE

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, can the Minister explain to the House why these tax forms filed in 1983 and 1984 are now being subjected to a guideline just published by his Department last fall?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, I just want to point out to the hon. gentleman opposite that the integrity of our tax system is based on self-assessment and equitable treatment. Occasionally there have been reassessments in connection with these matters based on economic circumstances. However, I repeat that all those reassessments have been done in a completely proper manner and with the maximum amount of flexibility and equity, recognizing that the agricultural sector in western Canada has had some difficult times in recent years.

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## INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND'S LAND CLAIM—DOCUMENT PREPARED FOR CANADIAN EMBASSIES

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs and concerns the land claims of the Lubicon Lake Indian people. I would like to preface my question by thanking the right hon. gentleman as the senior Minister from Alberta for taking an active personal interest in this issue and for agreeing to meet with Chief Ominayak sometime tomorrow.

My question concerns a document prepared by the Minister's Department for distribution to Canadian embassies and consulates around the world. I would like to quote just a small part of it:

> Although the Band has endeavoured to portray itself as impoverished and near extinction, this is hardly the case . . . The level of social services delivered to Band members is comparable to those provided to other Indians in Canada and is comparable to those available to all Canadians.

Does the Minister believe this to be an accurate description of the existing conditions of the Lubicon Lake Indian Band?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, without getting into the question of whether or not I am responsible for every word and action of every official of my Department—

**Some Hon. Members:** Oh, oh!

**Mr. Clark (Yellowhead):** —I believe that document is an appropriate document for the Department to have sent to our embassies.

• (1500)

I am pleased to be able to play a role with my colleague, the Minister of Indian Affairs and Northern Development, in trying to bring to a conclusion, quickly and in Canada, a land claim which the Government believes is legitimate and which the Government has been acting vigorously to have resolved in a way which is just.

REQUEST THAT DOCUMENT BE WITHDRAWN

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, there are no water or sewer facilities in the community. Ninety-five per cent of the people there exist on welfare. One-third of the community has been tested positive for tuberculosis. That is hardly a situation comparable to anywhere else in the country.

Will the Secretary of State for External Affairs have this document withdrawn from the embassies and consulates? In addition to that, will he offer a formal apology to the chief, the council, and the people of the Lubicon Lake Indian Band?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, the assistance provided to the Lubicon Lake Band is exactly the same assistance as is provided to other bands in Canada. The level of social assistance is the level which has been established across Canada. It is available to the people of Lubicon.

With regard to the matter of sewer and water, the Hon. Member knows that it is not unusual in areas of rural Canada, including the area in which I live, that running water is not available to small communities. In this case the Government of Alberta, when installing water pipelines to a nearby community, offered to provide that same pipeline for running water to the Lubicon Band and the offer was rejected by the Band.

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## PRIVILEGE

ALLEGED IMPROPRIETY IN USE OF CANADA ELECTIONS ACT

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I rise on a question of privilege. Earlier today in Question Period the Member for York East (Mr. Redway) made what I believe is a very serious allegation by suggesting that Members of the New Democratic Party were using the Income Tax Act and the Elections Act with impropriety.

The Deputy Prime Minister (Mr. Mazankowski) has done the House a real service by indicating that there were no improprieties in this case, that no rules or laws were broken. In fact, the Income Tax Act and the Elections Act make this practice not an illegal practice and an acceptable one under the circumstances.

I would like to ask that the Hon. Member for York East do the honourable thing. I suggest that he was not attempting to suggest that illegal activities were taking place, but the term "laundering money" certainly has a very clear implication in our culture and society that when groups are laundering money they are doing something illegal, something that is certainly wrong.

I suggest that the Hon. Member for York East may have something to say, that he would retract any suggestion that any impropriety was being conducted.

**Mr. Alan Redway (York East):** Mr. Speaker, it was certainly not my intention, nor will it ever be, to make an unparliamentary remark in this House.

My understanding of a question of privilege is that it must apply to an individual Member of this House as distinct from an entire group or Party. Therefore, I submit that this is not a question of privilege.

It may very well be that the term that was used has a variety of meanings and I certainly do not want to suggest for a moment that it is definitely illegal. It certainly was not the intention of the legislation to allow this sort of thing. I am sure that the Hon. Member would agree with that.

However, Mr. Speaker, if you feel that this is an unparliamentary remark and that this is a legitimate question of privilege, I am certainly quite willing to withdraw the remark.

**Mr. Riis:** Mr. Speaker, I respect the views of the Hon. Member which he has made known. He has indicated that if this remark is considered to be unparliamentary he is indeed prepared to withdraw the remark.

I suggest to you, Mr. Speaker, that when members of a political Party are accused of laundering political contributions, when in fact that is not taking place as the Deputy Prime Minister so adequately pointed out, the honourable thing for the Member of Parliament for York East to do would be simply to withdraw that suggestion and allegation to clear the air once and for all.

**Mr. Redway:** Mr. Speaker, a search of *Beauchesne's* has indicated to me that this is not an unparliamentary term. However, if you feel in your judgment, Sir, that it is an unparliamentary term; if you feel in your judgment that this is a legitimate question of privilege, then I will certainly accede to your desire.

**Mr. Speaker:** The Hon. Member for Kamloops—Shuswap (Mr. Riis) has raised, on a question of privilege, a matter referred to by the Hon. Member for York East (Mr. Redway). The complaint is that the use of the word "laundering" implies, in my own words, something illegal, dishonest, or improper. The Hon. Member for York East, in defence, says

that privilege, strictly speaking, has to apply to an individual, not to a corporation or a Party.

Technically the Hon. Member has an arguable point. However, one of the reasons certain things are not permitted is that if they were permitted they would create disorder or a difficulty in the Chamber. In this particular case it would appear that the reply of the Hon. Deputy Prime Minister (Mr. Mazankowski) in itself might have been adequate to assuage the feelings of any other Hon. Member. However, the Hon. House Leader for the New Democratic Party has raised this complaint.

The Chair might suggest that under the circumstances the Hon. Member for York East might rise and indicate, if in any way he was implying dishonesty or illegal activity on behalf of a member of the New Democratic Party, that it would be withdrawn.

The Hon. Member for York East takes an interesting approach. He has stated that if I find that what he said was unparliamentary he will withdraw it. The Chair is always reluctant to find anything more unparliamentary than it already has to deal with. The suggestion of the Chair is that under the circumstances, without any particular ruling on my part, the Hon. Member for York East would want to indicate that he was not implying something dishonest or illegal in the strictest term against any member of the New Democratic Party. I call upon the Member for York East to assist the Chair.

**Mr. Redway:** Mr. Speaker, I know that my friends in the NDP would like me to resign at this stages.

**Some Hon. Members:** Hear, hear!

**Mr. Redway:** I truly feel, Mr. Speaker, that you were elected by all of us, including myself, to rule on matters in this House. I know quite well that you understand your responsibilities, Mr. Speaker. Therefore, Sir, I await your ruling as to whether this is unparliamentary. If you find such to be the case, I most certainly will withdraw it. If, however, you find that not to be the case, *que sera sera.*

**Mr. Riis:** Mr. Speaker, I do not want to pursue this. We are beginning a new year, 1988. This is the first week that Parliament is sitting in the new year. I think the House Leader and the Deputy Prime Minister would indicate that there has been an incredible amount of co-operation by all parties. There has been an attempt, at least, at a mood of civility, co-operation, and working together in a positive way for the best interests of the country.

I find it difficult when an Hon. Member, in this case the Hon. Member for York East, stands in his place and suggests that members of the New Democratic Party were laundering money when such was not the case. The Deputy Prime Minister said that such was not the case. There is no question that it cast a certain pall over Members of my Party and Members of the House of Commons.

• (1510)

If this is what we can expect, and the Member for York East will not withdraw his remarks but wants to use language that may not be covered in our publications as being definite unparliamentary language but which I think any sensible parliamentarian would certainly identify as being unacceptable and unparliamentary when used in such a way, I simply appeal to the Member to do the honourable thing and make it very clear that he was not imputing any illegal activities, any dishonest activities and that there was no impropriety whatsoever occurring in the use of these funds.

**Mr. Speaker:** Perhaps I could ask the Hon. Member for York East if he can advise the Chair whether he intended to accuse any Member of the Chamber, NDP or otherwise, of doing anything illegal or dishonest?

**Mr. Redway:** Mr. Speaker, what I intended to do was find out whether, in fact, this action is illegal and dishonest. That was the purpose of my question to the Deputy Prime Minister. We have his answer, Mr. Speaker, and if you feel, in all the context of this, that this is unparliamentary, I shall certainly withdraw it.

**Mr. Speaker:** I am asking the Hon. Member for York East if in anything he said in the question he intended to impute dishonesty or illegality to any Member in this Chamber. The answer is yes or no.

**Mr. Redway:** Mr. Speaker, the answer to that is no, certainly not, only to make an inquiry of the Deputy Prime Minister, who is in charge of this legislation, to tell us, one way or the other, what the interpretation of those acts were.

**Mr. Speaker:** The Hon. Member for York East has most certainly brought the matter to the attention of the House and to the country. The Hon. Member for York East has also made it quite clear that he was not imputing dishonesty or wrongdoing to any Member of this Chamber. I think that is where the matter ought to be left. I thank Hon Members for their intervention.

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## ROUTINE PROCEEDINGS

[*English*]

### SUPPLEMENTARY ESTIMATES (D), 1987-88

A message from Her Excellency the Governor General transmitting Supplementary Estimates(D) for the financial year ending March 31, 1988, was presented by Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board) and read by Mr. Speaker to the House.

REFERENCE TO COMMITTEE OF THE WHOLE

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, there have been discussions among the

House Leaders and I think you will find agreement for the following proposal. I move:

That, notwithstanding Standing Order 82(16), Supplementary Estimates (D) for the fiscal year ending March 31, 1988, laid upon the table earlier this day, stand referred to a committee of the whole; and

That immediately upon the Committee of the Whole reporting the said Supplementary Estimates, the Appropriation Bill based thereon shall be introduced and proceeded with forthwith at all stages.

**Mr. Speaker:** Does the Hon. Deputy Prime Minister have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

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## RAILWAY SAFETY ACT

PROPOSED REFERENCE TO STANDING COMMITTEE

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there have been discussions among the Parties. I think you will find unanimous consent to receive and place the following motion. I move:

That, the Order for second reading and reference to a legislative committee of Bill C-105, an Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof, standing on the Order Paper, be changed to read second reading and reference to the Standing Committee of Transport.

**Mr. Speaker:** Does the Hon. Minister of State (Mr. Lewis) have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

* * *

## PETITIONS

PROPOSED FREE TRADE

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I have the honour to present a petition signed by a number of Canadian residents from Ontario and Quebec who have expressed their deep concern that the Conservative Government had no mandate from the Canadian people to conclude a trade agreement with the United States. They note that the Prime Minister (Mr. Mulroney), in the course of bilateral trade negotiations, had promised that Canadian sovereignty would not be compromised.

In view of the very adverse impact of the proposed trade agreement, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Ms. Pauline Jewett (New Westminster—Coquitlam):** Mr. Speaker, I have a petition from a number of Canadian citizens, equally concerned about the free trade deal which the Prime Minister has initialled with the President of the United States.

In particular, they are concerned that the deal threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunities between the regions. For these and many other reasons, the petitioners call upon Parliament to be dissolved so that the people of Canada may have the opportunity to accept or reject the proposed trade deal.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Madam Speaker, I would like to table three petitions which have been certified correct pursuant to the Standing Orders and read as follows:

Your petitioners humbly state that the Mulroney Government has sold Canada without obtaining anything in return; that Canadian industries still lack protection against American trade laws; that the United States has obtained everything it wanted in all major sectors, including agriculture, energy, the automobile industry, financial services and investment; that the jobs of thousands of Canadians are threatened, and that the Conservative Government has made no provision for adjustment assistance to help retrain Canadian workers.

Wherefore your petitioners humby pray Parliament to condemn the Government for signing the Mulroney-Reagan trade agreement.

• (1520)

[*English*]

**Mr. John R. Rodriguez (Nickel Belt):** Madam Speaker, I have the privilege and responsibility to present a petition under Standing Order 106 with respect to the Canada-U.S. free trade deal. The petition is signed by residents of Sudbury and Ontario.

The signatories are concerned that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States and that in fact the Prime Minister promised during the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised. They are concerned it has been.

Therefore, these petitioners are calling upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Ms. Marion Dewar (Hamilton Mountain):** Madam Speaker, pursuant to Standing Order 106, I have the honour to present a petition signed by many citizens from Hamilton. These petitioners are concerned that the Conservative Government had no mandate from the Canadian people to conclude a trade agreement with the United States, and the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership and to develop Canadian energy resources in the best interest of Canadians or to equalize opportunities between the regions.

Therefore, the undersigned petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national election.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Madam Speaker, it is my pleasure, indeed, an honour, to rise pursuant to Standing Order 106 to submit a petition on behalf of a number of constituents who point out that the Conservative Government has no mandate from the people of Canada to conclude a trade deal with the United States. They believe that the proposed trade deal would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States.

Therefore, the petitioners ask Parliament to now dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

[*Translation*]

REQUEST FOR GOVERNMENT ACTION REGARDING THE HOMELESS

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Madam Speaker, the three petitions I am tabling today were signed by ninety-nine residents of Vankleek Hill, Ottawa, Ontario, but the majority of the undersigned are residents of my riding, Saint-Michel—Ahuntsic in Montreal. The undersigned deplore the fact that more than 100,000 people in Canada were homeless last year; that the number of homeless young people, women and families is increasing steadily; that the number of affordable housing units continues to decrease, and that the Government has yet to do anything to deal with this problem.

Wherefore your petitioners humbly pray Parliament to take immediate action to ensure that all Canadians are given decent and adequate housing and provide social reintegration programs to help these needy Canadians become part of our society again.

[*English*]

PROPOSED FREE TRADE

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Madam Speaker, it is my privilege and responsibility to present a duly authorized petition from a number of constituents from Lake Cowichan, Duncan, Youbou, Cobbie Hill, who are concerned about the Mulroney-Reagan trade deal.

They point out that the Government had no mandate from the Canadian people to conclude such a trade agreement with the United States. They complain that the negotiated trade agreement threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership and to develop Canadian energy resources or to equalize opportunities between the regions.

Therefore, the petitioners call upon Parliament to dissolve and give the people of Canada the opportunity to accept or reject the trade deal through a general election.

**Mr. Dan Heap (Spadina):** Madam Speaker, it is my duty and honour, according to Standing Order 106, to present a petition from a number of residents of the well-informed and alert people of the constituency of Spadina, who call upon the Conservative Government to reconsider the fact it had no mandate from the Canadian people to conclude a free trade agreement and that in fact the Prime Minister (Mr. Mulroney) promised us during the course of the negotiations that Canadian sovereignty would not be compromised. Yet the trade agreement would deny Canada the policy freedom to determine its own economic future. It would undermine our ability to build a society distinct from that of the United States.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Jack Harris (St. John's East):** Madam Speaker, I have the honour and privilege pursuant to Standing Order 106 to present to the House a petition, certified correct by the Clerk of Petitions, from a number of Canadians who are concerned that the Conservative Government has no mandate from the people of Canada to conclude a free trade agreement with the United States, and that the trade agreement which was negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interest of Canadians or to equalize opportunities between the regions.

This proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States.

The undersigned petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

**Mr. Mike Cassidy (Ottawa Centre):** Madam Speaker, I also want to table a petition concerning the Free Trade Agreement between our Prime Minister and President Reagan of the United States. Your petitioners feel that the very fabric of Canadian sovereignty is threatened by this trade agreement; they feel that the Conservative Government has no mandate to negotiate a trade deal with the United States: they feel that this trade agreement would undermine our ability to plan the economic, social and cultural programs Canada needs. Therefore, your petitioners are asking for a national debate, followed by a national general election before such an agreement is signed. Madam Speaker, this petition is signed by a group of Chinese and Vietnamese Canadians from Toronto.

[*English*]

**Mr. Howard McCurdy (Windsor—Walkerville):** Madam Speaker, as a Member of Parliament, I have the honour to present a petition signed by a number of Canadian electors. It has been certified correct according to Standing Order 106 by the Clerk of Petitions.

Because the very fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal, because the Mulroney Government has no mandate to negotiate a free trade deal with the United States, because the Mulroney-Reagan trade deal would reduce Canada's ability to plan the economic, social and cultural programs Canadians need, and because a Mulroney-Reagan trade deal would integrate Canada further into the North American defence industrial base, the undersigned ask Parliament to ensure that a national debate takes place on the Mulroney-Reagan trade deal and that this debate result in a national election before such an agreement is signed.

**Mr. Steven W. Langdon (Essex—Windsor):** Madam Speaker, pursuant to Standing Order 106, I have the honour to present a petition from my constituency on the subject of the Canada-U.S. trade deal. It is signed by residents from Windsor, Belle River, LaSalle, Harrow and from other communities within my constituency.

The petitioners believe the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States and that this trade agreement would deny Canada the policy freedom to determine its own economic future. They believe it would also threaten the loss of hundreds of thousands of Canadian jobs.

• (1530)

For that reason those who have signed this petition humbly call upon the Parliament of Canada to dissolve and to allow the people of Canada the opportunity to accept or to reject this proposed trade agreement through a general election before it is signed and finalized.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Madam Speaker, it is my honour and privilege under the provisions of Standing Order 106 to present a petition to the House. It has been certified as to form and content by the Clerk of Petitions.

It is a rather special day for this particular petition because it is signed in part by employees of Canada Post, Postal Station F, by both inside workers and letter carriers. I say it is significant because these are the same people that Canada Post is trying to muzzle in their right of free speech to speak out against programs of Canada Post that will affect service to Canadians.

The petition is about the Mulroney-Reagan trade agreement, the bad deal. The petitioners, some of whom are also members of the Thunder Bay and District Labour Council, object to the terms of the agreement. They question the impact of the agreement. They believe that it would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the U. S.

The petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election. I am ready, Madam Speaker.

**Mr. John Parry (Kenora—Rainy River):** Madam Speaker, I too have the privilege and responsibility pursuant to the provisions of Standing Order 106 to present a petition which has been duly certified by the Clerk of Petitions as correct as to form and to content.

This petition is signed by a large number of residents, principally of the City of Edmonton in the Province of Alberta. They, like so many other petitioners whose petitions have been heard today, petition Parliament that the Government having had no mandate from the Canadian people to conclude the trade sellout with the United States should, in effect, dissolve and allow the people of Canada the opportunity to choose in a general election whether Canada's future will be Canadian or American.

[*Translation*]

**Mr. Fernand Robichaud (Westmorland—Kent):** Madam Speaker, it is my duty to table in the House a petition signed by residents of Shediac, Grande Digue, Cap Pelé, Scoudouc, Haute-Aboujagane and Cormier Village.

Your petitioners humbly state that the Mulroney Government has sold Canada without obtaining anything in return; that Canadian industries are still not protected; that the United States has all the major sectors; that the jobs of thousands of Canadians are threatened.

Wherefore your petitioners humbly pray Parliament to condemn this Government for having signed the Canada-U.S. Free Trade Agreement.

[*English*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Question No. 232 will be answered today.

[*Text*]

NORTH AMERICAN WATERFOWL MANAGEMENT PLAN FUNDING

Question No. 232—**Mr. Caccia:**

1. As a result of the signing of the North American Waterfowl Management Plan (NAWAMP) in May, 1986 has there been any expenditure of government funds and, if so, in what amount?

2. Are there any government funds allocated to be spent in relation to NAWAMP in the remainder of this fiscal year or in the two following and, if so, for what purposes?

**Hon. Tom McMillan (Minister of the Environment):** 1. Yes. By the end of the 1987-88 fiscal year, approximately $4 million (A-Base budget) as well as $3.7 million (government grants to the Wildlife Habitat Canada Foundation, based on the sale of the Canada Wildlife Habitat Conservation stamp).

2. Yes. For the remainder of this fiscal year, funds will be spent on the continuation of planning and implementation of the NAWMP program, as well as on wetland preservation in support of the NAWMP. For the fiscal years of 1988-89 and 1989-90, spending will be directed towards soil conservational; improved protection and management of waterfowl habitat, particularly on the Prairies; and cash incentives to land owners to manage marginal lands for waterfowl habitat enhancement.

[*English*]

**The Acting Speaker (Mrs. Champagne):** The question as enumerated by the Parliamentary Secretary has been answered.

**Mr. Hawkes:** Madam Speaker, I would ask that the remaining questions be allowed to stand.

**The Acting Speaker (Mrs. Champagne):** Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

* * *

[*Translation*]

## MOTIONS FOR PAPERS

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**The Acting Speaker (Mrs. Champagne):** Shall all notices of motions be allowed to stand?

**Some Hon. Members:** Agreed.

* * *

[*English*]

## PRIVATE MEMBER'S MOTION

REQUEST TO WITHDRAW

On the Order: Private Members' Business:

October 17, 1986—That, in the opinion of this House, the government should consider the advisability of increasing political, diplomatic and other support for the "Front Line States" in southern Africa in light of increasing South African economic, military and political pressure on those states.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Madam Speaker, there have been discussions between the Parties regarding Motion No. 69 as it stands on the Order Paper regarding the Front Line States. I would simply ask that the Chair seek unanimous consent for the Hon. Member for New Westminster—Coquitlam (Miss Jewett) in whose name this motion stands to have it withdrawn.

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Madam Speaker, I would concur with my colleague. There have been discussions to that effect. Certainly, Members on this side have no objection.

**The Acting Speaker (Mrs. Champagne):** Is there unanimous consent for the motion to be withdrawn?

**Some Hon. Members:** Agreed.

Order discharged and motion withdrawn.

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# GOVERNMENT ORDERS

[*English*]

## GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed from Tuesday, January 19, consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**Mr. Vic Althouse (Humboldt—Lake Centre):** Madam Speaker, I will resume the remarks that I began a day ago with regard to Bill C-103, an Act to establish the Atlantic Canada Opportunities Agency and the Enterprise Cape Breton Corporation.

What we see before us is a Bill that takes control over regional development programs that are now in the Atlantic region, namely, the Industrial and Regional Development Program, IRDP; the Atlantic Enterprise Program, AEP; the Small Business Loans Act as it relates to the Atlantic region; the ERDA subagreements; and the Atlantic Supplier Development Program.

What we have here was presented with some fanfare. It was described as a $1 billion program. We found out that it was $1.05 billion spread over five years. In reality what we are talking about is some $200 million per year. This is fairly familiar to Members of the House who have been watching this sort of sleight of hand with numbers, which has become a hallmark of this administration, particularly over the last few years.

Since 1984, from which date we do our analysis, it has been estimated that assistance to the Atlantic area by the Conservative Government has been cut by something approaching $1.5 billion annually from various federal Government spending programs as they once applied to the Atlantic region. These $1.5 billion annual reductions in expenditures over three and a half years are scarcely compensated for by something in the order of $200 million per annum in their place. So the Atlantic Canada Opportunities Agency comes to its task with greatly reduced funding and much reduced ability to address the particular regional development problems of that area.

I wish to review some of that decline in the commitment in the last three and a half years. To be fair, some of that decline was in place even before the present Government took over. The fading years of the Liberal administration saw some backing away from economic development into the Atlantic region as well.

• (1540)

Over the past 25 years less than 3 per cent of total federal economic expenditures have been applied to the concept of regional development. Exclusive regional development expenditures in 1984-1985 for all of the Atlantic region were in the order of $230 million. To put that into perspective, it amounts to approximately 15 per cent of the amount put into unemployment insurance payments for that area.

In the five year period between 1969 and 1974, inclusive, expenditures under the DRIE industrial incentive programs have decreased in real terms. In 1969-1970 they amounted to $9 per person which declined to $4 per person in the 1984-1986 period. Over time one can see the backing away of federal assistance to the Atlantic region that has taken place in Canada.

In looking at specific areas in Atlantic Canada, the decrease from $9 to $4 on a per capita basis was even more sharply in decline for the Province of Newfoundland where the reduction for that same period of time was from $9 per person down to $3 per person. The commitment to regional development programs, regional development funds from the rest of Canada to Newfoundland has been even less enthusiastic than for the Atlantic region.

During the same period of time in Ontario the amount of regional expansion funding was $10 per person, as opposed to $9 per person in Atlantic Canada. That dropped to $4 per person, as opposed to $3 per person for Newfoundland.

The disparities that the programs that have been put into place were attempting to take care of and ameliorate have in fact not changed greatly. In fact, it appears that a lot of the development programming and development funding has accrued to the more developed parts of the country at a rate that is equal to or exceeds the rate that is applied to Atlantic Canada which, by most of the indicators that we have to judge these things, is the least developed and the most in need of development funds.

The role and the assessment of regional development took place as a federal-provincial task force which published its report in May, 1987. The task force focused on five main areas where it thought that direct regional development policy ought to be centred in the next decade. It stated that the key elements of the agenda are highlighted if one focuses on those five main areas. Number one was to design the transfer system in ways that encouraged productive employment supported by income security measures.

There they are telling us that the types of employment encouragement that occurs under these types of programs should be fairly long term employment to the point where they support themselves and are not simply short term designed to employ people for a short period in the summer months and then make them eligible for unemployment assistance during the winter. This is sometimes considered to be job creation and leaves the impression that there has been more real activity achieved by these development programs than in fact actually happens.

In number two the task force is recommending that there should be a reorientation of education and training systems as a key component of public investment in regional economic development. Throughout the debate on this particular Bill we have been hearing that the Atlantic area does have many long term, long established well-known traditional educational institutions. It has very well established university and post-secondary institutions. Yet a great many of the graduates from these institutions have difficulty remaining in the Atlantic area. This is particularly true of the Cape Breton region. A great many expatriates find their way to central Canada in order to make use of their education and training.

In number three the task force reported that there should be a diffusion of innovation and technology as a prerequisite for structural improvement of the less advantaged regions. I have listened to the debate with great care and I have noted that a number of speakers have pointed out that this initiative in Bill C-103 ignores the need for infrastructure. This third recommendation of the task force is attempting to point out that there does have to be certain prerequisites in an area in order

that industrial development can take place. It is necessary to establish certain basic services in order that an industry or a region can take off.

As the agricultural critic I am concerned when I see certain parts of the maritime provinces in Atlantic Canada where Agriculture Canada does not appear to be encouraging the type of commitment to research and development that we have come to expect from Agriculture Canada.

For instance, in the Kentville area of the Annapolis Valley over time, and not willy-nilly but very deliberately, we have developed a poultry industry. It is an area that has become a centre of excellence for development in the poultry area. There are several large feed companies and some research going on with regard to feeds. There is an Agriculture Canada research centre which is doing research on a great many things, but it is one of the better institutions for poultry research. It has perhaps done more poultry research than the two other main research centres that are doing poultry research in this country. It has been particularly useful to the region where hatcheries, broiler production, processing, veterinary services, distribution and processing, research into the development of new ways of processing poultry, and handling new ways of feeding and housing poultry have all been going on for some time. It is largely based around the college at Kentville and the Agriculture Canada research centre.

On June 11, 1985 one of the poultry barns at the research centre burned down. It is now January, 1988 and that barn has still not been replaced by Agriculture Canada. There were three, but the loss of that one unit reduced the research capabilities of that station by almost 40 per cent.

Poultry research has to go through cycles. There has to be a certain amount of product going through when doing genetic, disease, and nutritional research. When one barn disappeared it took 40 pens out of the research project. It meant that approximately 40 per cent of the program had to be cut back.

• (1550)

Agriculture Canada does not have a system of insurance for its facilities. It engages in what it calls reinsurance, which I think is a wise business decision. It does not pay out a lot on insurance premiums. When it loses a building or some equipment, it is simply replaced out of its budget.

The problem was that the estimated replacement cost of the building was in the neighbourhood of $350,000 to $400,000. We were told that in the House in answer to a written question on December 17, 1985. It was said at that time that the estimated cost of replacement would be about $400,000. As to who would build the barn, on what date it would be completed, and whether it would be the same size as the previous barn, that information was still not known a year and a half after the fire.

A further two years went by and on January 19, 1987, just over a year ago, I again asked whether there was a project to replace the poultry barn at the Kentville, Nova Scotia Agriculture Research Centre; what was the status of the replacement; what amount had been budgeted; and what time it would be completed. Agriculture Canada's response was that it did not have a project to replace that poultry barn and that it was consulting. The Government is great at consulting; it does a lot of consulting. Agriculture Canada went on to say that the question of construction had not yet been decided. As to what amount would be budgeted, Agriculture Canada said that it was unknown at that time. As to when it would be completed, it said that that was also unknown at that time.

I raised a question with the Deputy Minister last spring. I asked him what good reinsurance was if lost buildings were never replaced, and what assurance did Atlantic Canada have that this particular centre of excellence would be brought back up to steam. He said that he would investigate, and I have since found out that there is an estimate of some $250,000 toward replacement of the barn.

Perhaps, if the research station could do the building itself, it could be replaced for that amount. However, if it follows the normal procedures it is required to follow, of having it put out to tender and using architectural services, the cost of the building would be somewhere in the area of $400,000.

I only raise this matter because the Government, which claims to be helping economic development in the Atlantic region, has sat on a particular project and has done nothing with it for almost four years. The research being done out of that station is very important. For instance, it does research of a very practical kind. One example would be long-term testing to see whether expensive feed additives are necessary to control disease in poultry, whether we have to put antibiotics into poultry feed at high costs, or whether in fact those antibiotics increase the growth and cost efficiency of poultry raising.

They appear to have found that if poultry are kept on balanced nutrition and in good, dry, and well-ventilated housing, those additives actually cost money and slow down the growth process, something which means hundreds of thousands of dollars not only to poultry producers in Atlantic Canada but to those in the rest of the country.

This kind of research is being held back because the Government refuses to give the funding which that particular part of Agriculture Canada needs in order to get the station back up to full steam.

I am very concerned when we are told that this $1 billion to be spread over five years will solve the problems of Atlantic Canada. It will actually be a massive cut-back in funds for economic development going into Atlantic Canada, and these funds will not even be aimed at assisting with research, development, and post-secondary education. These funds are being targeted through only one form of economic development. If it does not happen through business, these funds will not be any good. It is taking a unidimensional view of economic development. It is saying that there is no role for Government or community organizations to play in setting up

infrastructures. It is saying that there is no role for educational and research institutions to play in the development of the region. I think it is a massive mistake. It is also saying that the only way to develop the region is to supply some funds to business which will therefore result in growth in Atlantic Canada.

It has been shown by previous government initiatives in other areas that heavy reliance on business to do the job which Government must do becomes unproductive. When there was an effort to change research and development from the Government to more of an initiative of business, research and development actually shrunk by the same amount as Government got out of it. Business in this country does not pick up in these areas. I am afraid that that is what will happen in the Atlantic area, and I am not sure that that great region of the country will be able to survive the policies of this Government.

I regret that the Government persists in cutting back the amount of funding and assistance to that very important region.

**Mr. Harris:** Madam Speaker, I listened with interest to the Hon. Member's speech. I was glad to hear that the issue of regional development in Atlantic Canada is not confined to Members from Atlantic Canada.

Would the Hon. Member care to comment on a couple of references which have been made to the Atlantic Canada Opportunities Agency by a Minister of the Crown and by Senator Murray from the other place who is to be in charge of this agency as Minister?

The Minister of Public Works (Mr. McInnes) is on record as having said that this agency is the last kick at the can for Atlantic Canada, that we have tried everything and this is the last chance for Atlantic Canada. This very phrase, "the last kick at the can", was echoed by Senator Murray when he was speaking before the Standing Committee on Regional Industrial Expansion. We should combine those comments with the references of the Minister of Transport (Mr. Crosbie) when he introduced the Bill. He said that they have established a board of Atlantic Canadians, that the success of this plan was in the hands of Atlantic Canadians, and that we would have to wait four years or five years to see if it works.

As an Atlantic Canadian I find that very frightening. It seems to me that these remarks are not only a backing away but a frightful derogation of the responsibility of the central Government for the problems of Atlantic Canada and for the need for regional industrial expansion and development, particularly when the Economic Council of Canada indicates in a report that uneven regional and industrial expansion across the country is the most serious economic problem which we as a nation face.

I wonder whether the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), as a western Canadian, would care to comment on that. Does he feel some sympathy for the concern that central Canada is washing its hands of the Atlantic region?

• (1600)

**Mr. Althouse:** Madam Speaker, as I had great difficulty understanding what the Minister meant when he said this was going to be the last kick at the can, or whatever the phrase was, I had this brief fleeting mental image of the Minister with a great mallet and chisel chopping through rock pushing the eastern part of the country out into the ocean, saying goodbye you are on your own. We don't want you anymore. Would the Minister, who I think comes from Atlantic Canada, perhaps be on the leading edge of the run into the ocean?

It distresses me to hear those kinds of comments from Ministers of the Government, whether this Government or previous Governments. Perhaps is distresses me more coming from a region that is not always considered to be the most wealthy part of the country. I think there has to be more sympathy from the rest of the country for regions experiencing problems, whether temporary or fairly long term.

I think the solution being offered in this Bill almost ensures that the region will fail the test. When you cut back the amount of funding going into the region, reduce the amount of assistance, it is almost certain to fail. When you have the kind of cut-backs that we have seen being applied against Atlantic Canadians, I think that Ministers are putting Atlantic Canadians to a very great test. I hope that there will be an opportunity for them to put their futures into the hands of some other group of politicians than the group on which they have been depending in the past.

[*Translation*]

**Hon. Bernard Valcourt (Minister of State (Small Business and Tourism) and Minister of State (Indian and Northern Affairs)):** Madam Speaker, it is a privilege to make a few comments in this House on Bill C-103, an Act to establish the Atlantic Canada Opportunities Agency, and also to answer a few questions that were raised in this debate. I will take this opportunity to review the comments heard during the consultation process that was held throughout Atlantic Canada, with a most enthusiastic level of participation.

The new agency reflects the Canadian Government's firm commitment to tackle the problem of economic growth in Atlantic Canada. Through the creation of a climate favourable to new investments, through regional participation in decision-making, through the implementation of initiatives that are well adjusted to the region, the agency intends to promote economic development in Atlantic Canada and more particularly to enhance employment opportunities and the growth of earned incomes in that region.

[*English*]

One need only look at the Speech from the Throne to see the firm commitment the Prime Minister (Mr. Mulroney) gave to the spirit and importance of regional economic development in the regions of our country. We have distanced ourselves from

the previous Government's approach and positioned ourselves as a Government which has a fresh and exciting vision. Our approach is a bold departure from the old government practice where most of the decisions affecting Atlantic Canada were made outside the region.

The Bill creates ACOA, an integral part of this Government's commitment to building a strong, economic climate in which there will be an increased number of permanent jobs and investment opportunities, a climate in which residents will be able to expect and benefit from the prospects of longer term development of our resources and from small and medium sized businesses.

This agency's primary objective is not to make up for disparities which exist, as previous Governments addressed, but to address the root causes of these disparities. It is for this reason the Prime Minister insisted the agency take a bottom-up approach. Local input and participation is the key to success and the bottom line for this Government.

When I refer to local input, I make specific reference to why it took 18 months, in the words of the Hon. Member for Port au Port—St. Barbe (Mr. Tobin), to reinforce our commitment to consultation and the private sector. Before the agency was created on June 6, 1987, Dr. Donald Savoie, a prominent Acadian—an Atlantic Canadian and an expert on regional development—was specially appointed by the Prime Minister to consult with representatives from all sectors in Atlantic Canada. The result was an agency by Atlantic Canadians for Atlantic Canadians, an Atlantic Canadian product delivered where flexibility, sensitivity and political will gets things done. It wants to be a non-bureaucratic, action oriented, entrepreneurial answer to our problems. I should add that the consultations have not stopped.

Since early November, Madam Speaker, the agency has met with approximately 300 individuals during these Phase II consultation meetings. Another 12 meetings will be held over the next month, involving an additional 250 business and community leaders. Their contribution is paramount to the new generation of policy and program options for the agency. This new generation will elicit, cultivate and build on an entrepreneurial spirit in the private sector.

The agency, as you may know, has been given responsibility for all regional development programs related to Atlantic Canada. The expenditures committed to date show a considerable increase over expenditures in Atlantic Canada by the previous Government. The increase is well over 35 per cent in actual dollars.

In addition, the agency comes to us with an additional $1.05 billion over five years with which to address the needs of the region and sub regions of Atlantic Canada seriously. I must forcefully point out that the mood of Atlantic Canadians is not any longer that money is the answer to their problems. They had money thrown at them—they have had enough of that—and poured into the region in the past with no real intent or purpose being articulated, and worse, with no understanding as to what Atlantic Canadians wanted or needed.

Let us address once and for all the facts on funding. The previous speaker spoke about funding. The statements that have been made in the House are apparently based on budget papers which showed that spending under the economic and regional development envelope in 1987-88 would amount to $11.9 billion, a decline of $2.9 billion relative to the envelope total of $14.8 billion in 1984-85. A comparison of these two numbers has been incorrectly interpreted as a lowering of the Government's concern and commitment to regional development. That is not the case, Madam Speaker. The economic and regional development envelope includes many more activities than regional development *per se*. It includes the expenditures of some 11 departments and their related agencies.

Where declines have taken place, they reflect completion of infrastructure investments, more effective and less intrusive policy approaches; for example, our decision to scrap the flawed National Energy Program and the successful privatization efforts, such as the sale of Canadair and de Havilland. Members will remember what the New Democrats, our socialist friends, and the Liberals were saying about these privatizations, that they would be a disaster. On the contrary, they appear to be huge successes.

An examination of the changes in the level and composition of spending clearly reflects the Government's strong commitment to assisting regions, to regional development and to economic development priorities. By contrast, expenditures and regular DRIE and related programs are up some $120 million relative to 1984-85. More generally, expenditures by all federal departments and through federal-provincial regional development agreements—GDA and ERDA—in 1987-88 will be more than double the level in 1984-85. Yet opposition Members have the gall to come in this House and go to Atlantic Canada saying we are actually spending less in Atlantic Canada. Just in ERDA in 1987-88 we will spend double the amount spent in 1984-85.

I see Members on the other side nodding. They look at the figures but they cannot see them. We do not invent those figures. These are the facts. I see the Member from Westmorland—Kent (Mr. Robichaud). I heard him speak today. He should thank us. He should think about what the level of employment was when we took over from the Liberal Government. He must be honest enough to admit that the level of unemployment in the Province of New Brunswick has been drastically reduced in the last three years. That the Liberals do not like. You do not see the Hon. Member for Westmorland—Kent going to New Brunswick telling people that we have created more jobs there in the last three years. It is a good solid record.

• (1610)

There exists in Atlantic Canada today a new entrepreneurial spirit which is seeking access to capital as opposed to hand-outs. Remember the Liberal way of hand-outs? I think our entrepreneurs in Atlantic Canada are seeking access to capital, not hand-outs.

Going hand in hand with that spirit is the board of ACOA which is composed of experienced business and community leaders in the Atlantic region.

[*Translation*]

All are from the Atlantic region. They represent small businesses, business groups, labour groups and provincial governments. Those spokespersons also are active in their communities and have a very good knowledge of Atlantic Canada. The board, thanks to that balanced choice of representatives from a cross-section of the economy and from various backgrounds, ensures active and expert participation in the development and implementation of new programs. The board advises and guides the Minister in any decision involving the Agency's mandate, policies and options. Its influence already is clear through the contents of the Bill now before us and the programs that soon will be announced by the Minister in charge of the agency. That board has and always will have the Minister's ear.

[*English*]

I was most pleased to see and hear the Hon. Member for Humber—Port au Port—St. Barbe endorse the basic principle of more autonomy and more decisions being taken in the region, as well as the principle of targeting the region to try and come to grips with regional development programs. I thank him for his strong endorsement of this government initiative.

The question of infrastructure was raised by the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey). Being a former cabinet Minister from the far north of Labrador, I am sure he has great passion for a commitment to the brick and mortar approach. However, I submit that that is not enough.

[*Translation*]

As in any organization, priorities had to be made and the emphasis was put on activities that can have the best possible economic return for the area.

However, the Atlantic Canada Opportunities Agency, Madam Speaker, would be ready to negotiate auxiliary agreements for the development of infrastructures under Economic and Regional Development Agreements, ERDA's. The funds invested in those new agreements, however, should not be taken from new funds allocated to the Agency but rather from departments with responsibility in that area, providing the provincial governments, agree on the need for such agreements.

[*English*]

My good friend and colleague, the Hon. Member for York—Sunbury (Mr. Howie), is more than familiar with the details of regional development and regional disparities from the old days of DREE and DRIE. He said:

> The depth of the measures open to the new agency is more extensive than under DRIE, DREE, or other programs of the past.

This is not the superficial approach of the past. It is a flexible approach through the ACOA financing mechanism which will focus the resources of all departments of Government and all agencies as well as its own funding component on the problems in the area.

The agency does not vaguely refer to procurement, training and skill development, job creation, technology, and infrastructure development, as the Hon. Member for Grand Falls—White Bay—Labrador indicated earlier. Its mandate is to be an advocate which will keep on top of the activities of all other federal departments and agencies. It will ensure that Atlantic Canada has a voice, and I assure you that it will not be too long before federal activity in Atlantic Canada is more unified, and joint action by the departments and agencies is commonplace.

[*Translation*]

Now, the Liberal doom and gloom merchants probably want Atlantic Canadians to remain where they kept them themselves for 20 years. I am not really surprised because their position on the agency is about the same as on the Free Trade Agreement. The Liberal Party, which was viewed in the past as the party of the future, has now become the party of the past; they want to turn back the clock and keep Atlantic Canada in the past. Well, I am sorry, but this Government has decided to propel Atlantic Canada into the 21st century and to promote progress and economic development. The Hon. Member for Westmorland—Kent (Mr. Robichaud) should listen to what his cousin, Mr. McKenna, the New Brunswick Premier, has to say about the Free Trade Agreement. If the Hon. Member for Westmorland—Kent has the development of the Atlantic region and of New Brunswick at heart, he should take lessons from Frank McKenna, the New Brunswick Premier, who has not been shortcircuited by the indefensible position taken by the Leader of the Opposition in telling Atlantic Canadians: You cannot make inroads on the American market, you cannot produce in the Atlantic region, you are not qualified to do so, you are small-time and we want to keep you that way. This is not what the Government is saying to Atlantic Canadians, and the agency is a tool which will allow our businessmen, our men, women and young people to create jobs and new wealth in Atlantic Canada, to go against the American market and do business with the rest of the country. The Liberals kept us in the dark for 20 years. This Government wants to bring Atlantic Canada out of the dark, but not by imposing made-in-Ottawa solutions. Certainly not! We are asking Atlantic Canadians to be the makers of their own development, and this is the purpose of the agency!

Madam Speaker, we have heard the Members opposite say that the Free Trade Agreement was sounding the death knell of regional development policies.

[*English*]

I hope the people of Atlantic Canada watch this Bill being debated in the House today. The free trade agreement allegedly prevents this Government from taking measures to ensure that we are able to fight regional disparity in the country. Yet the agreement has been signed by the Prime Minister and President Reagan and we are now introducing a Bill in the House to do just that, to equip Atlantic Canada with the tools of regional development. That is a unique approach. The people of Atlantic Canada will realize today that *les prophètes de malheur* in the Opposition were not telling the truth in Atlantic Canada when they told them that the free trade agreement would preclude regional development initiatives. Quite the contrary. This free trade agreement, coupled with the agencies, coupled with the entrepreneurial spirit of Atlantic Canada, will make that region a different place in the not too distant future.

I hope that Liberal Members of Parliament from Atlantic Canada, the very few from New Brunswick—one too many maybe—will put the best interests of Atlantic Canada ahead of their little political vision in the little federal Liberal Party. This represents the future of Atlantic Canada.

I was not in the House for all of the speeches but I looked at some of them and it is incredible that people would stand up and say some of the things they said. For example, the Member for Cape Breton—East Richmond (Mr. Dingwall), in speaking to the House about the Bill, was talking about the question of funding. He said that we had cut $3 billion from regional development. I made the case earlier that this is totally, palpably, and blatantly false. We are spending more in Atlantic Canada.

• (1620)

When I hear the Liberals and NDP talking about economic development in Atlantic Canada only in terms of money, it tells me and Atlantic Canadians that theirs is the same old solution—throw money at the problem. They think that money solves everything. It has not in the past. We would rather rely on the industry of our people, on their talent and their entrepreneurial spirit. With that recipe and this Bill we shall succeed. I encourage all Members to support this Bill and vote in favour of its adoption.

[*Translation*]

**Mr. Robichaud:** Madam Speaker, I listened very carefully to the remarks of my colleague from New Brunswick. He did try to pat himself on the back, and when he says that the Government was firmly committed to take action in regional development matters, I have a question for him: Where was the Minister in the case of Moncton's CN shops? The agency we are talking about today will promote development, find new ways to create jobs, and protect existing jobs as well. I support that effort. But how can the people of New Brunswick be expected to believe the Minister's remarks are sincere when he never did stand up for the CN shop workers? I would remind him that when the Government took office in 1984 there were 1,200 workers in the Moncton shops. There are now 350 left. These 350 workers might hang on to their jobs if the Government were to tell CN to reconsider the matter and reorganize some of the Moncton shops facilities which do not exist anywhere else in the entire CN system. But where are they? How can they say they are committed to take action with respect to regional development and job creation?

**Mr. Valcourt:** Madam Speaker, I welcome this opportunity to answer the question put by the Hon. Member for Westmorland—Kent (Mr. Robichaud). I may remind the Hon. Member that in my riding—the riding of Madawaska—Victoria in New Brunswick—Edmundston, the capital of the Madawaska Republic in New Brunswick, was a CN town. Before the previous Liberal Government cut CN jobs in Edmundston, 1,200 jobs at CN fed 1,200 families in this small town with a population of 15,000. In 1984, when I was elected by the people of Madawaska—Victoria to represent them here in Parliament, there were barely 150 jobs at CN in Edmundston, New Brunswick. As far as I know, Jean-Luc Pepin and the Liberal Party were responsible for that.

The federal Liberal Party doesn't have to tell us about cutbacks at CN.

Today, during Question Period, my colleague the Minister of State (Transport) (Mrs. Vézina) explained why CN had to cut jobs.

However, according to Jeannita Thériault in today's edition of *Le Matin*—I suggest the Hon. Member read this paper which is a major source of information—Paul Daigle, the director of the Moncton Industrial Development Agency, said that 1987 was one of the best years for Moncton's industrial development.

[*English*]

Moncton has never had a better year than 1987 in terms of industrial development. That is a fact. Opposition Members look only at one issue—CN. Business is booming in Moncton. Go see the young entrepreneurs in Moncton. Go see the investment by the private sector. Look at the jobs created in Moncton. That is a result of lower interest rates. It comes from consumer confidence and a better economic climate which has been brought about by the policies of the Government.

I remember Moncton in 1984 when the business people had to borrow money at 21 per cent. They were losing their houses. Mortgage rates were so high that people could not afford to pay the interest. People were going bankrupt in New Brunswick. It has all changed in three years and we can take the credit for that change. Members may laugh, but when the people in Moncton who is renewing their mortgages at 11 per cent, and hear the Liberals laugh at the misery imposed upon them by the previous Government, they will not forget.

[*Translation*]

Madam Speaker, when the people of the Atlantic region look at the past three years and see what has happened and the hundreds and thousands of jobs that have been created, I am sure they will be confident the agency will be a major tool for their future development.

[*English*]

**Mr. Comeau:** Madam Speaker, we have been listening to the opposition Parties over the past two or three years telling us that the way to solve all problems is to throw money at them, that money will solve everything. That was the previous Government's way of doing things and is the only thing they know.

I am from Atlantic Canada. I have been talking to my constituents and they tell me that the solution is not to throw money at the problem, that the solution is in how you spend the money. The opposition Parties are worried that we have a winner on our hands with the ACOA. That is why they are laughing. You can hear them laughing in the background at some of the results we have achieved with our policies.

Did the Minister hear it said in Atlantic Canada that we should throw money at the problems? Was that the comment the Minister heard when he travelled around Atlantic Canada to find out what the business community and our constituents wanted? Did they want a continuation of the past hand-outs to our people?

**Mr. Valcourt:** Madam Speaker, I want to thank the Hon. Member for his question. It is a very important question because it points to a change of attitude in Atlantic Canada. Perhaps it is not so much a change of attitude as a better reading by the Government of the attitudes in Atlantic Canada. There is an editorial in the January 19 edition of *The Times-Transcript*. It is entitled "The Oliver Twist Syndrome". I do not know whether my hon. colleague has seen this. It states:

> —despite some slight reduction to date and a desire to reduce it further—the federal deficit is much greater than it was except for the last few years of the Liberals' incumbency.

People know about the Liberals' deficit. It goes on:

> $1.3 billion for R and D—"It's not enough." $7 billion for day care—"It's not enough."
>
> $1.1 billion in further assistance for Canadian farmers, bringing the total for 1988 to $3.2 billion—"It's not enough."
>
> The government is reforming the tax structure; some of the changes will mean more in the pockets of lower-income Canadians—"It's not enough."

• (1630)

He said:

> These are just examples in the past few weeks alone. The pattern has been increasingly evident of late.

The previous Government literally bankrupted the country. It threw money at the problems. As an Atlantic Canadian I will never suggest that the previous Liberal Government did not spend money in Atlantic Canada. They threw money at Atlantic Canada, but it was not directed at the causes or root of the problems.

That is what this agency is all about. It concerns a new approach to look at the causes of the problems in Atlantic Canada. One of the causes of the problems in Atlantic Canada is the weakness of the private sector base. Therefore, through the creation of new small and medium-sized businesses across Atlantic Canada we will create this private sector base, which will mean more capital in Atlantic Canada.

If we have more capital we will be better able to develop our economy.

[*Translation*]

And the Free Trade Agreement will come on top of that.

For instance, in the riding of the Hon. Member for Southwest Nova (Mr. Comeau) . . .

**Mr. Rossi:** He won't be there after the next election!

**Mr. Valcourt:** Yes, he will, because unlike the previous Member, the Hon. Member for Southwest Nova, an Acadian from Nova Scotia, realizes that the fisheries industry, for instance, is important to this area. Under the Free Trade Agreement, the people of Southwest Nova will be able to process their resources locally and export them to the United States duty free.

I fail to understand why people as intelligent as the Hon. Member for Westmorland—Kent (Mr. Robichaud) are protesting against the Free Trade Agreement and the measures this Government is trying to take to revitalize the economy of Atlantic Canada.

**The Acting Speaker (Mrs. Champagne):** The time allotted for questions and comments has now expired. Resuming debate. The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan).

[*English*]

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Madam Speaker, what the Minister has said is unmitigated nonsense. I have never heard the facts about Atlantic Canada so distorted or warped.

Certainly we could never accuse the present Government of throwing money at the problem because it has been taking money from Atlantic Canada. The Government attempts to suggest to Atlantic Canadians that it is improving their dignity by taking money from them since they do not really want this federal government money. It even suggests Atlantic Canadians will eventually be grateful for removing this money. That is absolutely insane politics on the part of the Conservative Government.

Not only will there be reduced funding as a result of the Atlantic Canada Opportunities Agency, as compared to the Department of Regional Industrial Expansion, in the last three

years the Government has also whittled away assistance for Atlantic Canada.

Furthermore, there is no mention of what will happen to the ERDA funds which have been put into Atlantic Canada once those projects are completed. The Minister responsible for the Atlantic Canada Opportunities Agency, the Senator in the other place, has stated that new money will be put into this agency. Clearly, it will not be new money because there has been no money from the Department of Regional Industrial Expansion because it overspent by $900,000 in the first three months since last spring. There has been a freeze on all spending since then, including spending in Atlantic Canada. The Government is attempting to make it until the end of the fiscal year without spending any money on economically underdeveloped areas in order to impress Canadians that it can achieve a reduced deficit. However, it is maintaining a low deficit on the backs of Canadians who need assistance while giving it to those Canadians who do not need government assistance, including the wealthy, the privileged and big businesses of this country.

The Minister talked about reduced unemployment. There is no possible way to determine the real unemployment rate according to government figures. First, it will not allow its Manpower employees and counsellors to talk to unemployed people. Anyone who is unemployed will now have to go to the job board and try to obtain whatever job is available. We will be unable to ascertain from the Manpower offices exactly who is unemployed.

The only statistics we have now are from unemployment insurance cheques and perhaps some surveys. We do not know the true unemployment figure as we were able to obtain from Manpower previously.

The Government has further distorted the picture. The Government states that unemployment has come down in my area of Cape Breton. I have already stated that Manpower is unable to get an accurate figure on the unemployment situation. Second, those who are retiring and are fortunate enough to obtain a pre-retirement package are leaving without their jobs being replaced. While that represents a reduction in unemployment, those jobs are not being filled and most of our young people must leave the area.

Furthermore, there have been severe reductions in employment in our major industries in Cape Breton. Cape Breton Development Corporation has reduced hundreds of jobs. Hundreds of jobs have been reduced in the Sydney Steel Corporation and there has been the closure of our two heavy water plants and a total of 700 jobs there, in spite of the fact that the Minister for International Trade (Miss Carney) assured us that such a closure would not take place until alternative employment was provided for those heavy water plant workers.

Those jobs were the kind of employment on which people could support families, perhaps buy a house and maybe send children to university. We have lost those jobs. In place of those jobs there is part time employment at fast food outlets or department stores. There is no assurance that these jobs will continue. There are no benefits with that employment. How can one possibly build a future on jobs like that? That is what is distorting the unemployment picture in Atlantic Canada, particularly in industrial Cape Breton.

The Minister said he wanted to help Moncton. How can Moncton be helped when the Government does away with 1,200 jobs? According to the Government, this new agency is a benefit to Moncton. If so, why has it taken so long to introduce this legislation? I suggest the reason is that the Government did not want to spend the money in Atlantic Canada. The President will be living in Halifax and commuting to Moncton. That is his commitment, to stay on the job. It is ludicrous and insulting to the people of Atlantic Canada.

Not only are we losing money in regional development, the Government is decimating the whole program of assisting Atlantic Canada. Look at the programs the Government has done away with. Look at RRAP, the program which was so important in helping housing in Atlantic Canada and other parts of this country. The Government reduced the budget down to nothing. Not only that, but it made the criteria so difficult that people who need assistance are not getting it. The communities are not able to get these funds to give to people to help them improve their homes. This affects older people, unemployed people, who want to stay in their own homes but cannot possibly fix their homes up to a state where those homes will be suitable for habitation. That fund does not exist any more so those houses are falling into disrepair and eventually will be unliveable. We have not heard the worst of that crisis yet. It has only been three years since this Government has been in office and this situation is going to accumulate and worsen and the housing problem in Atlantic Canada will be a very serious problem indeed.

• (1640)

What about the off oil program? We were able to help people to have alternative fuels. That was done away with. What about the Canadian Home Insulation Program? That program helped people with insulation to help them save energy costs. With respect to the money that was spent by the former Liberal Government on energy, the best bang for the buck was in conservation. We were able to replace 75 billion barrels of oil a year just through conservation alone. What about Small Craft Harbours Program? Where is the budget of the Small Craft Harbours program? Ask any fishermen in Atlantic Canada and they will say it does not exist any longer. The fishermen are told that if they want to do anything they must pay for it. It is absolutely insulting.

Where is the job development program? How are we going to help our communities if we do not have a job development program for those areas which do not have the jobs? It is easy to say, "Let the private sector do it", but how are the people going to eat until the private sector does do it? What are we going to do for those people in the meantime?

What this Government is doing is gradually whittling away the programs and assistance that were in place. I am not saying that we should just throw money away. That is not what I am saying at all. I would like to say that I feel this program is going to work. I hope, in spite of all that my common sense tells me, that it does work, but I am very leary and concerned that what I see does not indicate to me that this program is going to work. There is no commitment from this Government. The evidence is everywhere that there is no commitment from this Government.

In Cape Breton, for instance, we have the Enterprise Cape Breton Corporation, which is an agency that has been trying to replace jobs in that area which are so badly needed. The board of Enterprise Cape Breton has from time to time passed resolutions whereby it has approved certain companies for funding to establish industries in Cape Breton, only to have those recommendations turned down by the internal board of the Department of Regional Industrial Expansion in Ottawa. We cannot say that there is something about the air in Ottawa that makes them hate people from Atlantic Canada or makes them want to turn down job opportunities for people in Cape Breton, so what can we say? We are starting another board of directors in Moncton. Will that be any different? Are we just replacing one bureaucracy with another? This is no indication that anything is going to be changed. What we have done on top of everything else is politicized the board of directors that exists with the Atlantic Canada Opportunities Agency, further deteriorating the belief of the people in Atlantic Canada that this agency really wants to do something.

The Minister responsible for this agency, the Minister in the other place, has said that this is the last kick at the can for Atlantic Canada, as if to say, "We just cannot be bothered with Atlantic Canada anymore. If they do not make it this time, it is their own fault. We are telling the people of Atlantic Canada that if it does not work, it is your fault, it is not the fault of this lovely, magnanimous, well-meaning Government". Who in Atlantic Canada is going to believe that nonsense? No one. Why is it the last kick at the can? Because the free trade agreement is going to put us into a situation where we are going to be inevitably drawn towards the United States. There is going to be an assimilation of the economy between Canada and the United States, and we are gradually going to get rid of regional development in this country. This Government is going to take it away from the people of Canada. There will be no regional assistance in Canada because the free trade agreement is not going to allow it.

The free trade agreement does not say we cannot have regional development and regional assistance, but if we do give it, it is countervailable, and that is the problem. So gradually regional development assistance is going to be whittled away by the free trade agreement.

We talked today about privatization. The Minister tells us that privatization has been most helpful for Canada. I wish Members in this House would ask the employees of Route Canada who have lost their jobs through closures. That is an example of privatization. The company was formerly called CN Express, then it was called CN Route. This Government and Canadian National decided they were going to put the workers of CN Route into a catch-22 situation. They were going to show them, especially those people in difficult regions with economic problems, such as my region of industrial Cape Breton. So they went to the workers and told them they were going to separate CN Route from the Canadian National system, all the Canadian National companies. They were told they had the choice of becoming a CN Route employee or a CN employee.

The workers knew at that time that this was a catch 22 situation and it was the beginning of the end for CN Route in Atlantic Canada, particularly in Cape Breton, but what could they do? They knew that CN Rail and the other CN companies may go on a little longer and, hopefully, go on a lot longer, but we have so many lay-offs in CN Rail and the other CN companies that there is a seniority list of people waiting to get back. If these people chose CN they would not have a job. If they stayed in CN Route they would at least have a job for what they believed would be a short period of time. That was in the fall of 1986. Sure enough, a short time later, the federal Government sold CN Route to Route Canada. The workers were told not to worry because Route Canada would protect them until June 1 and that the Government had this great package available for anyone who loses his or her job prior to June 1.

The people of Canada do not realize that the Government sold CN Route for about $23 million, and the land and rolling stock of CN Route alone is worth $80 million. That is incredible. The Government gave the new owners of CN Route a giveaway, and all that these guys had to do was to hold on to these employees until after the Government was able to launder its handling of the situation, so it thought, and the Government would then be away from the situation and any lay-offs would be the sole responsibility of the new company, Route Canada.

That is what happened. Route Canada kept the people on as a private company until after the period of qualification and assistance came to an end. Then, in November, came the lay-offs in a great many parts of this area. The terminal in Sydney was closed down. Not only was the terminal in Sydney closed down but other terminals in other parts of the country were closed down as well. The man who worked there had nothing—nothing.

• (1650)

One of the facets of the deal was that when the transfer took place from CN Route, which was the federal Crown corporation, to the private company of Route Canada, all the employees would be starting again. But now their seniority was gone. These people started out with nothing. They are people who had worked for federal Crown corporations in Sydney for as long as 46 years. They did not even have one year of

seniority to fall back on when they were dismissed by this new private sector company.

That is the treatment that the Government is giving to people when it talks about the successes of privatization. What about the successes in terms of decency to Canadians, to people who have given the best part of their working lives to working for the country and in particular for a Crown corporation? It is disgraceful when something like this happens to any worker, but particularly disgraceful when it happens to someone who has been working for a Crown corporation such as CN Route in Sydney or CN in Moncton. There is a situation in existence here that is just not palatable to Atlantic Canadians.

I would now like to deal with the second part of the Bill. What we have here in the second part is that the Government will do away with the Industrial Development Division of the Cape Breton Development Corporation. It will form a new company called Enterprise Cape Breton Corporation. This is taking into consideration that there is already an economic development agency in Cape Breton called Enterprise Cape Breton. This new entity will be called Enterprise Cape Breton Corporation. There is not even any originality shown by giving it a separate name. The reason behind that is, of course, that these two will be merged together gradually and we will lose one of the two.

What is happening is that the Government is saying, "This is even better for you people in Cape Breton because it will be a separate Crown corporation". That means absolutely zilch. It is not better at all. When we had the Industrial Development Division of Devco we had, along with the coal division of Devco, a separate Crown corporation. We had a separate budget. Now we do not have that separate budget. Money will be allocated. How much will that money be? We do not know. We have no idea. No longer can we do funding for infrastructure. No longer will we be able to have a separate decision-making power in Cape Breton.

The President of Enterprise Cape Breton Corporation, just coincidentally, is also the President of the Atlantic Canada Opportunities Agency. So what the Government is saying to the poor souls of Cape Breton is that it is giving them something. It will give them a little part of an Act, a build up and some directors. It will let them think that they are big stuff. But when it comes right down to it, they do not get a thing. That is the way this Government is. Cape Bretoners or Atlantic Canadians—people anywhere in Canada—do not get a thing, especially if they need it.

**Mr. O'Neil:** Madam Speaker, as a Member from Cape Breton I disagree with much of what the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) has stated with respect to the Government's policies in regional development. When we talk about regional development it is important to acknowledge that national economic progress and national economic policies have a very significant impact on the people in the regions as well.

For example, when we talk about lower interest rates we cannot talk about it as if the people in our regions do not benefit from lower interest rates. The people that I represent and, indeed, the people represented by the Hon. Member are paying less for their homes because they are paying less interest on the money they have borrowed to buy those homes. They are paying less for their cars. They have more purchasing power. They benefit from the lower deficit and from the lower inflation rate. They are benefiting from the lower unemployment rate.

The Hon. Member from Cape Breton—The Sydneys did not concede that the unemployment rate in Nova Scotia today is below what the national unemployment rate was when we were elected in the fall of 1984. This means that there has been substantial progress in combating unemployment in the regions. In fact, national economic growth is being shared all across Canada.

In Cape Breton, in Atlantic Canada, we have policies today of decentralization and autonomy that are bringing about substantial economic progress. In Cape Breton alone the unemployment rate in the last 12 months has dropped from 21 per cent down to around 15 per cent or 16 per cent. Our Government has committed millions of dollars to the tourism sector, the fisheries sector, the agricultural sector and the manufacturing sector. In the riding which the Hon. Member represents there has been substantial progress in terms of economic growth with relation to industries being located in his riding, particularly in manufacturing. These are industries which could not be attracted and were not attracted during the last term of the previous Government.

Those are tangible results of the economic policies of the Government. These principles are being embodied and reflected in the Bill under discussion today. The Government's economic policies have worked at the national level. In Cape Breton we have progress on the regional level. In other regions there has been substantial economic progress as well. Our record is clear. In this Bill we see the Government moving on a broader scale to put in place the mechanisms that will help Atlantic Canadians achieve greater economic progress again.

Finally, I would like to say that any suggestion that the trade agreement somehow diminishes our ability as a country to continue our regional development policies and to expand them is just not founded on fact. In fact, the trade agreement is an instrument of regional development. The Atlantic Canadian fishery strongly supports the trade agreement with the United States because it means new and better opportunities and protection for existing opportunities that we enjoy in that fishery. The forestry sector of Nova Scotia has also supported the Canada-U.S. trade agreement because we will receive substantial benefits from this agreement.

Those who stand in opposition to this trade agreement stand in opposition to a very legitimate and real opportunity for Atlantic Canadians to take a fair and equitable place in the economic structure of Canada.

**Mr. MacLellan:** Madam Speaker, I would like to make a few remarks in reply to the comments of the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil). I thought that he would come to a point, but obviously there was not one to come to as far as he was concerned. He does not have much to work with when we look at the Government's program for Atlantic Canada.

The Hon. Member talked about decentralization. Let me tell the House about decentralization. There were four decentralized offices of Income Security planned for Canada in 1984 when the Conservatives took office. Three went ahead in Tory ridings. One did not. That was the one planned for Cape Breton in Sydney, a riding which happened to be represented by a Liberal. This was just the first instance of blatant Tory patronage. What did that do for Cape Breton? It cost us 85 jobs. It cancelled the training for people who were already in training, some of whom were almost finished the training for this decentralized office. They were told that they could go to Timmins, Peterborough, or Chatham. That is what they were told. That is the feeling, caring Government that we have here today.

• (1700)

The Hon. Member talks about how the fishery is protected. A great deal was made about how the Government was able to secure for the fishermen and fish processors in Atlantic Canada that their provinces could state that they wanted the fish processed in their particular province rather than taken out. That was a big deal. What the Government did not say is that under the GATT the United States still has the power to challenge that ruling, if a particular province makes it. That completely negates the benefit given. The only reason the Americans gave us that benefit is that they knew they had another avenue under the GATT to be able to get at us. Not only are they devastating the economy of Atlantic Canada but they are insulting the intelligence of Atlantic Canadians.

**Mr. Harris:** I wish to ask the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) if he was paying attention to the Minister of State for Small Businesses and Tourism (Mr. Valcourt) when he was talking about the regional development programs, and whether or not he is aware that under the Atlantic groundfish countervail case the following programs were recognized as being countervailable. They include the investment tax credit, the Regional Development Incentives Program, the IRDP, the ARDA agreements, the P.E.I. Comprehensive Development Plan, the general development agreements and agreements under DRIE, the transitional payments under DRIE and the ERDA agreements. All of those programs, which are regional development programs, are countervailable.

The Hon. Member will know that that case has not been affected one iota by the agreement signed by the Prime Minister (Mr. Mulroney) and President Reagan on January 2, 1988. None of those programs have been protected from a countervail under the trade agreement. Despite the fact that this program is proceeding, it will not assist, and it will be subject to countervail if there is any export development or any complaint by Americans.

**Mr. MacLellan:** I would like to thank the Hon. Member for St. John's East (Mr. Harris) for that question. I did say that regional development was going to be phased out. That is why the Minister responsible for the Atlantic Canada Opportunities Agency could say that this was the last kick at the can for Atlantic Canada, because they are going to take the can away.

I did say that the regional development programs would be countervailable. I would like to thank the Hon. Member for St. John's East for elaborating and specifying more fully exactly what we are going to be losing as a result.

**Mr. Dan Heap (Spadina):** Madam Speaker, I am pleased to have an opportunity to speak on some of the problems of Bill C-103, the creation of the Atlantic Canada Opportunities Agency. Although it is well meant perhaps in certain ways, it certainly has some serious faults, which may or may not have been obvious to the Government when it drafted the Bill. Those problems need to be drawn to the attention of the Government, the House, and the public.

I am speaking on this Bill although I am not a representative in Parliament of an Atlantic constituency. I have not lived in the Atlantic area for any length of time whatever. I have visited friends there. I have visited in New Brunswick, Nova Scotia, and in Newfoundland. I hope to visit in Prince Edward Island. Most of my visiting was done before I became a Member of Parliament, but I hope to find time still to continue.

I am especially aware of a young couple in Newfoundland who settled there some years ago because they liked the people. They are hard working. They are raising a family and like to have the clean air for their children to grow in. I have met their neighbours who are also hard workers. The question arises in my mind, why do they get so little for their work compared to so many of my friends in central Canada?

From what I could see there and read about Newfoundland and other Atlantic provinces, I think the answer is that they do not have control of their resources. Unfortunately, this Bill seems designed not to give them any more control of their resources than they already have. I read, for example, that in the last century, in the 19th century, and in the century before, a great deal of the timber was cut to build wooden ships. Two-thirds of the capital from those ships did not stay in Newfoundland. It went to Britain, to the merchants in Britain who controlled the capital used to cut the wood and build the ships. In other words, the product of the work of those Newfoundland people did not, for the most part, stay in Newfoundland to help build the country; to build the infrastructure, to build the workshops, the schools, the roads, the things that would have enabled Newfoundland to develop better than it has and more prosperously.

There was a huge iron mine near where those people used to live.

**The Acting Speaker (Mrs. Champagne):** With all due respect, I must interrupt the Hon. Member.

* * *

## MESSAGE FROM THE SENATE

**The Acting Speaker (Mrs. Champagne):** I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-106, an Act to provide for the resumption of grain handling operations at the Port of Prince Rupert, British Columbia, without amendment.

## THE ROYAL ASSENT

[*English*]

**The Acting Speaker (Mrs. Champagne):** I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

January 20, 1988

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Judge Puisne of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 20th day of January, 1988, at 5.05 p.m., for the purpose of giving Royal Assent to a Bill.

Yours sincerely,
Léopold H. Amyot
Secretary to the Governor General

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

[*Translation*]

And being returned:

**The Acting Speaker (Mrs. Champagne):** I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bill:

Bill C-106, an Act to provide for the resumption of grain handling operations at the port of Prince Rupert, British Columbia—Chapter No. 1.

• (1710)

## GOVERNMENT ORDERS

[*English*]

### GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**The Acting Speaker (Mrs. Champagne):** Resuming debate with the Hon. Member for Spadina.

**Mr. Heap:** Madam Speaker, what I was saying is that it seems that the problem with the people I have met in Newfoundland and other parts of Atlantic Canada is that their hard work does not produce what it should because they do not control many of the resources upon which they work.

I gave the example of the timber, and I was speaking of an example of iron—the huge old iron mine at Bell Island near where my friends used to live, which was once the biggest in North America. It was owned by the British. The money, the profits, went to Britain of course. Very little stayed in Newfoundland. It is now almost a ghost town with about a tenth of the population they had there. Even of that tenth about 90 per cent are unemployed.

There is the pulpwood industry in which the profits go mostly to central Canada where we are now. There is the Iron Ore Company of Canada and the Wabash Iron Company in Labrador in which the profits go to the United States.

I do not see anything in Bill C-103 that seems likely to change any of that. In fact, it is not clear really what would be the final result, so far as building up the country goes, from Bill C-103. The immediate result is said to be giving $200 million a year for five years to Atlantic Canada. However, to take that in context, we find that that is perhaps a fifth or less than a sixth of the money that has been taken out of Atlantic Canada at an annual rate.

What we see is that during the past three and a half years some billions of dollars has been pumped out of Atlantic Canada if we consider that the previous programs of assistance were part of the funding of that area. DRIE spending cuts—they cut $200 million in 1984, $100 million in 1985-86, and $150 million in 1986-87. In the regional development envelope there has been a total reduction of $2.89 billion between 1984 and 1987, and so on.

• (1720)

It is estimated that $1 billion to $1.5 billion a year was cut off from the funding that had been provided for Atlantic Canada. In its place only $200 million is being put back. When you take that all together, it is not a help, it is a cut. It is also a fact that the control of this spending will not be in Atlantic Canada. The controllers will not be Atlantic Canadians. The board may have Atlantic Canadians on it, but we are told by Senator Lowell Murray, the Minister responsible for this project, according to *The Globe and Mail* in June, that final decisions will be made by him in Ottawa. I am quoting here from *The Globe and Mail* for June 27, 1987: "Final decisions will be made by him in Ottawa. The ultimate responsibility rests with me and a Cabinet committee made up of six federal Ministers from the Atlantic region".

So much for decentralization. It is a bit like the Bank of Montreal when it puts a branch office in your neighborhood. That does not mean that your neighbourhood gets control of the Bank of Montreal; it means the Bank of Montreals gets further control of your neighbourhood. This does not mean decentralization in the sense of giving the decision-making power in Atlantic Canada; it means giving Atlantic Canada even less decision-making power than it might have had under the previous funding arrangements.

There is another very sad and very embarrassing aspect to this, Mr. Speaker. The rate at which Atlantic Canada has received assistance has been lower in many ways in many programs than the rate at which the rest of Atlantic Canada receives assistance. The one that embarrassed me particularly is that in Newfoundland there was a reduction of the GDA/ERDA program from $126 per person down to $80 per person, while in Ontario there was an increase from $2 to $3 per person. The increase is not big in Ontario, but Ontario is getting more from this program while Atlantic Canada is getting distinctly less under the same Government.

The essence of this program is the trickle-down theory. The money is to be given only to businesses, not to a municipality. Heavens, no. A municipality might be democratically controlled, it might be controlled by the people who live there and the municipality might use it to benefit the people who live there. It cannot go to municipalities. It cannot go to municipal infrastructure, which all the cities and all the provinces of Canada have said is needed. They have offered to go shares on a program with the federal Government. The federal Government has turned them down cold. None of this money will go to providing the necessary things to keep municipalities operating. Instead, the money will go to private business people. There is no criteria, no way of identifying the principles by which it will be given to this person, that person or another business, no criteria for the performance of the businesses. There will be a review five years down the road. Of course, the importance of five years is that it is after the next election.

The trickle-down theory, which has been used by this Government and by its predecessor Government, is very simple. The argument is that we pour money in at the top and some of it stays with the people at the top, some trickles down to the people in the middle and some trickles down to the people at the bottom. It sounds fine, unless you ask, where did the Government take that money from what it poured in at the top? We find over the years, and increasingly under this Government, that tax money which the Government poured in was taken from the people at the bottom. It was taken from the working people, the working poor, even from the unemployed of Canada, while some of the biggest corporations go absolutely tax free. The corporations, many of them, are not on the list when it comes to contributing the money, but they are sure there when it comes to taking the hand-outs.

So the story is that the Government takes the money from the people at the bottom, pours it in at the top and says "You lucky stiffs. If you live long enough, some of that money we took from you will come back to you. Smile". That is the trickle-down theory on which this program is built, Mr. Speaker. To add a little further injury, they are told, of course, that free trade will solve any problems that the rest of this program does not solve. Yet the same Government that is telling them that is the Government that has opened many of our industries, not just many of our industries but many of our services in Canada—unprecedented in international trade arrangements—are now open to American competition. For example, the Department of Supply and Services, which in 1984-85 spent $406 million in Atlantic Canada and is expected to spend a little more in the coming year, will be open to American suppliers who, with greater financial resources, may be able to undercut Canadian or Atlantic bidders. It is likely that they will get even less of that money than they have got in previous years.

What this program does is not to restore control to the people of Atlantic Canada over their own natural resources and over their own labour, which they must spend on what resources are available there, what this does is to remove control further away. The ultimate decisions, according to Senator Lowell Murray, will be made in Ottawa, except for those decisions which, according to the Mulroney-Reagan trade deal, will be made in the United States.

**Mr. Angus:** What is left?

**Mr. Heap:** My colleague asks what is left. I can tell you there is not much left for the people in Atlantic Canada. If this is the way the country is to go, there will not be many people left in Atlantic Canada.

This is not a hand-out for poor relations in Atlantic Canada. We are not asking for a hand-out for poor relations in Atlantic Canada; we are asking for justice, justice in the sense that the people who live there, the people who were born there who have chosen to settle in there, who have put their bodies, their lives and their families there, those people should have a controlling voice in the disposal of their resources, whether it is

timber, pulpwood, iron, other minerals, hydropower, tidal power or any other resource. They should have the controlling voice in the disposal of those resources, not the bureaucrats in Ottawa, not banks in New York City, but the people who live there. That is justice and that is what we are asking for.

My Party, the New Democratic Party, for example, would much rather see a Bill along the lines of what we have been advocating for over two years now. For example, we suggest a community initiative fund that would provide assistance to new co-operatives, community development corporations, small businesses and other community-based initiatives. We do not want to exclude individually privately owned businesses, and we do not want to exclude all the rest of the people, the big majority of the people, who have not been blessed with extra capital with which to be business people. We would also like to see a technological change fund to assist in private, public and co-operative ventures in high technology industries, in other words, target some of this money to where it can be viable in the modern economy. We would like to see a youth initiative fund which Canadian youth can draw on to encourage new initiatives. Again, the decision-making has to be local.

We would like to see a single industry community diversification fund to provide single industry communities with the means to explore diversification options. These towns, cities and villages in Atlantic Canada must be given back some of what belongs to them historically so that they can develop alternatives to the industries which are either exhausted because foreign entrepreneurs scooped out all the timber or scooped out all the metals, or else develop industries which would be more modern and more viable in the modern economy. As I said, there should be money for upgrading the municipal infrastructure, a thoroughly co-operative program between public representatives at all three levels of government.

• (1730)

Finally, there should be a decent housing program, not the kind that I saw when I was visiting Halifax. Under the then federal Government, not the present Government, disgustingly shoddy houses were built by an entrepreneur, I am sorry to say, from Toronto. If someone is going to cheat the people of Nova Scotia, why could it not at least be a Nova Scotian? I do not really know why CMHC let him do that, but what is most embarrassing and most unjust is that those people did not even get the chance to be cheated by a fellow Nova Scotian. They were cheated by someone from central Canada.

What we need at the very least is considerable amendment of this Bill so that it will be recast in the direction of putting control of this money into the hands of the people of Atlantic Canada. That is the first thing needed. The second thing is to restore at least that level of funding, $1 billion to $1.5 billion per year, which the Government took away in the last three years. If that were done, this Bill might well be worth passing.

**The Acting Speaker (Mr. Belsher):** Questions or comments.

**Mr. O'Neil:** Mr. Speaker, I am always interested to hear representatives of the NDP espouse their philosophical purity and idealism concerning regional and economic development. It is a bit like going to watch a Walt Disney fantasy movie; it is so far from realism.

The people of Atlantic Canada know very well that government monopolies do not yield the economic results they want. The NDP obsession with government control is not what the people of Atlantic Canada want. They want control themselves and through this agency they are going to get control over development initiatives in their region.

For the first time we are getting a development agency that will be outside the Ottawa bureaucracy. Its board will consist of Atlantic Canadians who will make decisions and bring forward programs in the interests of Atlantic Canadians. They will be formulated by Atlantic Canadians. That is what we are doing in this legislation.

It is very similar to what has been done in Cape Breton with Enterprise Cape Breton Corporation, an agency established by this Government, one which everyone who knows anything about regional development in Cape Breton will concede is a success.

The Hon. Member from Toronto spoke about the need for community initiative funds. There are such funds and they have been around for some time. There are federal-provincial agreements on technological development. There are special initiatives to involve youth. There are opportunities for single-industry towns to diversify their economies. However, I and the people I represent know that the answer to their problems lies in the provision of long-term meaningful employment.

In that respect the record of this Government is unequalled in recent years. The people of our region are gaining improved employment opportunities, yet the NDP is against the tax credits which are bringing investment to Cape Breton, for example, and yielding better economic opportunities. They do not like the philosophy. They do not like private business which is putting people to work in Cape Breton. They are against foreign investment unless it is billions of dollars going into Oshawa. It is all right for General Motors to put billions of dollars into Oshawa but do not let the foreign corporations put money in the regions. That is not good.

The NDP are against the Canada-U.S. trade agreement, which we believe will bring improved employment opportunities to the region. It is all right to have free trade in automobiles but not fish. Keep the Maritimers poor. Do not let them sell their fish freely into the U.S. It is all right for cars to go back and forth but not fish, or Christmas trees, or pulp and paper from Atlantic Canada. That is bad. Keep Atlantic Canadians poor.

However, we are going to tell them in Toronto that we are prepared to accept legislation which allows us to move forward and take our place in Canadian society. We are going to do it.

**Mr. Heap:** Madam Speaker, if I may try to find a question in that comment, it seems to me there are two. One is the question of control and the other is foreign money.

On the question of control, I noticed that Clause 20(1), which perhaps the Hon. Member who just spoke did not have the time to read, says:

> The Minister may make regulations
>
> (a) specifying programs and projects in addition to those referred to in paragraph 13(c)—

In other words, the Minister can say which programs will get the money. Or, for example, Clause 11(1):

> The Governor in Council shall appoint an officer to be the deputy of the Minister, who shall be called the President of the Agency—

Isn't that nice? He gets to be called President. In fact, he is the deputy of the Minister. In other words, the chief officer of the board is just an appointee of the Minister. The Minister can put him in or take him out. The Cabinet can put him in or take him out.

Senator Lowell Murray says he and six federal Ministers will be controlling this agency. I agree with the Hon. Member about the possible evils of what he calls monopolistic government control, but the trouble is the Bill he is supporting is doing that very thing. It is increasing the bureaucratic control of Atlantic Canada by people lodged in Ottawa, especially in the Cabinet. It does not increase control by the people of Atlantic Canada. It may be that some of the people in Ottawa who will exercise that control will be Ministers originating from Atlantic Canada, but the longer they stay in Ottawa, the less they are likely to remember where they came from. The Minister is primarily a member of a cabinet, and they are not in a position where they have to listen. They can listen if they wish but they are not in a position where they have to listen to the board members who live in Atlantic Canada.

The other point of the Hon. Member was the matter of foreign money. He has not given us the slightest hint, and there is nothing in this Bill that gives us the slightest hint that the Americans are waiting to pour money into Atlantic Canada, or the Germans, or the Japanese. Yes, Litton Systems did. Litton Systems has put some money in there after the Government of Nova Scotia gave it a $6 million subsidy. One of the richest corporations in the world with one of the worst anti-union records in the world, it sold out its civilian operations in order to concentrate on producing munitions. It is going to produce the means of death in Nova Scotia with a subsidy from the tax-paying people of Nova Scotia. They will pay $6 million in return for the creation of two or three hundred jobs. That is the only kind of money we hear of coming in to Atlantic Canada from these people with the billions and billions that the Hon. Member hungers for.

In fact, we in Canada have the resources to do the development ourselves if the Government would not give away those resources to the U.S.

• (1740)

**Mr. Harris:** Madam Speaker, I heard the Hon. Member from Cape Breton referring to the issue of decentralization. I wonder if the Hon. Member for Spadina (Mr. Heap) would comment on the following issue related to decentralization which I think bears some consideration.

If we use the civil service of the United States of America as a model, we see that in the United States of America about 12 per cent of the federal civil servants reside and work in Washington, D.C. In Canada 30 per cent of the federal civil servants reside in Ottawa. If the Government was serious about decentralization and having jobs throughout the country, it would not have an enormously large percentage of civil servants residing in the capital city. Those jobs and that work would be spread throughout the country, particularly in the regions of the country which fare so badly under the free enterprise system which requires government action and intervention to share the wealth. Would the Member like to comment on that?

**Mr. Heap:** Madam Speaker, having 30 per cent of the civil servants living here is obviously out of proportion. It is far too high, but a law which says that Senator Lowell Murray and six federal cabinet Ministers will be making, as he puts it, all the final decisions, means that they are not going to spend all their days doing that. They are going to have a new bunch of federal civil servants here in Ottawa, not living down there, but here in Ottawa, helping them to make those decisions to control the lives of the people in Nova Scotia. They are going to make it worse, not better.

[*Translation*]

**Mr. Fernand Robichaud (Westmorland—Kent):** Madam Speaker, I am pleased to speak to Bill C-103 concerning the establishment of the Atlantic Canada Opportunities Agency. Well, we have been hearing about this agency for quite some time. It was in October 1986 that the Prime Minister announced his government's intention to take a different approach to regional development, that it would offer new programs. "A bold new approach", is the expression he used. We had not heard of it for quite some time, Madam Speaker, for you must realize that Atlantic Canadians had rejoiced following this announcement, because regional disparity is a problem which is not new in Atlantic Canada and several governments had done their utmost to try and reduce or eleminate all-together this disparity.

If some programs were successfull, others were not. But the efforts made in the past had nevertheless helped Atlantic Canadians improve their standard of living. In June, the government had announced the establishment of the Atlantic Canada Opportunities Agency. We had rejoiced again because we felt that it was finally coming. But nothing happened, except for those press releases put out by various ministers on behalf of the Atlantic Canada Opportunities Agency. But they referred only to existing programs and never mentionned the funds which would be allocated to this new agency. Yet, the

government had emphasized that it would be spending $1.5 billion over the next five years. Although it was nothing to write home about, it was nevetheless enough to establish this agency immediately, without more ado. The government had claimed that this $1.5 billion would be new money on top of funds already allocated to various development programs.

We must wonder now whether this is altogether new money. This question has already been raised by several people, agencies and organizations in Atlantic Canada. When we consider in fact this amount, we realize that it is not much. We must realize that over the years, the amounts allocated to regional development programs had been reduced from $14.9 billion to $12 billion, a difference of $2.9 billion, almost $3 billion. That is on a national scale. The Atlantic region had been affected. As you know, Madam Speaker, whenever programs are cut, we, in Atlantic Canada, are the first to feel the pinch.

It goes without saying that we support the Government's decision to establish this agency. We want it to begin its operations right away. We wish it had begun a year ago. The government has waited until the Christmas break to introduce this legislation. Why did he wait so long? That is why we question the government's sincerity when dealing with regional development.

We were promised in 1986 there would be money, there would be a new approach but now, almost two years after, we are about ready. So much so that we were told: Hurry up, this must pass post haste. Yes, post haste because of the urgency. But we must also ask ourselves how come they suddenly realized this must pass? Had they done so earlier, we could have spent last year some $125 million, the allocation for 1987. This year there would be another $200 million. Questions must therefore be raised. We are in a hurry. But on the other hand we know there probably will be elections this year. So in fact there will be over $300 million to be distributed in Atlantic Canada. Not bad. Certainly not bad. And a lot is needed.

[*English*]

—$200 million for this years allocation and $125 million for last year. So there will be a lot of money available this year.

[*Translation*]

For that reason indeed I question this government's sincerity. And also for its lack of action on a matter that was very important for people in New Brunswick and even the whole Atlantic area.

Of course, Madam Speaker, you know what I am referring to. I am referring to the CN shops in Moncton. The new agency will have the mandate, a quite general one, to look for all sorts of ways to create new jobs, but also to create jobs that are there.

In 1984, there was in the CN shops in Moncton almost 1,200 workers who were earning good wages and enjoying good working conditions. But then the CN, in a rationalization effort, decided to shut down its Moncton shops.

I am not denying that in the overall system some degree of rationalization had be done, some adjustments had to be made. But I what I am questionning is the need for that adjustment to be made entirely at the expense of people in New Brunswick, more specifically in the Moncton area.

I am also questioning the sincerity of the Government's intentions with regard to regional development. At no point did a single minister feel the urge to make his voice heard in support of workers in our area. We were ballyhooed, we were given promises, we were misled, and finally we were told it is in the process and then, as it happened two weeks ago, the shops' shutdown was announced.

Again, it would not be too late to act, there are still 350 jobs left in Moncton. Those jobs could be saved, if only they wanted to act. Because the shops located in Moncton comprise two components, the foundry and the rail shop, that are found nowhere else in the CN facilities—nowhere else in Canada. Which means that when the shops will be closed, that work will have to be done elsewhere, the know-how will have to be found elsewhere. But we already have in Moncton the workers, the expertise and the facilities.

Why then is the Government not seeking to protect those jobs? There is nothing foolish in trying to protect the 350 jobs that are already in place. Why then is the Minister of Transport or the Prime Minister who has always said that he was taking particular interest in the frontier regions, why are they not doing anything? You would think the problem does not exist for them. Eight hundred of the 1,200 workers have already left and 350 more... It is as though it does not amount to anything, yet it is a hard blow for the Moncton region.

A moment ago the Minister said that the city of Moncton had experienced a very good year in 1987 and he mentioned Mr. Paul Daigle, whom I happen to know very well. Sure enough, the Moncton region did have a good year. Indeed I was listening to Mr. Daigle when he said that in spite of everything, in spite of the closing of the shops and the loss of 800 jobs in Moncton the region did manage to make some progress. But when the Minister said that this was due to programs set up by this Government, well I think that is stretching it a bit. Mr. Paul Daigle said during a radio interview that if indeed there had been some development in Moncton in 1987 it was because in 1983 and 1984 his own organization, the city of Moncton and other associations involved in economic development had estasblished a number of programs which made it possible to report a positive performance in 1987.

So the Government and the Ministers should not think that it was their own measures which made it possible for the people of New Brunswick and Moncton to enjoy a good year. The people themselves knew what to expect, so they set up programs designed to protect them against such things as the shops shutdown.

So I ask you, Madam Speaker, how the people of New Brunswick can possibly have faith in this Government when it says it will deal with regional development. And of course I say again that we want this agency to take action as soon as possible.

• (1750)

[*English*]

This agency has a very wide mandate. It will work through associations and through small business, which is all very good.

Also, an objective of this agency is to look at the transportation system in Atlantic Canada. I think this is very good, but I do not know to what extent the agency will be able to act. Right now, the transportation industry in New Brunswick, Nova Scotia and all the Atlantic provinces is going through major changes. In the near future we will see a lot more goods being moved on rubber. The road system in the provinces will have to carry a lot more goods than it is presently carrying.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** When debate resumes the Hon. Member will have two minutes left to conclude his remarks, which may be followed by a ten-minute period of questions and comments.

It being six o'clock p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

# HOUSE OF COMMONS

**Thursday, January 21, 1988**

The House met at 11 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

GOVERNMENT RESPONSE

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 106(8) I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-3479, 332-3492 to 332-3501 inclusive, 332-3504, 332-3506 to 332-3513 inclusive, and 332-3520 to 3533 inclusive. Sixty-nine on Monday and 34 today is quite a record for the week, Mr. Speaker.

* * *

[*Translation*]

### STRIKING COMMITTEE

PRESENTATION OF FORTY-EIGHTH AND FORTY-NINTH REPORTS OF STANDING COMMITTEE

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, I have the honour to table in both official languages the forty-eighth and forty-ninth reports of the Striking Committee.

With the consent of the House, Mr. Speaker, I intend to move the adoption of the forty-ninth report later today.

[*Editor's note: See todays votes and proceedings.*]

CONCURRENCE IN FORTY-NINTH REPORT OF STANDING COMMITTEE

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, I should like to move the adoption of the forty-ninth report of the Striking Committee which I tabled in the House earlier today.

Motion carried.

* * *

[*English*]

### PETITIONS

PROPOSED FREE TRADE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I have the duty to table with the House two petitions signed by Canadians who would like to show their displeasure with the Mulroney-Reagan trade deal.

The petitioners say; whereas the Mulroney Government has sold out Canada and received nothing in return; whereas Canadian industries are still not protected from U.S. trade laws; whereas the United States obtained everything it wanted in all key sectors, especially agriculture, energy, auto trade, financial services and investment; and whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers, the undersigned, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan trade agreement.

• (1110)

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I have the honour to present a petition signed by a large number of residents of Ontario and Saskatchewan with respect to the fact that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. They note that this agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States.

They therefore call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

BRAINWASHING EXPERIMENTATION—REQUEST FOR INFORMATION

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I have a second group of petitions signed by many hundreds of concerned Canadians from across this land who note that the Canadian Government funded unethical brainwashing experiments by the late psychiatrist, D. Ewen Cameron, which were conducted at Allan Memorial Institute in Montreal in the 1950s and early 1960s.

They note that many Canadians were permanently damaged by these experiments that were inflicted upon them without their knowledge or consent, and that the Canadian Government has refused to accept any legal or moral responsibility to these Canadians, or offer any reparation.

They call upon Parliament to immediately release to the Canadians all the incriminating evidence it has to assist them in their lawsuit, to offer financial assistance and to publicly acknowledge its legal and moral responsibilities to these Canadians.

This is particularly significant in light of the important victory these people had in the federal district court in the United States just a couple of days ago, which I am sure all Canadians celebrate.

[*Translation*]

REQUEST TO AMEND THE LAW TO BRING AN END TO DISCRIMINATION ON THE BASIS OF SEXUAL ORIENTATION

**Mr. Svend J. Robinson (Burnaby):** Finally, Mr. Speaker, I have a petition which states that in October 1985, the Equality Rights Sub-committee of the Justice Committee tabled in the House of Commons a report which recommended amending the Canadian Human Rights Act to prohibit all discrimination based on sexual orientation, and that in March 1986, the government had accepted to amend the legislation accordingly.

The petitioners, therefore, ask Parliament and the government to finally respond to these major recommendations by amending the act to prohibit all discrimination based on sexual orientation.

INSTALLATION OF SUPPLEMENTARY SAFETY DEVICES IN AUTOMOBILES

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, I have the honour to table 157 petitions signed by residents of Ste-Foy, Montreal, the Saint-Michel—Ahuntsic riding, Normandin, l'Ascension, Arvida, Dollard des Ormeaux in Quebec, as well as Ottawa, Summerside, P.E.I., Saskatchewan, Toronto and Almonte in Ontario.

These 157 petitions are in addition to the 31,288 others which I have already tabled in the House. The petitioners are aware that since 1974, the federal road safety regulations authorize the installation of inflatable airbags for passenger car drivers and that this device would reduce the number of deaths and serious injuries.

Therefore the undersigned humbly pray and call upon Parliament to make compulsory the installation of airbags for the protection of front seat passengers and adjustable shoulder-waist safety belts for back seat passengers.

[*English*]

PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Madam Speaker, it is my pleasure and indeed honour to present a petition pursuant to Standing Order 106 from a number of constituents who are concerned that the Conservative Government does not have a mandate from the Canadian people to conclude a trade deal with the United States.

They believe that the Prime Minister (Mr. Mulroney) promised, in the course of negotiations that Canada would retain its sovereignty. They feel that it has now been compromised severely.

They also believe that the trade deal would deny Canada the policy freedom to determine its own economic future, and thereby undermine Canada's ability to build a society distinct from that of the United States.

They also believe that it denies Canada the secure access to the American market which in fact was the key objective in the negotiations.

Since it also threatens the loss of hundreds of thousands of jobs, these petitioners are calling upon Parliament to dissolve now to allow the people of Canada the opportunity to accept or reject the proposed trade deal in a national general election.

**Mr. Rod Murphy (Churchill):** Madam Speaker, I have the honour to present a petition on behalf of a number of Canadians who are concerned about the decision of the Government to proceed with the trade deal. They believe that this was not a mandate that the Government received in the last federal election. Indeed, the Government campaigned on an opposite position.

They call upon the Canadian Government to have an election and they call upon Parliament to do all it can to expedite an election prior to this agreement becoming final.

**Mr. Jim Fulton (Skeena):** Madam Speaker, I also have the honour to table with the House a number of petitions that have been certified pursuant to Standing Order 106. The petitioners are concerned that the Conservative Government has no mandate from the Canadian people to conclude a free trade agreement or any similar agreement with the United States.

Since the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised; since the Mulroney-Reagan deal which has now been signed makes it clear that Canadian sovereignty is at risk; and since the agreement not only denies Canada secure access to the United States market, which was a key objective in the negotiations, but threatens the loss of hundreds of thousands of Canadian jobs, the petitioners call upon the House to take whatever opportunities there are to accept or reject the proposed free trade agreement during a national election.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Madam Speaker, pursuant to Standing Order 106, I have the honour and duty to present a petition to the House. This petition is signed by senior members of Royal Canadian Legion Branch 129 (Slovak), and Royal Canadian Legion Branch 113 (Ortona) in Thunder Bay.

These individuals who fought for our country argue that the Mulroney-Reagan deal threatens the very fabric of political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, develop energy resources in the best interest of Canadians and equalize opportunities between regions.

They end the petition by calling upon the House to dissolve and allow the people of Canada to accept or reject the proposed trade agreement during a national general election.

**Mr. Jack Harris (St. John's East):** Madam Speaker, I have the honour and duty to present a petition from citizens of Canada. This petition is certified correct as to form and content pursuant to Standing Order 106.

These petitioners state that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

They also state that the trade agreement negotiated by the Conservative Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, develop Canadian energy resources in the best interest of Canada or to equalize opportunities between regions.

They also state that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States.

The petitioners ask that Parliament dissolve and allow the people of Canada to accept or reject the proposed free trade agreement during a national general election.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all questions be allowed to stand.

[*English*]

**Mr. Svend J. Robinson (Burnaby):** Madam Speaker, I rise on a point of order. I have on the Order Paper Question No. 219 which was submitted on November 16 last year. Pursuant to the Standing Orders, it should have been answered within 45 days, by December 31. It has now been some 66 days since that question was submitted. Will the Parliamentary Secretary look into the matter and hopefully come back with an answer in the near future? It is a very serious issue involving the Correctional Service of Canada.

• (1120)

**Mr. Hawkes:** Madam Speaker, I have already looked into that specific question, and all the questions that are a bit slow. The general reason is that the answers are made available at a time when the Minister is not, and that is the general difficulty for most of the questions which are a little slow in being answered. We have improved the system, as I said the other day, by at least 20 per cent in terms of the speed of this Government. Our record is substantially different from previous governments.

In terms of the Hon. Member's specific inquiry, I think he can anticipate that very early next week the answer will be forthcoming.

**Mr. Rod Murphy (Churchill):** Madam Speaker, I rise on the same point. I have risen a number of times over the last little while about the growing number of questions which are left unanswered. Since the Parliamentary Secretary has just indicated he has looked into a number of questions which have not been answered according to the requirements of the Standing Orders of the House, can he tell us how many questions have not been answered according to that requirement? When is the Government going to live up to the Standing Orders that this House passed with the agreement of all Hon. Members?

**Mr. Hawkes:** Madam Speaker, at the beginning of this week I think there were probably 12 questions out of about 239 which were a little slow. By the end of this week I think that number will be considerably reduced.

As I said, we are attempting to get on it. It is a little difficult sometimes over the Christmas period as well. Not only do Members of Parliament go back to their ridings but those in the bureaucracy who serve us so well frequently use that time as holiday time. We may be a little slow with the remaining 12 questions, slower than I would like to see. However, the record is now much better than 95 per cent.

**Mr. Murphy:** The Parliamentary Secretary indicated in his answer that the delay was because of Christmas holidays. Presumably, Christmas being almost a month ago, certain answers were not delivered on time as required by the Standing Orders. I would hope that the Parliamentary Secretary would recognize that it is now January 21. Presumably the bureaucrats and cabinet Ministers have had more than ample time to provide answers which are required by the Standing Orders.

We do not want to make this into a major issue, but we do have a question of privilege if the Government is not going to answer questions as required by the Standing Orders which, I repeat, were passed unanimously by all Members of this House, including the Cabinet.

It is a fundamental requirement of this House that those questions which are designated questions—and not all questions on the *Order Paper* are designated as such—be answered within that time. When questions are designated, Members have a right which is guaranteed by our Standing Orders to have those questions answered within the required time limit. I want an assurance from the Parliamentary Secretary that the Government, whether it be during Christmas, Easter, the February break or the summer break, will live up to the requirements of the Standing Orders.

**Mr. Hawkes:** Madam Speaker, I do not hesitate for a moment to give the assurance to the Hon. Member that the Government is trying. As we look into individual questions, we find that some, for instance, involve all Departments of Government, while others touch on client privilege and the information provisions in our law. Therefore, sometimes things are of sufficient complexity, involving sufficient numbers of people, that in perpetuity it may indeed be difficult on occasion to live within the 45 days. However, we are pushing. We are doing the best we can. I can certainly give the Hon. Member the assurance that that indeed is true. I think very few questions will be outstanding under the priority category by next week.

* * *

## BUSINESS OF THE HOUSE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Madam Speaker, there have been some informal inquiries made regarding the enabling legislation for the trade deal. I wonder if I might ask the Parliamentary Secretary, in a sense in a formal way—I do not suppose he is able to report today but perhaps at some early date—to give some indication to the House and to the people of Canada, who are very interested in this major issue, when we can expect to see the beginning of the enabling legislation tabled in this House?

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Madam Speaker, as the House Leader for the New Democratic Party knows, there have been discussions on this issue. The normal time to ask a House Business question in terms of the appearance of legislation and discussion of legislation is generally after the Question Period on Thursday. Today happens to be Thursday. I expect that the House Leaders will rise in their places and ask the question of the Government House Leader somewhere around three o'clock this afternoon.

**Mr. Riis:** Madam Speaker, I do not want to prolong this, but I want to make it clear to you, Madam Speaker, that I was not asking whether the enabling legislation was coming up this week or next week, because that is the normal Thursday question, to get an idea about the following few days. I am simply seeking some indication from the Parliamentary Secretary, or from perhaps the Government House Leader, at some early time, of when we might expect the enabling legislation to be tabled, and by that I mean this month or next month or the following month? It is an issue in which Canadians are interested, and at the moment there seems to be no indication when that legislation will be tabled.

**The Acting Speaker (Mrs. Champagne):** I realize the Hon. Member is very much interested, as are all Canadians, in this question. However, I do not think that at this time in the agenda it is the proper time to ask that type of question.

* * *

[*Translation*]

## PRIVILEGE

NOTICE OF INTENTION

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** I should like to give notice to the Chair that we may decide to raise a question of privilege concerning the remarks made by the Minister for International Trade (Miss Carney) as recorded on page 12097 of yesterday's *Hansard*. In answer to a question from the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) about the recycling of Government information pamphlets and the alleged careless expenditure of funds, the Minister is reported to have said:

> Mr. Speaker, we would like to dispense with this tissue of lies—

Madam Speaker, there is no need for me to remind you that the words "tissue of lies" are unparliamentary. This kind of language is unacceptable. I do not see the Minister or my colleague from Glengarry—Prescott—Russell in the House today, but I should think that as Liberal Party whip I must raise the matter at this time and give notice to the Chair. As a Member, I object to this kind of language being recorded in *Hansard*, and I should like to have it deleted.

**The Acting Speaker (Mrs. Champagne):** The Hon. Member is giving the Chair verbal notice of his intention to rise on a question of privilege at the appropriate time. If I may, I should remind him that, according to our procedure and Standing Orders, he should also put the matter in writing. Let us get back to routine proceedings.

Shall all remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*Translation*]

## GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed from Wednesday, January 20, consideration of the motion of Mr. Mulroney that Bill C-103, an Act to

increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunties Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**The Acting Speaker (Mrs. Champagne):** Resuming debate, and as we said yesterday, the Hon. Member for Westmorland—Kent has two minutes left to complete his speech, after which there will be a ten-minute period for questions and comments. The Hon. Member for Westmorland—Kent.

**Mr. Fernand Robichaud (Westmorland—Kent):** Madam Speaker, yesterday, when the House interrupted its proceedings, I was talking about the need for improving the road system in the Maritimes or, I should say, the Atlantic provinces.

[*English*]

There is a need. It has been shown that the road system in the Atlantic area is deteriorating at a very alarming rate. That is because it was not made to support the kind of traffic which is being transported over that surface. Of course, it would be one of the objectives of the agency to look at the infrastructure of the transportation system.

The Savoie Report made the recommendation that the agency look at transportation policies and promote efficient modes of transportation. As you know, Madam Speaker, our transportation system is one of the prime components of a sound regional development program. The agency will not be able to undertake with its own moneys—the $1.05 billion over five years—the type of work that would have to be done. However, it could recommend to the Government that this work be done under IRDA agreements. I hope that the agency will look into this matter.

[*Translation*]

In concluding, Madam Speaker, I am confident that if the Atlantic Canada Opportunities Agency is given a certain autonomy by the Government, the kind of autonomy recommended by the Savoie Report, the agency will undoubtedly have a positive impact on economic development in Atlantic Canada. However, if the agency were to become just another level of government bureaucracy, and the Savoie Report warns us of this danger, I believe it would lose much of its effectiveness and a great deal of its credibility.

[*English*]

**Mr. Harris:** Madam. Speaker, I wonder if the Hon. Member would care to comment on the attitude that seems to have been expressed by the Government toward the Atlantic Canada Opportunities Agency and, indeed, toward the problems of Atlantic Canada. The Minister responsible for ACOA, who is a Senator, seems to have agreed with another Minister, the Minister of Public Works (Mr. McInnes), that this agency and the $200 million per year being poured into it is the last kick at the can for Atlantic Canada. It seems that in having this attitude toward Atlantic Canada the Government has taken it off the national priority list, which is where it should be.

• (1130)

The Government fails to recognize that the Economic Council of Canada has said that the most serious economic problem for the country in the coming years will be that of uneven regional development. Will the Hon. Member comment on that aspect of this matter? The comments of the Minister responsible for the agency, who agreed with and, in fact, quoted the Minister of Public Works, do not seem to indicate a serious attitude—that we will put in money and wait for four or five years, as the Minister of Transport (Mr. Crosbie) said, and see if it will work. The amount of money committed to this agency seems to indicate an attitude on the part of the Government that it does not take this matter seriously at all.

[*Translation*]

**Mr. Robichaud:** Madam Speaker, I want to thank the Hon. Member for St. John's East (Mr. Harris) for his question. I share his concerns, and I think it is too bad a Minister should have made these comments because the Atlantic region has been living with the problem of regional disparity for a long time. We have a long history of trying to reduce the disparity between the Atlantic region and the central, more developed part of Canada. We have tried a number of solutions. In some cases we have been successful, in others perhaps not as successful.

To say that the Agency is our last chance and to put this as a kind of ultimatum to the people of Atlantic Canada, meaning: We are going to give you the money, we are going to give you a number of resources, including this agency, and if you don't make it this time, that's it. I find it very difficult to accept this attitude on the part of the Government.

Madam Speaker, I sincerely hope the agency will find ways to help the people of Atlantic Canada, not as a last resort but as an agency that for a certain period of time will support efforts to enhance regional and economic development in the Atlantic region.

[*English*]

**Mr. Merrithew:** Madam Speaker, I very much regret that I was not present in the Chamber to hear all of the speech made by the Hon. Member for Westmorland—Kent (Mr. Robichaud). However, I had a chance to listen to his comments this morning in which he mentioned something with respect to the responsibility of building roads. We all agree that roads in Atlantic Canada have not maintained the same standards that are available in other parts of the country. Will the Hon. Member acknowledge that, generally speaking, the construction of roads is the responsibility of the provincial Government?

Is the Hon. Member aware that the Government negotiated with the previous Government of New Brunswick the largest highways agreement in the history of that province? In fact, it is one of the largest highways agreements in the history of Canada. It is an agreement involving $145 million which will enable the building of all sorts of highway infrastructure in various parts of the province. Is the Hon. Member aware of that particular fact?

[*Translation*]

**Mr. Robichaud:** Madam Speaker, I realize that highways and road construction are a provincial responsibility, but it is also a fact that, from time to time, agreements are signed with the provinces for the purpose of improving the road system.

The Minister will also understand why New Brunswick has to improve its road system because the Trans-Canada Highway in New Brunswick is a corridor to the other Atlantic provinces. In this particular case, it would be unfair to ask the province of New Brunswick to finance the full cost of building a new Trans-Canada Highway. The Minister said he signed an agreement worth about $140 million. He must know that according to estimates for the construction of a new section of the Trans-Canada Highway, the cost would be between $1.2 billion and $1.4 billion. I think it would be unfair to make the people of New Brunswick absorb the full cost of this project. The federal Government should use agreements to help New Brunswick develop a system that would benefit the other Atlantic Provinces as well.

[*English*]

**Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)):** Madam Speaker, I am delighted to take part in the debate on second reading of Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts. I am delighted for several reasons. Number one, this is one of the first pieces of legislation in our new year, 1988. We think in Atlantic Canada, and we think as a Government of Canada, that this is an immensely important piece of legislation, and one which will undoubtedly have major benefits for the people of Atlantic Canada.

• (1140)

In introducing my comments, perhaps as many other people in the House, I have had some considerable experience politically in my 17 years in public life. I have had the pleasure, the opportunity, and the privilege to serve municipally for 12 years in the provincial Government of New Brunswick, with a good deal of that time as a Minister, and of course to serve in the Government of Canada. It is a rare privilege indeed.

Throughout that particular time I have followed with a great deal of interest developments in terms of the governments at all levels attempting to deal with the issue of regional disparities and the inequality of opportunities we have in Canada. I have lived with that. As a Minister, I was responsible for economic development in the province for some six years, so I have had to deal with a good number of different governments and different Ministers, and a good number of different measures and initiatives by governments to try to redress those anomalies.

I have lived through and watched as successive governments have indicated and introduced all sorts of agencies, programs, initiatives, and Acts to redress regional disparities. I remember very well the Atlantic Development Board. It did certain things for our region. I remember the ARDAs, the Agriculture Rural Development Agreements in the 1960s. I remember very well in politics when DREE was established. That was supposed to be the panacea for addressing regional development. That was to be the one government Department that was solely responsible for addressing regional disparities.

I was the Minister of Commerce and Development in the province when in 1981 then Prime Minister Trudeau announced, with some fanfare, that we no longer had a need for DREE and that every government department was now going to be responsible for regional development. They were themselves going to monitor and assist in dealing with regional development issues in those provinces and regions of Canada where disparities existed.

At that time I did not make a political condemnation of that particular statement. I said that I would wait. Ironically, I would have to say in retrospect, and historically, that what we expected at the time, to have every government department interested in regional development, simply did not happen to the extent that it should.

I have signed many GDAs, general development agreements, in history. I have signed many of the sub-agreements under the ERDA process. I have had the pleasure of doing that both as a provincial Minister and as a federal Minister. I can remember very well the RDIA, the Regional Development Incentives Act when it was introduced, and subsequently a program under that Act, IRDP. I have worked with it. I have worked with companies, institutions, and organizations that have applied for assistance under that particular Act.

Over the years I have seen many initiatives tried that to some extent have worked. I know that there are some people in Canada who say that nothing will work in Atlantic Canada. Having been close to it, I absolutely disagree with that. To a certain degree every one of those particular initiatives has worked. In some way or another they have all closed the gap in terms of opportunities and earned incomes in my region of Canada. To some extent we can take credit in governments for having achieved some measure of success, and I will deal with that later.

I was most delighted when on October 1, 1986 our Prime Minister (Mr. Mulroney) put in the Throne Speech a statement which I understand he drafted himself. It shows the type of interest and commitment that our Prime Minister has taken in regional development when he put in the Throne Speech the following comment:

> It is time to consider new approaches, to examine how our considerable and growing support for Canada's regions can be used more efficiently, more effectively and with greater sensitivity to local conditions and opportunities.

Out of that this piece of legislation grew. What we are dealing with today in the establishment of ACOA or the Atlantic Canada Opportunities Agency is, in my view, most welcome. It is a new and daring change from previous initiatives, and I think it will work.

This legislation we are dealing with today gives certain powers over the IRDP, which is still in effect; it gives powers over the Atlantic Enterprise Program. I happened to be there when one of the previous Ministers of DRIE made that announcement publicly in Moncton, New Brunswick. I supported it and helped draft and make changes to it, and I think it is an excellent program. It will undertake the Enterprise Cape Breton Program, and of course the ERDAs and successive agreements to the ERDAs. The program that has been passed over to this particular agency is challenging. It will be useful, and in the long run I think it will be very workable and useful for Atlantic Canada.

This legislation is based on six major principles, the first being the principle of consultation. We have done that more than any Government in the history of this country. We have done it through the efforts of Dr. Donald Savoie, of the University of Moncton. We have done it with municipalities, with the Atlantic Provinces Economic Council, with the Atlantic Provinces Chamber of Commerce, with the Conseil Economique du Nouveau Brunswick, with the Economic Development Council of Newfoundland, with boards of trade, chambers of commerce, municipalities, provincial Governments, and the Council of Maritime Premiers. Nobody but nobody can deny that this legislation and this particular agency was born and is the fruit of considerable consultation.

The second principle is that, for a change, we wanted to make sure the decision-making would come from the region itself. I am delighted that 90 per cent of the decisions that will be made and have been made to date will be made in the region. Those decisions are considerable. There have been 451 approvals to date with tens of millions of dollars going to regional development.

The third principle is that we will direct our efforts to a field which I think is very apropos, and that is towards small and medium sized businesses. That is the basis and the ground work for development in our region. In my own home province 90 per cent of all of the enterprises are owned and developed by New Brunswickers. We think that is an important initiative and that there is a great deal of potential for future growth in the small and medium sized businesses of Atlantic Canada.

The fourth principle is that regional programs are adapted to regional needs. That is very important. We do not need Ottawa, we do not need the mandarinate, we don't need anyone to tell us what we need in Canada. We have had that for years and years and years. The business people of Atlantic Canada are the ones who know best how to deal with the issues of Atlantic Canada and how to make things work in Atlantic Canada. It is not quite the same as other parts of Canada. We have our own unique situations that need to be dealt with on a regional basis. Therefore, the programs will be adapted to regional needs in our region.

• (1150)

Another basic principle is one of creating an environment for business to flourish on its own. Over and over again I have said to the Board of Trade in the City of Saint John, New Brunswick, my home city, a city which I have represented politically for some 17 years, that it cannot expect government to do everything for it. We cannot expect governments to redress all anomalies in terms of equality in Canada. We cannot expect governments to do everything for us. However, what we can do is create the environment for our private sector to do what is necessary to create jobs and to create prosperity in our region.

We have done that. We have put in place policies, all sorts of new programs, and the kind of climate which is conducive to Atlantic businesses to invest, to create jobs, to create new enterprises, to make money, and to create investment and profit in the region.

The sixth principle would be flexibility. We want this piece of legislation. I do not think there has been another one like it in the history of Canada dealing with regional development and allowing more flexibility. I am pleased to serve with Senator Lowell Murray, the Minister of Transport (Mr. Crosbie), and my other five colleagues in the federal Cabinet from the region, on a board which discusses the initiatives, policies, and programs we think are needed for regional development.

I suppose the seventh principle is not spelled out specifically. We want the particular agency, as we want the board which serves the agency, to have a co-ordinating role and function in regional development. I do not believe that this agency is the sole agency responsible for regional development. I expect every department in the Government of Canada to be aware of and to be concerned with regional development. I am pleased to say that largely they are concerned. We have had exceptional co-operation from Ministers and departments in the Government of Canada.

Perhaps the seeds of the Atlantic Canada Opportunities Agency might have sprung from a conference, a convention, a meeting, or an initiative which we undertook in September 1986 called "The Atlantic Focus". At that time the Atlantic government caucus, the Progressive Conservative caucus, met with the Atlantic Provinces Economic Council. We also met with the Chambers of Commerce of the Atlantic Provinces, the Council of Maritime Premiers, the Governments of the four provinces, the *Conseil Economique du Nouveau Brunswick*, and the Economic Development Council of Newfoundland, and we listened. I take some pleasure in saying that as a result of "The Atlantic Focus" initiative which we undertook at that

time, the Prime Minister listened and agreed—and I agree—that we must have new directions and new initiatives in this region.

We have undertaken all sorts of new programs. The previous speaker mentioned the expenditure of some $200 million per year. That figure is not correct. The correct figure is about $400 million per year. We have said that the $1.05 billion was additional new dollars. That was repeated over and over again by the Prime Minister and by other government Ministers. It will be over and above the expenditures we have, which will be around $200 million per year under the IRDA process and others.

Our Government supports equality through all sorts of programs such as our equalization program, our Established Programs Financing, and other initiatives taken by line departments in the Government. The dollars allocated to regional development are significantly more than ever before. I am pleased to say that we think the dollars are reasonably adequate. It is a refreshing increase in what the previous Government provided for regional development. It will go a long way toward meeting the needs of Atlantic Canadians.

The board which has been set up by the Ministers responsible in government has 19 members, all of whom are established, successful business people and public servants in the region. They are dealing very effectively with the policy, programs, and philosophy—what we are trying to do with ACOA. I can tell the House that we acted very swiftly in that regard. The Prime Minister announced the ACOA initiative in late June, 1987. By August 31, 1987 we had named the board, and three days later that board was meeting in Moncton, New Brunswick dealing with the problems faced in Atlantic Canada. It is still dealing with them. In fact, it has had four meetings, and I will be attending a meeting with them on Monday and Tuesday of next week in Halifax.

There are many things I could say, because I am truly very interested in regional development. However, I want to conclude my remarks by indicating why I am so supportive of this piece of legislation. I support Bill C-103 because it gives a formal, legal status to the Atlantic Canada Opportunities Agency. It is needed. I support Bill C-103 because it outlines the very considerable, new, and flexible powers of the agency, far surpassing the power of any previous regional development mechanism or agency. I have worked with them and I have studied a good deal about them. It represents the very real and strong commitment of the Prime Minister and the Government to combating disparities in our region and to fostering economic prosperity in Atlantic Canada.

I support it because it was conceived, nourished, and developed in the Atlantic region to serve and assist our businessmen, our entrepreneurs, and indeed all Atlantic Canadians. It grew out of a wide consultative process with those who know our region, with those who live in our region, with those who invest in our region, with those who work in our region, and with those, above all, who understand our region and the difficulties, problems, and challenges we face there.

The form in which the legislation is before the House is a direct consequence of the consensus we reached together after consultation. It was not foisted on Atlantic Canada by Ottawa. It was developed in the region by Atlantic Canadians and by our citizenry. Atlantic Canadians wanted the right to plan their own destiny, not to have it dictated to them. It reflects the commitment of the Prime Minister to a new approach in regional development and to economic growth in Atlantic Canada as he outlined in the Speech from the Throne. It is an affirmation of our Government's commitment to developing the most important resource in Atlantic Canada—our people.

Bill C-103 will challenge Atlantic Canadians to show all Canadians their initiative, their enterprise, and their willingness to work hard to improve their lot in this wonderful country in which we live and to share in the wealth and prosperity which we know is not being equally shared today.

In closing I want to quote from an editorial which appeared in a Saint John newspaper, one of my own newspapers. It reads: "The ball has been placed squarely in Atlantic Canada's court". I have no doubt whatsoever as an Atlantic Canadian that Atlantic Canada will rise to meet that challenge.

**Some Hon. Members:** Hear, hear!

**Mr. Fulton:** Madam Speaker, I have a question for the Minister. I listened with care to what he had to say about this new money being more than ever before and so on. Could he explain, using the Government's own figures, the cut-backs in terms of the regional development envelope which has been reduced by $2.89 billion since fiscal year 1984-85 to the present year; DRIE spending cuts of $200 million in 1984, $100 million in 1985-86, and $150 million in 1986-87; and all kinds of specific cuts to Atlantic Canada such as $60 million to the East Coast ferry service, $100 million per year in terms of the jobs lost at Cape Breton heavy water plants, and so on?

Using the Government's own figures, the Minister and his Government have cut federal spending in the Atlantic region by $1 billion per year since coming to office. The entire ACOA allocation is $1.05 billion over five years, or a little over $200 million a year. How does the Minister explain the shell game of cutting $1 billion a year from regional development funding for Atlantic Canada since the Government came into office and replacing it with $200 million a year? It seems to me that that adds up to a net short-fall of over $800 million a year for Atlantic Canada.

• (1200)

**Mr. Merrithew:** Madam Speaker, first, I know from reading the debate that those figures have been refuted. The Hon. Member mentioned the figure of $200 million a year. There will be $200 million a year spent on the IRDA process alone this year and more than that next year in Atlantic Canada. In fact, spending in every province will be up this year over last

year and it will be up again next year. We made a commitment to continue that level of spending with the additional spending of $1.05 billion in Atlantic Canada.

One of the programs I forgot to mention was one which I along with others announced in Atlantic Canada, one of which I am very proud, the Atlantic Opportunities Program. We studied what happened in New England as well as what happened in Atlantic Canada over the last 25 years. One thing we noticed was that prosperity increased markedly in New England but the disparities in Atlantic Canada actually increased. Analysis by many prestigious organizations in Atlantic Canada indicated one of the things that could be done was to use our government procurement programs more effectively in the regions. We made a commitment that we would markedly increase not just defence procurement but all government procurement in the region.

I, more than any other Member of this House, am proof positive of the commitment of the Progressive Conservative Government of Canada to that principle and program. I announced, along with my colleague, the Minister of National Defence (Mr. Beatty), the Minister of State for Small Businesses and Tourism (Mr. Valcourt), and the Minister of Supply and Services (Mr. Côté), the placing of a contract in Atlantic Canada for six additional frigates. The Hon. Member talked about how much is spent in Atlantic Canada. In constant dollars that contract is worth $2.5 billion. That is over and above the ongoing work in that particular yard.

That is not all. I had the privilege on behalf of the Government of Canada to sign the largest highways agreement in the history of our province, amounting to $145 million. I had the privilege and pleasure to sign on behalf of the Minister of Regional and Industrial Expansion (Mr. de Cotret) a brand new industrial development agreement.

I would like to inform the Hon. Member that I was the provincial Minister of Commerce when the previous federal Government had an opportunity to renew the existing Industrial Development Agreement in 1980 and yet refused to do so. It took a Tory Government to renew that agreement and I had the privilege of signing on behalf of the Government of Canada. In addition, I had the privilege of signing the Industrial Innovations Agreement, another $28 million for the Province of New Brunswick. I had the privilege of being present when the tourism agreement was signed, and of course that has been extended.

We do not need the Hon. Member to tell us how much money is being spent by this Government in the Province of New Brunswick.

**Mr. Dorin:** Madam Speaker, in their criticism of this Bill and the agency, the NDP talked about municipal infrastructure. Many Members of this House from urban constituencies such as mine will be aware that there has been a campaign by the larger cities for federal Government involvement in repair and replacement of municipal infrastructure. Members of the NDP have talked about that with respect to this Bill and this agency. I wonder if the Minister could comment on that.

**Mr. Merrithew:** Madam Speaker, I am delighted to address that issue. I had the privilege of sitting as a city councillor in the City of Saint John for a period of time and I guess I am perfectly aware of the need for assistance to our municipalities in supplying things like water and sewage systems and street improvement and so on. We are able to do that to a certain extent. Under the new highways agreement we are able to build roads in the City of Saint John. We have undertaken to assist the province in that respect but it is essentially a provincial responsibility.

I am also aware that the Canadian Federation of Mayors and Municipalities requested government at all levels to pump a good many billions of dollars into municipal infrastructure. I have some sympathy for that. I agree it might need to be done. However, we should not lose sight of the fact that the municipalities are essentially the children of the provinces. It is the responsibility of the provinces to provide that kind of in-depth and costly infrastructure.

We may very well make the choice of assisting in things like industrial parks and in providing power and water to cities, things of that type. However, I am afraid that $1.05 billion would not go very far if we were to undertake to do water and sewage projects in every municipality in Atlantic Canada.

**Mr. Riis:** Madam Speaker, the Minister referred to the pride he has in government procurement programs and the emphasis that will be placed on obtaining those necessary goods and services in Atlantic Canada. I want to remind the Minister that the trade deal signed with the U.S. opens up government procurement to American suppliers on an equal basis with Canadian suppliers. I could not agree with him more, that government procurement is a real advantage in assisting regional economies. However, the fact is that Americans will now be able to bid on all those contracts and that will lessen the impact on regional development.

In addition, in the 1976-77 fiscal year, some 56 per cent of all federal expenditures on regional development ended up in Atlantic Canada. In the first year of the Conservative Government, 1984-85, that was reduced to 36 per cent. Can the Minister explain what appears to be something of a discrepancy between the points he was making and the fact that his Government reduced the percentage of regional development spending in Atlantic Canada from 56 per cent to 36 per cent?

**Mr. Merrithew:** Madam Speaker, I can tell the Hon. Member that I was part of the Government of New Brunswick when those expenditures dropped markedly under the previous Liberal Government. I watched very carefully, at a time when we had inflation of 12 per cent, 14 per cent, 17 per cent or 18 per cent and interest rates of 20 per cent and more, and saw increases in regional development spending of 3 per cent. It was just a joke.

I want to address the Hon. Member's first point, which had to do with free trade. He is talking to the wrong part of Canada if he thinks Atlantic Canadians do not generally support free trade. Let it be understood that when New Brunswick joined our great nation, and it was one of the four founding provinces, we took more wealth into Canada than any other province. National policy has not always served Atlantic Canada very well. Things like east-west trade, the St. Lawrence Seaway and provincial procurement policies have very often not helped Atlantic Canada's entrepreneurs and suppliers to provide the rest of Canada, but has precluded them from trading.

• (1210)

Most Atlantic Canadians remember very well that prior to confederation the normal trade routes were north-south. We have always traded with Boston and New York. Within 500 miles of the Province of New Brunswick, there is a market of 50 million people. Just let our entrepreneurs at it. That is what we want.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Madam Speaker, it is interesting that the recent speaker for the Government was the Hon. Minister of State for Forestry and Mines (Mr. Merrithew). In that title is a part of the problem about which we are talking today.

During the election campaign of 1984 the Prime Minister (Mr. Mulroney) promised the people of Canada that when he formed the Government he would create a full ministry of forestry. He indicated that forestry was an important industry for the entire country and particularly for the regions of the country. Today, nearly four years later, there is no full ministry of forestry. There is no full minister of forestry. With all due respect to my colleague, who is a very nice person, the fact is that he is the Minister of State for Forestry and Mines.

We are talking about the two major enterprises found in the regions of Canada, mining and forestry. The Government does not even have a full ministry of mines, let alone a full ministry of forestry. Therein lies the real concern of this Government for regional economic development in Canada.

If the Government were serious, it would have lived up to the promise it made to the people of Canada, and particularly those of us from the regions of Canada, to form a full ministry of forestry. That has not occurred. Today, forestry is handled by a Ministry of State. This means that a handful of people work with the Minister on forestry and a handful of people work with the same Minister on mines. Of course, the Department is relegated far down in the hierarchy of cabinet power. Forestry and mining are at the bottom of the pile.

**Mr. Fulton:** Forestry, the largest industry in Canada.

**Mr. Riis:** As my hon. friend from Skeena so aptly reminds Hon. Members, the largest export industry in Canada in terms of value is the forestry industry. It is one of the major employers in the country, employing hundreds of thousands of Canadians directly and hundreds of thousands of Canadians indirectly in every single region. Yet the Prime Minister does not feel that this is an important enough industry to have a full Minister. Therein lies the problem that we are debating in the House of Commons today.

Bill C-103 is an Act to establish the Atlantic Canada Opportunities Agency. That is really the wrong heading for this agency. It should actually be something like "The Atlantic Canada Smoke and Mirrors Agency", or the "The Atlantic Canada Hoax Agency".

This Bill in no way advances the cause of removing economic and regional disparities in Canada. As a matter of fact, I will attempt to make the case, as my hon. colleagues have before me, that this initiative by the Government will actually widen the gap in economic activity between Atlantic Canada and central Canada. That is exactly what has happened over the last little while.

I just finished reading a report written by Elizabeth Beale, the chief economist of the Atlantic Provinces Economic Council. She has recently reported that there has been very little improvement in any of the major indicators of regional disparity between the Atlantic provinces and the country as a whole since the 1960s. She goes on to make the point that the gap in the unemployment rate is proportionately the same as it was 15 years ago.

In a very objective, honest, fair, factual presentation, the Atlantic Provinces Economic Council has said that the situation faced by residents of Atlantic Canada has not changed since the 1960s and that the regional and employment differences are no different than they were 15 years ago. That is a real condemnation, not only of the actions of this Government but of the actions of the previous federal Governments since the 1960s when these statistics were first collected.

At one time or other most Canadians have read Hugh MacLennan's book, *Two Solitudes*, which makes the case for the French and the English realities of Canada. It seems in so many ways that there is now a new kind of two solitudes, a new two-tier Canada composed of southern Ontario and the rest of Canada, southern Ontario and the hinterland, southern Ontario, which is the industrial heartland, and the resource-based regions of Canada. That is the reality.

Not long ago *The Globe and Mail* said that despite the federal Government's assurances that economic renewal is working for all Canadians, more than 95 per cent of the additional jobs created last year were located in one province, the Province of Ontario. It is incredible that 95 per cent of all new jobs created in Canada were created in the Province of Ontario, and to be more specific, in the greater Toronto area. We do recognize that the large Province of Ontario has incredible regional variations in economic development and growth as well, particularly between the metropolitan area of Toronto and the rest of the province, particularly northern Ontario.

In the same article it was indicated that last week the Minister of Finance (Mr. Wilson) acknowledged that the benefits of Conservative economics have not been evenly shared across the country. The Minister of Finance has agreed that everything is okay in his constituency and in downtown Toronto where the unemployment rates today are virtually nil, but for the rest of the country things are not going terribly well. Therein lies the essence of the problem.

As the gap between unemployment levels in central Canada and unemployment levels in the rest of Canada increases, we see the emerging challenge that will face Canadians in the decade to come. The Economic Council of Canada in its recent report pointed out that the major economic problem facing Canada is the tremendous difference in economic prosperity between central Canada and the rest of the country. This is the challenge that we must face.

I suppose that this is the challenge the Government has attempted to take on by creating this Atlantic Canada Opportunities Agency. Let us put this into context. As the Hon. Minister of State for Forestry and Mines indicated, the Government plans to provide $200 million per year to Atlantic Canada to assist it in its economic development, and $200 million per year might sound like a great deal of money to many people, and of course it would be a lot of money to many people. Let us put that into context because $200 million per year over five years comes to $1 billion. However, in every year of the last three years the federal Government has taken $1 billion of existing programs out of Atlantic Canada. Three years ago it took out $1 billion, last year it took out $1 billion and this year it took out $1 billion. Now it is saying it has some great news, it will give Atlantic Canadians $200 million and they are supposed to be thankful because this is supposed to be helpful. That is the reality. This is the hypocrisy with which we are dealing.

I think the Prime Minister should come clean and tell the people of Atlantic Canada that the Government has taken away many of the programs that existed in the past to assist economic development, but it will give back a pittance and is asking the people to be thankful for that.

**Mr. Foster:** Shame.

**Mr. Riis:** It is shameful. It is very dishonest in many respects. Of course, we must recognize that the senior cabinet Minister from Atlantic Canada, the present Minister of Transport (Mr. Crosbie), asked the people of Atlantic Canada why they are complaining so much, they are a lot better off than the people of Bangladesh. That was his benchmark. He said that if they are better off than residents of Bangladesh, if there are more jobs than you find in Bangladesh, Atlantic Canadians are supposed to be thankful. That is obviously absurd. It is an unkind statement as well, and certainly not a very thoughtful statement coming from a senior cabinet Minister. The people of Atlantic Canada do not want to have their economic futures compared to those in Bangladesh or other Third World countries.

• (1220)

**Mr. Fulton:** Who said that?

**Mr. Riis:** The present Minister of Transport said that in Atlantic Canada. I have to give him credit for having the guts to say something like that in that part of the country. It is unbelievable. It is surprising that that would come from a Minister of his stature.

I do not want to dwell on what the Conservative Government has not done in Atlantic Canada. That becomes obvious. My concern is with this agency itself. Who is going to be in charge of this agency? Who is the Minister responsible for this new agency? The Minister in charge will not be in the House of Commons open to questions and inquiries from members of the Government from Atlantic Canada or members of the Opposition in the House of Commons. This is a democracy yet the Minister responsible for this agency does not sit in the House. He will likely never sit in this House.

**Mr. Fulton:** Is he in jail?

**Mr. Foster:** No, just on trial.

**Mr. Riis:** He is not in jail or anything like that, he is in the other place. I cannot use the name of the other place, but we know what that is, the other part of Parliament. That means that this critical Minister responsible for economic development in Atlantic Canada will not be subject to questions from members of the Government or the Opposition in the House of Commons. He will not have to stand here and explain why the funding going into this agency is so low. He is hidden away, closeted away, if you like, in the other place, far from any scrutiny, well apart from the people he is attempting to assist.

That is not right in a democracy. In a democracy people expect that Ministers responsible be in their places so that they can be held accountable for their actions. That is the way democracy works.

I suggest that when you are not sure that what you have done is correct, when you are trying to pull a smoke and mirrors trick on the people of a certain region, when you are perpetuating a hoax on the people of a region, you do not want to have a cabinet Minister in the House of Commons. You want that Minister to be in the other place where he can hide away from criticism, scrutiny, and evaluation. That is what Senator Lowell Murray said he was going to do. He said that he was going to be in charge of this operation and that the decisions would be made by him. That is, of course, a very undemocratic approach to this whole matter.

In his opening speech the Minister of Transport indicated that the majority of these funds would go to small and medium businesses in Atlantic Canada. Members on all sides of the House would endorse grants or special loans being given to small and medium businesses. I listened with interest to my friend, the Minister of State for Forestry and Mines, who laid out a long list of initiatives of which he had been a part in his

previous life as a provincial Minister and as a Minister in the Government today. He listed all the infrastructure which the Government was providing and how important that is.

That is one of the shortcomings in the terms of reference of this agency. There is no quarrel that a good deal of funding and support ought to go to assist small and medium businesses, to develop new products, and to conduct market research with regard to new market opportunities, but we must also develop critical infrastructure in this day and age.

I read a report the other day of a survey of a number of young Canadians. When they were asked in Atlantic Canada what the most important natural resource of Atlantic Canada was the overwhelming response was cod fish or fishing. That same question was put to people on the Prairies who said that grain was the most important natural resource. In British Columbia some people said it was trees and forests.

The most important natural resource of Atlantic Canada and all of Canada are the people, particularly the young people. I believe that a lot of this support ought to be going to develop that natural resource, for the infrastructure for education, skill development and sophisticated training to develop research and development. That is the kind of infrastructure that the economy of the future will require as we move toward a knowledge-based economy and the year 2000. However, this agency does not have a major mandate to provide that necessary skill development and R and D infrastructure.

Another thing that is absent is a real commitment to lower the rates of unemployment in Atlantic Canada. We assume that in a few months from now we will be having a general election. A New Democratic Party government would set targets in Atlantic Canada. A New Democratic Party government with Ed Broadbent as Prime Minister would recognize that decade after decade programs have obviously not reduced the economic and regional differences between Atlantic Canada and regional Canada and that the levels of unemployment continue to be excessively high, decade after decade, because governments have not been serious in their efforts to reduce unemployment and produce economic prosperity for Atlantic Canada. A New Democratic government would set targets. It would commit itself to reducing the levels of unemployment in Atlantic Canada by a certain percentage point within the first year, the second year, and the third year until the unemployment levels in Atlantic Canada were zero. That would be our stated goal. We would set out a very specific annual strategy to achieve that goal. Each year we would ask whether we had been successful. We would be accountable as to whether we were successful in reducing the levels of unemployment. If we were not, we would increase our efforts toward those goals about which we would be serious.

However, the Government does not set any goal. If we were to evaluate this program five or ten years from now and found that the levels of unemployment had been reduced by half a percentage point or had perhaps even increased, there would be no way of determining whether the initiatives were adequate and successful. If you have no goal, no objective, how do you know whether you have been successful?

This is like starting off on a vacation, just getting into a car and driving off without any idea of where you are going, just aimlessly driving down the road. That is what this Atlantic agency is really all about. It is a rudderless ship moving about the harbour. It is a person driving along without any particular destination in mind.

It is critical that targets be set in order that unemployment levels in Atlantic Canada be reduced annually by a specified amount. We should set such goals, not only for Atlantic Canada but for the nation as a whole, for all the regions that are having difficult times.

One of the critical points which the Minister of State failed to mention in his comments involves government procurement. One of the tools which a government has, to give encouragement and support, to show that it cares, is government procurement targeted at all levels, local businesses and industry. In that way markets can be provided which will really assist new businesses and industries in particular.

In the trade deal with the United States we signed away the right to target government procurement programs to Atlantic Canada as we should. In other words, everything that all levels of government need in Atlantic Canada should be procured from that area. Whether they are goods or services, as long as they are reasonably competitive, the businesses and industries of that area should be given an advantage. We signed away that right. We have said that any company in the United States will be able to bid on government procurement programs. We have now signed away in the trade deal the one obvious vehicle that governments have to assist local business.

• (1230)

In closing, much more can be done. Many more steps can be taken to assist the development of Atlantic Canada. Let me quote what John Crow, Governor of the Bank of Canada, said recently: "Many of these regional imbalances that presently exist could eventually drag down the whole economy of the country". In other words, if we do not seriously address these regional differences in terms of economic development and growth, it could drag down the entire Canadian economy. That is our primary challenge.

I am afraid that this initiative by the Government in Bill C-103, to establish the Atlantic Canada Opportunities Agency, falls far short of meeting that goal of reduced economic inequalities that exist in Canada.

**Mr. Harris:** Madam Speaker, let me congratulate the Hon. Member for Kamloops—Shuswap (Mr. Riis) on his speech. He and all Members in this Party are concerned about regional development, as I am sure are all Members. However, the Government's measures do not seem to match the size of the problem.

Will he comment on another aspect of regional development that could assist the regions of Canada, particularly the Atlantic region in this case, and that is the allocation of the Public Service in this country? Thirty per cent of the federal Public Service in Canada is located in Ottawa, which is very highly centralized compared to other countries such as the United States where only 12 per cent of the public service is located in Washington.

There have been some decentralization experiments in Canada in the past, but these have been halted. The results of those studies have found that these units operating outside of Ottawa have been more efficient in terms of the complement of person-years required to do the job, the stability of the workers, and the lack of turnover compared to the experience in Ottawa. They seem to be successful not only in improving the efficiency of the Public Service of Canada but in spreading some of the funds and jobs of the federal Government throughout the country, particularly to areas where employment in the private sector and other sectors of the economy is difficult to obtain.

Would the Hon. Member comment on that method of contributing to reducing regional disparity in this country?

**Mr. Riis:** Madam Speaker, the Hon. Member has posed a very interesting question. Let me reflect for a moment on part of the problem we face in this country in dealing with economic discrepancies in terms of growth. The Minister of Finance (Mr. Wilson) comes from Toronto and has surrounded himself with some very well intentioned, serious bureaucrats. But I do no believe the Minister actually understands what it is like in the regions of Canada. Considering the constituency of the Minister of State for Mines and Forestry, I suspect that he would have a better understanding.

But part of the problem is that many of the critical decision-making people involved in these matters do not live in the regions and have no idea what it is like to live in western Canada, eastern Canada or northern regions of the country. For instance, in my constituency, unemployment levels reach as high as 40 per cent in some areas.

My hon. friend's suggestion to decentralize government makes nothing but sense, for providing a more practical and reasoned approach to many government programs.

Another reality is that in today's age of telecommunications we do not need to be sitting in Ottawa, cheek to jowl. There is no reason why the federal Government could not be much more decentralized, which would not only provide employment in the regions of the country but would likely provide a much more improved and sensitive Government infrastructure.

A certain inertia sets in after we have been in Ottawa for some time. I think it is important that Members of Parliament realize that unless they make an effort to return to their constituencies on a regular basis that certain inertia begins to set in, even with Members of Parliament.

When one considers that we are the second largest country in the world, it is important to make a significant effort to decentralize federal Government decision-making, which includes decentralizing some of the Public Service into the regions of the country.

**Mr. Hawkes:** Madam Speaker, I am moved to make a comment in response to my hon. friend. I was reminded of sitting here in the House six years ago when Liberal cabinet Ministers laid out certain targets by saying they would achieve a 2 per cent reduction or 5 per cent reduction. However, those targets were never achieved because the programs were improper.

The mess which our Government inherited, with almost two million unemployed Canadians, was a direct consequence of the policy my hon. friend is proposing for the future. The same program that the Liberals had in place during those many years produced this hardship for people in this country.

In contrast, this Government does not simply throw money at problems but works with communities and puts in place things like the agency we are talking about today, where local people work together to produce long term jobs. They are not temporary jobs; while the problem facing individuals who do not have a job is severe, it is not alleviated with six months of useless work. The problem is alleviated by communities working together with the private sector, in the proper economic climate, to produce goods and services which will be useful not just today or tomorrow but six and ten years from now.

The approach of this Government in three and one-half years has produced 1,118,000 jobs. We did not have phoney targets for Atlantic Canada or any particular province, we simply went about putting in place a set of policies and a fiscal regime that is reducing unemployment in every region and increasing employment and the opportunities that the system implies.

The artificial notion of targets, which is being propagated by the Hon. Member, may look good on national television or in a headline, but the reality is that a set of policies that produce real jobs for the long term for real people is what will benefit them.

**Mr. Riis:** Madam Speaker, my hon. friend can talk all he wants about good intentions, and may cite all these figures, but I will quote for him from an article in *The Globe and Mail* recently which stated: "Conservative Member of Parliament James Hawkes of Calgary argued last week that there were 23,000 more people working in Alberta today than in September, 1984". The article goes on to say: "But he forgot to say that there are 20,000 more people out of work in Alberta last year than the year before".

While anyone can stand in the House and cite figures about the number of jobs created and so on, in his own province nearly 10 per cent of Albertans are out of work. In some parts of Alberta the unemployment rate is as high as 25 per cent, in areas like northern Alberta. They were not working last year or the year before. Nothing much has changed.

• (1240)

If we jump over the mountains into British Columbia, we find a situation which is significantly worse. It is small comfort for people in Alberta, Atlantic Canada and other places who are viewing this debate today to hear the Parliamentary Secretary say, "Look how wonderful things are". If one is in Toronto, yes, things are very, very good, thank you, and I am pleased for Toronto. However, the rest of the country has a long way to go.

The creation of this agency is another hoax, if you like, a smoke and mirrors effort, because taking out $3 billion and putting only $200 million a year back is not going to help regional disparities across this country.

**The Acting Speaker (Mrs. Champagne):** The time for questions and comments has now expired. Resuming debate.

**Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso):** Madam Speaker, it gives me great pleasure to participate in the debate on Bill C-103. I view this legislation as marking a crossroads in the economic evolution of Atlantic Canada within our Confederation. There are many people in this House from Atlantic Canada who sit here because they have a mandate from their constituents to work for and to achieve improved economic opportunities for their constituents. I am no exception.

I became interested in politics because I took the view as a young Atlantic Canadian that things could be better, that there were new ways which could be tried and that success and progress was an attainable goal. I did not accept that we as Atlantic Canadians were destined always to be the have-not region within Confederation. I took that message to my constituents in 1984 and they agreed.

Today we are debating a piece of legislation that reflects a very carefully taken policy decision by our Government that this is a better way to go. Let us look at precisely what Bill C-103 prescribes and what principles it outlines by way of a regional development strategy. First, let us look at the goals. There are some speakers who have said this legislation does not prescribe a goal, but the goal is outlined in Clause 4 which states:

> The purpose of this Part is to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region.

That is very clear. The purpose of this Bill, then, is to improve the economic lot of Atlantic Canadians.

What principles are embodied in the legislation? First, decisions are to be made in the region. Over 95 per cent of the decisions on direct assistance to business will be made in the region without reference to Ottawa. That process is now ongoing. The decentralization process is occurring and has occurred. Of a staff of about 300, only a small number, perhaps 20 or less, will be in Ottawa to participate in liaison and advocacy for the region.

What about consultation, another principle of this Bill? There is a 19 member board which will advise the Minister on policy. It will direct the staff, conduct studies and formulate new policy options. It will review program proposals and innovate unusual projects and will recommend policies or decisions to the Minister. That is flexibility. That is consultation.

By way of improving the business environment, under this legislation the agency will be able to provide more than direct assistance to business. It will be able to improve the opportunities in research, communication, co-operation and will provide scholarships related to business. The mechanism for federal-provincial co-operation are there. The co-financing mechanism is outlined. This will extend and enhance co-operation between government departments at the federal level and enhance co-operation with provincial departments.

Indeed, national programs will be directly impacted by regional needs to the advocacy program. The objective of the advocacy program is to promote an Atlantic perspective here in Ottawa to ensure that Atlantic Canada receives equitable consideration and benefits from national policies and programs. With respect to the specific goal of improving opportunities for medium and small business, the greatest number of ways and means, powers and authorities will be given to this agency so it will have the greatest flexibility to respond to the regions uniqueness.

I challenge the Opposition to tell us whether it is against these principles or does it support the idea of using a broad number of programs and a wide range of tools? Consultation has been lauded. In seeking more authority for the board, do Members opposite agree with decisions being taken in the region?

I have been disappointed as I sat through debate during the last few days not to hear the Opposition tell us whether it disagrees with the principles of this Bill. Instead it has complained about a wide range of things, many of them not based on fact. I challenge the Opposition to tell us whether it disagrees with the principles I have outlined.

In fact, just to comment on one of the suggestions of the Opposition about funding, it is clear that under our Government regional development spending has increased significantly. Under this program an additional $1 billion of new money will be made available to enhance economic development in our region. That is not money taken from other departments as has been suggested. It is new money. The programs that were in place in 1985 in my riding are still there. They are being funded. In addition to that, my constituents have the benefit of the Atlantic Canada Opportunities Agency and this new funding.

The suggestion that infrastructure funding is not possible is simply not based on any reading of the statute. The Minister of

Transport (Mr. Crosbie) was very clear in the House earlier this week when he said there are ERDA agreements, federal-provincial agreements, under which such arrangements can be concluded. None of that has changed. I believe we must move this Bill quickly into committee so that it can be made into law.

It is shameful that three days have been expended on a debate which does not concern the principles of this Bill. The debate has been about matters which can very well be addressed in committee. I have listened with interest to a lot of speculation from opposition Members about how this agency is going to work and where it is going to get its money and whether it can be successful. I have the distinct advantage of telling those Members that what we have in this legislation is not entirely new. The principles reflected in this legislation have been operating in Cape Breton for a couple of years through the Enterprise Cape Breton Agency. The principles of decentralization, the principles of autonomy and the principles of flexibility have been operating in Cape Breton. We have had a local board of directors with direct contact and accountability to a Minister. We have had a very successful two years.

In the last 12 months alone the unemployment rate in Cape Breton has dropped from 21 per cent to the area of 15 per cent or 16 per cent. That is real progress. That is proof that the economic regional development strategies of this Government can work and in fact are working. That I suggest is one of the reasons these principles are in the Bill. We know they can yield results which have alluded our regions for many decades.

That is not to say that all our problems will be solved quickly. However, it is to say that this is something better. This is progress. Maritimers and Atlantic Canadians are realistic. Anyone who stands before them and suggests that these problems will be solved overnight will not have credibility. Those who stand before Atlantic Canadians and say we believe this is in mechanism that will achieve progress, and then point to an example where progress has in fact happened, will have credibility. We have waited a long time for progress. We know that substantial and long term change takes time.

• (1250)

There has been the suggestion by some members of the Opposition that national economic progress is somehow irrelevant in Atlantic Canada. They have suggested that lower interest rates achieved as a result of better national management are irrelevant to Atlantic Canadians. Nothing could be further from the truth. My constituents buy homes, cars and furniture. Many of them borrow money to do so. They pay interest on that money. When interest rates are at 20 per cent they do not buy these goods, or else they pay a great deal more for them. We now have lower interest rates as a result of improved economic management. My constituents are saving money now.

There are small business people and prospective entrepreneurs as well in my riding. These people benefit from lower interest rates. They can expand or initiate new business enterprises. Thus the argument that lower interest rates are somehow irrelevant in Atlantic Canada is not true. It is an illogical argument. It shows a total lack of understanding of the economy of Atlantic Canada.

What about lower inflation? Many of the same points can be made. When prices are rising that means there is less money to spend in a region such as Atlantic Canada. Where people have a lower income level, as is the case in Atlantic Canada, it amounts to just that much more. As a result of the improved management of the economy our Government has brought this benefit to Atlantic Canadians.

What about the deficit? The suggestion has been made that somehow controlling the deficit is contrary to the interests of Atlantic Canada. We pay taxes in Atlantic Canada. A large percentage of our taxes is used to serve the growing national debt. This means that there cannot be more money for better programs, whether they be social programs or regional development programs. The political Parties which advocate reckless and uncontrolled spending do a great disservice to those who strongly believe in regional development and in our social programs.

What about the lower unemployment rate? It was suggested today that unemployment is down only in Toronto. That is simply not true. Unemployment is down in Nova Scotia. In fact, the unemployment rate in Nova Scotia today is less than what the national unemployment rate was in 1984 when we were elected. What the previous Government would have given for the unemployment rate that we have in Nova Scotia today, Madam Speaker.

There are now more jobs in Atlantic Canada. We have a stronger economy. National economic growth is providing opportunities in the regions as well. There are people in the regions who want to leave, to go to the bigger centres where there are different economic opportunities than in the smaller centres. However, if there are no opportunities in the bigger centres then, obviously, they will not go to them. If we want to support our social programs we need economic growth.

The NDP talks so much about the regions. It was the New Democratic Party which sponsored and supported the national economic program that devastated the western region of our country. Today, the same Party stands just as firmly against free trade as it stood for the National Energy Program. It stands against—

**Mr. Fulton:** Madam Speaker, I rise on a point of order. A certain degree of honesty is required in debate. The New Democratic Party voted against the National Energy Program. It is about time that certain Conservatives read the voting record.

**The Acting Speaker (Mrs. Champagne):** The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) has the floor.

**Mr. O'Neil:** Madam Speaker, the Hon. Member should do a better job of communicating his Party's record on the National Energy Program to western Canadians. There are millions of western Canadians—in fact most Canadians—who believe and were given the impression by the Hon. Member's Party that it was against economic growth in the oil and gas industry in western Canada. That is the truth of the matter.

Members of that Party joined forces with the governing Party in the early 1980s and just about closed down the oil and gas industry of Atlantic Canada. Today, those bedfellows want to block the free trade agreement with the United States, an agreement which will mean growth for our forestry industry, our fishing industry and for the regions. They are against these areas but they let the cars go back and forth. They let billions of dollars in foreign investment pour into Oshawa, but not into the regions. It is not okay for an Atlantic Canadian to work for a foreign company, but it is okay if one lives in Oshawa to work for big bad General Motors, a U.S. corporation.

I can tell Hon. Members that when the Leader of the New Democratic Party is in Oshawa he does not condemn General Motors. He does not tell the thousands of people who work at General Motors that they should shut down the plant, kick out the foreigners and that it is better to be unemployed and poor than working for a multinational corporation. That is the blind ideology of members of the New Democratic Party. That is their hypocrisy and their double standard. We reject that. We want to move ahead. We will move ahead economically to take our place in Canada. We will point out in an aggressive way the inconsistencies that form so great a part of the economic policies of the New Democratic Party.

In my region that Party is against tax credits for business. Our Government has provided tax credits to allow businesses to come into the Cape Breton region. As a result we are seeing new and better employment opportunities. The New Democratic Party, the Party which holds itself out as the guardian of the low-income Canadian, is against that. It does not want these tax credits. The people I represent want jobs. They will worry about who owns the corporation later. Right now they want jobs. They want to be able to put bread and butter on the table.

**Mr. Fulton:** Madam Speaker, a couple of things said by the Hon. Member who just spoke were wildly erroneous, according to Statistics Canada. Of course, he will say that that is some sort of a communist front or something.

According to Statistics Canada in 1987 the rate of unemployment in Nova Scotia was 12.5 per cent. He says that that is lower than it was three years ago. Three years ago it was 13.3 per cent, according to Statistics Canada. The Hon. Member has just made an absolutely and totally unfounded and false statement, as is often the case in the House.

He also happened to say that the amount of regional funding going into Atlantic Canada is going up under the Conservatives. According to documents tabled by the Government in the House of Commons that is not true. I wonder whether or not the Hon. Member might want to tell the truth to his constituents rather than a finely woven web of fabrications, which is often the case with him.

The regional development envelope under the Hon. Member and his friend the Prime Minister (Mr. Mulroney) has gone down $2.89 billion since they were elected to office. DRIE spending cuts amounted to $200 million in 1984; $100 million in 1985; and $150 million in 1986. In terms of cuts in spending to Atlantic Canada, $100 million was cut from the budget of the Cape Breton heavy water plant and $16 million was cut from the East Coast ferry service budget.

Why does the Hon. Member not get up to tell the truth and let his constituents know that under the Conservatives regional development funding is going down? The Hon. Member should at least be honest with Canadians. According to his own Government statistics, when we look at the 10-year period 1976-77 to the present time, the amount of federal expenditures on regional development going to the Atlantic region was 56 per cent. It is now 36 per cent. That amounts to a decline of over 50 per cent.

**The Acting Speaker (Mrs. Champagne):** I am sure that the Hon. Member may want to continue later on today.

It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1 p.m., the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

## EDUCATION

### INCREASING NUMBER OF TEENAGE PREGNANCIES—URGENT NEED FOR GOVERNMENT TO ACT

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, the number of pregnancies among Quebec teenagers between the ages of 10 and 14 has doubled in ten years. In 1985, the number of pregnancies among girls aged between 15 and 19 reached 27 per 1,000. One Montreal region accounts for 5 per cent of all births to single mothers under 20 years old.

This is an unacceptable situation not only in Quebec, but in all Canadian provinces. However, it is hardly surprising as the Conservative Government closed down the Family Planning Department in 1985, cancelled subsidies to Planned Parenthood and is very slow to take action as concerns child care, not to mention the fact that budgets for educational purposes have been drastically cut back!

To correct this situation, we need federal leadership to promote sex education and birth control and to help these teenagers complete high school.

Mr. Speaker, these children are at risk. The federal and provincial Governments must show some courage and accept their responsibilities as regards this issue. Let us forget our prudishness and take action quickly to provide sexual education or post-secondary assistance to put an end to the scourge of pregnancies among Canadian teenagers.

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[*English*]

## HUMAN RIGHTS

ISRAEL—TREATMENT OF PALESTINIANS IN REFUGEE CAMPS

**Mr. Alex Kindy (Calgary East):** Mr. Speaker, the Secretary of State for External Affairs (Mr. Clark) was correct in recognizing the violation of human rights of the civilian population of Palestine by the Israeli military occupation forces.

Canada has always shown leadership in the area of human rights. Therefore, it is appropriate for Canada to issue a formal protest to the Israeli Government and call for an international peace conference on the question of Palestine, at which the Palestinian people's legitimate representative, the PLO, would be included.

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## NUCLEAR ARMAMENTS

CRUISE MISSILE TESTS—CALL FOR CANCELLATION

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, on Tuesday once again Canada participated in the testing of the U.S. air-launched Cruise missile despite the fact that in December the United States and the Soviet Union signed an agreement to eliminate all land-based nuclear missiles with ranges between 500 and 5,000 kilometres.

Although we are speaking of two different missiles, it should be noted that a major barrier to further agreement on strategic nuclear weapons is the verification of the Cruise, because it is small, transportable, and can fly under radar detection. The Government had stated that it would continue to test the Cruise until progress was made in the disarmament talks. Surely the Government must consider the recent Reagan-Gorbachev agreement as major progress in the arms reduction area.

Consequently, Canada should immediately halt all Cruise missile testing to advance the disarmament discussions and to rid the world of nuclear weapons, one of the greatest threats to human existence.

*S. O. 21*

## HUMAN RIGHTS

ISRAEL—TREATMENT OF PALESTINIANS IN REFUGEE CAMPS

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, in recent weeks the international community has been appalled at the treatment of Palestinian demonstrations in the Gaza Strip and West Bank at the hands of Israeli troops. Their heavy-handed tactics have resulted in the deaths of an estimated 36 Palestinians, including women and children.

The use of live ammunition to quell demonstrators is unconscionable. At issue are fundamental human rights, the right to life and freedom of expression. Whatever arguments may be made for either side in this dispute, the fact remains that young Palestinians are dying for daring to protest, and no argument can justify their deaths.

While touring Gaza, United Nations Under Secretary General Goulding stated: "In the judgment of the whole international community Israeli policy has been unduly harsh and—disproportionate to the threat posed by the demonstrators".

I call upon the Secretary of State for External Affairs (Mr. Clark) to condemn Israel's brutal violence and use of food as a weapon, and to demand a guarantee of fundamental human rights in the West Bank and Gaza Strip.

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## EXTERNAL AFFAIRS

ISRAEL—TREATMENT OF PALESTINIANS—NEED FOR INTERNATIONAL PEACE CONFERENCE

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, rage has given rise to the recent cycle of violence in the West Bank and Gaza, the rage of young Palestinians born and raised in refugee camps and deprived of hope for a better future by an indifferent international community, and by the mutual intransigence of their own leadership over the years in refusing to recognize Israel and negotiate accordingly, and that of a Likud and Likud dominated Governments which have acted towards the occupied territories in ways which suggest that no real Palestinian homeland will ever be tolerated.

• (1405)

This rage has been a rage visited upon the Israeli Government and its troops, and they have responded to it in a clumsy, heavy-handed, lethal, and now we are told apparently only brutal way. But it is a rage that should be heard beyond the Knesset, in all capitals of the world and by all parties to the continuing tragedy.

All parties know what cards have to be played in order for a peace conference and the subsequent peace process to have a chance. Let them all swallow their pride and begin to play those cards before there is no hope for the Palestinian people

or for the peace of the world in so far as it hinges on the Middle East.

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## TRADE

AMENDMENT OF DAIRY PRODUCTS IMPORT CONTROL LIST

**Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso):** Mr. Speaker, I rise today to congratulate the Prime Minister (Mr. Mulroney) for having completed a trade agreement with the United States that preserves Canada's agricultural supply management system.

In addition, I welcome the government response to representations by me and by other Progressive Conservative Members of Parliament who have advocated changes to the import control list.

This week's announcement by the Government that the import control list is being amended to prevent a rapid increase in the importation of certain U.S. dairy products is welcomed by the farming community and by me. It was just what we were waiting to hear.

This Government's record of support for the agricultural industry is unmatched by any other. It is a record that I have no trouble talking about. The Canada-U.S. Trade Agreement contains clear evidence of our commitment to protecting the agricultural industry while ensuring new and better economic opportunities for other Canadians.

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## EXTERNAL AFFAIRS

MIDDLE EAST—IRAN-IRAQ WAR—EFFECT ON CIVILIANS

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, Canadians are deeply concerned about the situation in the Middle East as Khomeini's forces disrupt shipping in the Persian Gulf and attempt to subvert moderate Arab states in the region.

[*Translation*]

The war waged by the Ayatollah Khomeini against Iraq hides a disastrous social and economic environment. Children are being recruited to fight and become martyrs. Those who survive frequently become drug users.

Three million Iranians are homeless and six million are unemployed. Amnesty International reports that Iranian laws deny women not only their social and political rights, but also any human dignity.

[*English*]

Every effort must be made internationally to stop the sale of arms to Iran and to use all peaceful means to bring an end to this tragic situation.

[*Translation*]

## POLITICAL PARTIES

ALLEGED USE OF WORKERS' UNION DUES FOR POLITICAL PURPOSES

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, yesterday the Hon. Member for York East (Mr. Redway) questioned the legality of Canadian taxpayers being entitled to claim tax credits for contributions to political parties. He was referring to socialists who use contributions to their federal wing to finance municipal elections.

The House leader of the socialists was miffed and reacted. This is not the first time the socialists prefer their own interpretation when it comes to spending somebody else's money. For instance, notwithstanding an Ontario Supreme Court ruling they use the workers' union dues for their own political purposes. It is not legal but that is what they do, Mr. Speaker. I have raised the issue in the House on a number of occasions, but their parliamentary leader never did object. When will his Party get around to repaying Canadian workers for illegally collected union dues? I challenge the socialist leader to raise a question of privilege about this matter. For sure, Mr. Speaker, that Party will just have to come clean.

* * *

[*English*]

## ENVIRONMENTAL AFFAIRS

MINISTER'S POSITION ON ISSUES

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, environmentalists will be puzzled by at least two actions or non-actions this week on the part of the Minister of the Environment (Mr. McMillan).

First there is the question of the P.E.I. fixed link and environmental assessment. The Minister has said that there will be an environmental assessment, but how vigorous and by whose rules? Will it be the present rules or the proposed new system which would mean broader public access and an expansion of terms to include culture, the economy, and social life as well?

[*Translation*]

Second, there is the question of acid rain in Quebec where the president of the Union des producteurs agricoles stated that the federal Government lobby about this issue with the American Congress and the American President is weak and half-hearted. The federal Government will not even be represented at the Quebec meeting on acid rain. The Minister of the Environment (Mr. McMillan) will have to assume his responsibilities in this field and actively support Quebec's environmentalists and farmer producers who are seeking to come to grips with the serious problems caused by acid rain.

• (1410)

[*English*]

## LABOUR RELATIONS

COST OF STRIKES AND LOCK-OUTS—CALL FOR CHANGE IN RULES

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, an objective look at strikes and lock-outs indicates that the real losers are third parties, the innocent people. For example, during the postal strike a small business went bankrupt because it could not deliver its products. Such losses could be multiplied hundreds of times.

During the Prince Rupert strike, demurrage charges alone amounted to some $50 million. Who pays this? The farmers, the innocent third party who had no part in causing the strike.

Is it not time that the people who cause the work stoppage pay the costs resulting from their action? If the 69 strikers at Prince Rupert knew they would have to pay the demurrage charges they would rush into binding arbitration while they continued to work. The company responsible for a work stoppage would do the same thing.

Farmers and other people have been picking up the tab for these strikes and lock-outs for far too long and they are sick and tired of it. Let us change the rules so that he who causes the expense pays for it. Then I guarantee there will be few if any strikes or lock-outs.

* * *

## CUSTOMS AND EXCISE

REPORTED SMUGGLING OF CIGARETTES AND DRUGS THROUGH ST. REGIS INDIAN RESERVE

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, I rise today to express my dissatisfaction with the Government's lack of action in dealing with the cigarette and drug smuggling occurring at the St. Regis Reserve in Cornwall, Ontario. This smuggling has brought the proud traditions and reputation of the Mohawk Indian Band on the Reserve into disrepute. It is also endangering the legitimate tax-free status the Reserve has for other needed goods such as food and clothing. Besides that, Revenue Canada has estimated it has lost $60 million of tax revenue due to this illegal smuggling.

Of serious concern to me is the safety of Canada Customs officers on the Reserve. Those officers have witnessed shooting incidents and received bomb threats. They are afraid for themselves and their families. Recently they requested bullet-proof vests.

This situation is deplorable and action must be taken immediately to protect the Canada Customs officers, the integrity of the tax system, and to preserve the reputation of a very proud Mohawk nation whose credibility is being brought into disrepute.

* * *

## WESTERN DIVERSIFICATION FUND

SASKATCHEWAN POTASH—EXPANSION AND DIVERSIFICATION OF MARKETS

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, on January 14 the Hon. Minister of Indian Affairs and Northern Development (Mr. McKnight) announced a $5.3 million contribution through the Western Diversification Fund to help expand and diversify markets for Saskatchewan potash. The Potash and Phosphate Institute of Canada will spearhead the effort to open new markets in northern China, south Asia and southeast Asia.

Those funds will support education and demonstration projects which have been largely responsible for the successful entry by western Canadian potash producers into the Asian market. Exports to China have gone from less than one tonne in 1985 to over one million tonnes in 1987.

This initiative is an important step in supporting the revitalization of the potash industry which has been badly damaged by reduced demand, decreased prices and international protectionism. In 1980, $1 billion worth of Saskatchewan potash was sold. In 1986 it was only $550 million. The spin-offs and the service industries generated will provide countless jobs in all sectors of the Saskatchewan economy. I look forward to similar announcements in the near future to diversify our economy.

**Mr. Speaker:** The Hon. Member for Selkirk—Interlake (Mr. Holtmann).

**Mr. Holtmann:** Mr. Speaker, it seems to me—

**Mr. Speaker:** Order, please. I apologize to the Hon. Member but I recognized him out of the usual order. The Hon. Member for Nickel Belt (Mr. Rodriguez).

* * *

## UNEMPLOYMENT INSURANCE

LACK OF PARENTAL BENEFITS

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I would like to bring to Parliament's attention a situation which occurred in Kitchener recently. Loretta Villeneuve was kept alive until her baby was delivered. Her husband, John McInnis, now has custody of the newborn infant.

John McInnis, like any parent concerned about his child, took a leave of absence from work to provide the care and attention that a newborn needs. In taking leave of absence he

is not paid by his employer. So he went down to the unemployment insurance office and applied for maternity benefits. Of course, under the Unemployment Insurance Act he cannot collect maternity benefits. John McInnis inquired about parental benefits and was told that there are no such things as parental benefits and that, in fact, he does not qualify for maternity benefits. In fact, John McInnis is now being told that he should collect welfare.

• (1415)

We in the New Democratic Party have long advocated parental benefits under the Unemployment Insurance Program. The Government has refused to move on that very positive suggestion, and that puts people like John McInnis on the welfare rolls of Canada. It is a shame and a disgrace for the Tory Government to say it is concerned about people.

**Mr. Speaker:** The Hon. Member for Selkirk-Interlake.

* * *

## POLITICAL PARTIES

NATO—POLICY OF NEW DEMOCRATIC PARTY

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, thank you for the second attempt at the same message. It seems to me that members of the NDP have found a very influential ally in their desire to withdraw Canadian forces from NATO.

When Prime Minister Jacques Chirac correctly criticized the NDP policy of withdrawing Canadian forces from Europe and outlined how that action would weaken the alliance and the security of Europe, guess who jumped to the NDP's defence? A little-known Soviet news agency, TASS, which distributes to newspapers all over the Soviet Union and abroad. This Russian news agency, for some strange reason, strongly supports the NDP position and vigorously attacked Mr. Chirac for even questioning it.

Let there be no mistake made by Canadians on this subject. Our PC Government supports NATO. Our PC Government will continue its assistance in the defence and stability of Europe. Our PC Government recognizes that Canadian efforts have helped to maintain peace in Europe for over 40 years. How could any rational, conscious, intelligent, thinking Canadian suggest that this policy should be changed?

[*Translation*]

## CANADA POST CORPORATION

RECOMMENDATION THAT GOVERNMENT IMPLEMENT LABOUR RELATIONS SYSTEM TO MAINTAIN PEACE IN POST OFFICES AND IMPROVE SERVICES

**Mr. Alfonso Gagliano (Saint-Léonard—Anjou):** Mr. Speaker, Canada Post Corporation was created, among other things, to improve labour relations. Canada Post made it its policy, in April 1987, to suspend any employee for three days the first time he or she forgets to punch his or her time card and for five days with possible dismissal the second time.

Mr. Speaker, the private sector does not go that far. Such an action, such a policy is an act of confrontation. Canada Post Corporation, with the agreement of the Conservative Government, is pursuing a policy of confrontation and, ultimately, Canadians will have to pay for a poorer service that deteriorates every day.

I ask the Conservative Government to forbid Canada Post Corporation from harassing its employees and to institute a labour relations system that will bring peace in post offices and give us a good postal service.

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# ORAL QUESTION PERIOD

[*English*]

## CANADA ELECTIONS ACT

MINISTER'S INFRACTION OF PROVISIONS

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, my question would be better directed to the Prime Minister, but I think I can ask the Deputy Prime Minister to answer it. On September 25, 1985, the Minister of Energy, who at the time was Minister of Communications, left the Cabinet because he was under investigation for possible infractions of the Canada Elections Act. The Minister rose in the House of Commons at that time and said:

> I am convinced that on completion of the investigation, my innocence will be established.

On November 28, Canada's Election Commissioner wrote to the Minister saying:

> Proof in the dossier demonstrates that you participated in an infraction again Paragraph 62.6—

—of the Elections Act. Three days after the Minister received that letter telling him that he had violated the Canada Elections Act, the Prime Minister put him back into the Cabinet.

Why is it that neither the Prime Minister nor his Minister told Canadians of the existence of the letter saying that the Minister had violated the law? While the Deputy Prime Minister is at it, maybe he can tell us why the Minister was put back into the Cabinet.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member is quite right in pointing out that when this issue arose the Minister resigned and an investigation was launched by the appropriate authorities, the appropriate authorities being an officer of Parliament. The investigation was conducted and, after the investigation was complete, the Commissioner rendered a decision and concluded that no charges were to be laid.

The commission has the responsibility to ascertain and determine what charges, if any, should be laid. The commission had the authority and the obligation to oversee the investigation, and that was done in its proper form. A decision was rendered.

• (1420)

If the Member wants to second-guess or question the verdict of the Commissioner, he may very well do so. I might remind the House, Mr. Speaker, and the Hon. Member, that this is not the only investigation that took place. There are other investigations. Maybe the Hon. Member wants to question the verdict of the Commissioner in the other cases as well.

**Mr. Guilbault (Saint-Jacques):** Mr. Speaker, we on this side of the House take at face value the judgment of Elections Canada when they say that the Minister has been involved in an infraction of the Elections Act. It is the Government that does not believe it.

**Some Hon. Members:** Hear, hear!

CONTENT OF COMMISSIONER'S LETTER

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, did the Minister tell the Prime Minister or the Deputy Prime Minister the whole truth about receiving the letter and its contents? If not, will the Minister be fired?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am not aware of the letter having been sent and so obviously cannot answer the second part of the question. However, I do want to remind the Hon. Member again that the results of any investigation conducted under the auspices of this Act are reviewed by independent counsel retained by the Commissioner, as well as a counsel on the staff of the Chief Electoral Officer. It is the Commissioner who makes the decision as to whether any prosecution should be carried out. In this particular case he decided that one should not be.

**Mr. Guilbault (Saint-Jacques):** Mr. Speaker, the Deputy Prime Minister does not seem very curious. When one realizes that a person has been determined to have violated the law and that no charges were laid, someone should have asked questions.

[*Translation*]

QUERY WHY MINISTER REAPPOINTED TO CABINET

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, ordinary citizens were prosecuted under the Canada Elections Act in this case, and some were even convicted. Meanwhile, the big cheese got off without a single scratch and was even rewarded with a Cabinet appointment. My question for the Deputy Prime Minister is this: Why did the Minister go back to Cabinet when the Government knew Elections Canada had found he violated the Canada Elections Act?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member suggests that I have not shown an interest in this particular issue. Perhaps if he had shown the same interest as I and determined the facts, he would not be asking such silly questions.

The fact of the matter is that a backgrounder has been issued by Elections Canada. I would like to quote from it for the benefit of this Hon. Member, other Hon. Members, and the Canadian public. It reads: "The Commissioner consents to prosecution only when he is satisfied that he has all the necessary facts and only in those cases where he believes that it would be in the interest of justice to do so and where there is every likelihood that a prosecution will succeed."

That is a judgment call he has made. If the Hon. Member is questioning the judgment of the Commissioner, let him go ahead and do it outright. However, I can only assume that that is the basis upon which the judgment was rendered. I wish the Hon. Member would accept it as such.

* * *

## AIR SAFETY

OTTAWA INTERNATIONAL AIRPORT—HANDLING OF BOMB THREAT

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is for the Deputy Prime Minister and calls into question yet again the Government's handling of airport security.

The Deputy Prime Minister knows that a bomb threat was directed at the Ottawa airport this morning. He knows as well that the handling of this threat was as confusing as the Tower of Babel.

Can the Deputy Prime Minister tell the House why the Government's security arrangements failed utterly at the Ottawa airport this morning? Why, in particular, were airline ticket agents evacuated from their posts as a result of this threat while hundreds of members of the travelling public were left standing at the ticket counters, oblivious to the bomb

threat and totally abandoned in what was being treated as a serious bomb threat by a terrorist organization?

[*Translation*]

**Hon. Monique Vézina (Minister of State (Transport)):** Mr. Speaker, I wish to inform the House and Canadians that when we received the information about the possibility of there being a bomb at the airport, a search had already been started, and the subsequent conclusion was that it was a false alarm.

Again, I wish to say that security is priority number one for this Government and that all mechanisms are in place to ensure that Canadians and, in fact, all travellers can travel safely, and this morning we were told it was a false alarm. It is up to the individual airline to decide whether it should or should not delay its flights. In any case, everything is now under control.

• (1425)

[*English*]

REPORTED LACK OF PUBLIC WARNING

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** In light of the Air-India disaster and countless other less lethal but nevertheless embarrassing and revealing security lapses we have seen over the last year, that answer is not good enough.

Bomb detection teams were brought into the airport. Extra RCMP security personnel were brought into the airport. Company employees were directed to leave their posts. If the threat was serious enough for all of that action, why were members of the travelling public left standing, confused and abandoned, in what could have been a serious incident? The Minister knows full well that if this had been a serious incident there would have been many injuries, or worse, this morning. When will the Government get its act together so that members of the Canadian traveling public can travel in confidence in our country?

[*Translation*]

**Hon. Monique Vézina (Minister of State (Transport)):** Mr. Speaker, the Chairman of the ICAO Council said again last August that Canada ranked first on safety and security. Programs are in place involving staff and the airlines to ensure maximum security, and these programs will be upgraded regularly.

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## ADMINISTRATION OF JUSTICE

QUERY WHY TREATMENT OF ORDINARY CITIZENS DIFFERED FROM THAT ACCORDED TO MINISTER

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Deputy Prime Minister.

I have a copy of a letter from the Commissioner of Canada Elections sent to the Hon. Member for Frontenac on November 28, 1985. In his letter, the Commissioner said the Member had violated the Act but that no charges would be laid.

On the other hand, three other citizens in the riding were prosecuted during the same period. Why the double standard: one for ordinary citizens and one for a Member of Parliament?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am very surprised that the Hon. Member, who has been a Member of this House for close to 20 years, would challenge the authority of an officer of Parliament. The Commissioner rendered a decision. I am surprised he would now stand up in the House and try to question the decision that was brought down by the Commissioner.

The fact of the matter is, as I have outlined earlier, that when allegations arose the Minister did the honourable thing and resigned until the investigation was completed and until a decision was rendered. As I pointed out—

**Mr. Foster:** Then you covered up the decision.

**Mr. Mazankowski:** The Hon. Member suggests that I covered up the decision.

**Mr. Foster:** Your Government covered up the decision.

**Mr. Mazankowski:** That is a most unfortunate charge because, as the Hon. Member knows, the Government has no influence whatsoever over the Chief Electoral Officer—

**Mr. Foster:** Why did you not make it public?

**Mr. Mazankowski:** —or the Commissioner of Election Expenses. I would ask the Hon. Member to withdraw it.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** I would ask the Hon. Member, who I know would want to support the rules of this place, to withdraw the remark, if that remark was in fact said, that the Deputy Prime Minister has covered up in this affair.

**Mr. Foster:** Mr. Speaker, I would be glad to withdraw in view of the concerns of the House in this matter. However, I would like to see the exact timing of that legislation.

**Mr. Speaker:** I thank the Hon. Member. I hope Hon. Members and the public watching will recognize that, as I have said before, on matters of this sort the Opposition not only has a right but a duty to ask questions. But we are bound by rules and I thank the Hon. Member for recognizing that.

CHARGES LAID AGAINST INDIVIDUALS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. He knows very well that in making this judgment the Commissioner said that it was not in the public interest to lay charges or have charges laid in the case of the Minister. Considering that comparable sums of money, of the same magnitude, were involved and three ordinary citizens were charged, is it not of some concern to the Deputy Prime Minister that it was deemed to be in the interest of justice and in the public interest to charge three ordinary Canadians with a serious offence but a Minister of the Crown is excluded?

• (1430)

While he is answering that question, does he not think there is a dangerous precedent which could undermine the whole principle of the Election Expenses Act if a significant corporate donation is no longer deemed to be a serious infraction? Are we not undermining the application of all of this law in subsequent elections if this is not dealt with in a totally adequate way now?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am not sure whether the Hon. Member is asking me to interfere with a decision which was rendered by the Commissioner under the Elections Expenses Act. If he is, I really wonder if he might want to reconsider that.

Today the Chief Electoral Officer issued a statement on the role of the Commissioner of Canada Elections and perhaps for the benefit of all Members I might just quote a passage from it because I think it does clarify the issue. Mr. Hamel said, and I quote:

> —the Canada Elections Act makes it quite clear that it is the function of the Commissioner to decide whether or not to proceed to prosecute a case. The Commissioner consents to prosecution only when he is satisfied that he has all the necessary facts and only in those cases where he believes that it would be in the interest of justice to do so and where there is every likelihood that the prosecution will succeed.

I can only presume that it was on that basis he rendered his judgment.

COMMISSIONER'S LETTER TO MINISTER

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I suggest to the Deputy Prime Minister that he is probably quite correct, that the decision was rendered on that basis. However, I am indeed asking questions about that judgment about which I think all Members of Parliament ought to be concerned. If, on the one hand, in the letter it is clearly stated, based clearly—as it says in the letter, a copy of which I have—on an RCMP investigation, that there had been a violation of the Act by the Minister—

**Mr. Clark (Yellowhead):** An infraction.

**Mr. Broadbent:** —an infraction of the Act by the Minister, the same kind of infraction by other citizens that took place—

**An Hon. Member:** You are out of order.

**Mr. Broadbent:** —it is of legitimate concern, surely, for us to ask why was it not in the interest of justice for the Minister to have action proceeded with against him, but it was in the interest of justice to take action against three ordinary citizens.

In this context, is the Deputy Prime Minister aware if the contents of this letter, and its import, the contents of this personal, confidential letter to the Minister, have been brought to the attention of the Prime Minister of Canada? And could he tell us when the Prime Minister learned of the contents?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I want to remind the Hon. Leader of the New Democratic Party again that we are dealing with a decision that was rendered by an officer of Parliament, an officer of this House. I suppose if the Hon. Member wants to take issue, there are certain ways in which he can take issue with that individual, I suspect through a parliamentary committee or, the fact is that we are presently undertaking a review of the Canada Elections Act, and if he has a concern about the way in which this is written, he can certainly provide some suggestions.

But if the Hon. Member wants to draw into question a decision that was rendered by the Commissioner in this case, perhaps then he is drawing into question an investigation that was conducted with respect to the Hon. Member for Broadview—Greenwood, the Hon. Member for Hamilton East—

**Mr. Broadbent:** There was no infraction by them and you know it.

**Mr. Riis:** A cabinet Minister broke the law.

**Mr. Broadbent:** There was no infraction.

**Mr. Mazankowski:** Is he now throwing into question or doubt the rendering of a decision by an officer of this House? Is that the issue?

**Mr. Riis:** Cabinets can break the law in this country—is that what you are saying? Forget justice.

**Mr. Mazankowski:** If the Member is taking issue with this decision, then it can only be presumed that he is taking issue with the others as well.

**Mr. Broadbent:** Oh, no, it was an infraction over there, not over here.

* * *

[*Translation*]

## EXTERNAL AFFAIRS

MIDDLE EAST SITUATION—QUERY WHETHER MINISTER COMMUNICATED WITH ISRAELI COUNTERPART

**Hon. André Ouellet (Papineau):** Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Yesterday, the Minister referred in the House to a situation in the Middle East as quickly becoming extremely explosive, because the Israeli Government was resorting to increasingly unacceptable measures.

Could the Minister inform the House whether he expressed this Canadian position personally to his counterpart, the Israeli Minister of Foreign Affairs, and if not, whom did he advise of this position? What concrete measures did he suggest? And more important, what was the Israeli response?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I did not speak to the Israeli Minister of Foreign Affairs. However, the Israeli ambassador to this country will be in my office this afternoon, at my invitation.

REQUEST THAT INTERNATIONNAL CONFERENCE BE HELD

**Hon. André Ouellet (Papineau):** Mr. Speaker, I have a supplementary. The Minister will agree that durable peace in the Middle East will never be achieved unless the parties concerned decide to meet and settle their differences.

Is the Secretary of State for External Affairs willing to propose that an international conference be held as soon as possible, in the light of the fact that the situation appears to be deteriorating from day to day?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we do not really need proposals for an international conference. What we need is the support of the parties involved for such a conference. I do not think another proposal will be useful at this time. However, I do believe that Canada and other countries should continue to urge the parties in the Middle East to consider ways of making an international conference effective and acceptable to the parties concerned.

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## THE CABINET

QUERY WHY RCMP RECOMMENDATIONS NOT TAKEN INTO ACCOUNT

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I too have a question for the Deputy Prime Minister. In connection with the situation of the Hon. Members for Hamilton East and Broadview—Greenwood, can he confirm that the Minister and Member for Frontenac violated the Elections Act? Can he now confirm that, during the investigation, the RCMP came to the conclusion that the Minister had personally been involved in a breach of the Elections Act? If it were so, can the Minister now explain why the RCMP recommendations were ignored by the Minister responsible?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** I can only confirm what the Commissioner of Canada Elections, Mr. John Gorman, said on November 28, and I quote:

> I have reviewed the results of the investigation which I received at 1300 hours on Thursday, November 21, 1985 as well as the recommendations of independent counsel which I received at 2030 hours on November 26, 1985 and I have decided that no charges will be laid against the Honourable Marcel Masse or his official agent, Jean Morissette.

I could continue to quote the rest of it but I think that is the pertinent section.

[*Translation*]

RCMP FINDINGS—MINISTER'S POSITION

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I want to ask the Minister responsible, the Solicitor General of Canada, whether he can now confirm that the RCMP did find that the Minister and Member for Frontenac violated the Elections Act, that he did breach the Elections Act? Can he confirm that, Mr. Speaker? He is the one who answers for the RCMP.

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, that is repetition of the question and the responses have been given under the aegis of the report of Mr. John Gorman, who is the Elections Commissioner. I think that should be sufficient for the Hon. Member. The investigation was carried out—

**Mr. Riis:** And he was found guilty—

**Mr. Mazankowski:** Mr. Speaker, the Hon. Member suggests—

**Mr. Riis:** —of an infraction.

**Mr. Mazankowski:** —he was found guilty. That is not correct. That is simply not correct.

**Mr. Nystrom:** I didn't say that.

**Mr. Mazankowski:** An officer of Parliament took the decision that no charges would be laid. I have quoted from his statements. Surely, if the Hon. Members do not want to accept the word of an officer of Parliament, whose word will they accept?

**Mr. Shields:** Shirley Carr's word, that's whose word you opposite will accept.

**Mr. Nystrom:** The RCMP.

[*Translation*]

CODE OF ETHICS— REQUEST FOR CLARIFICATION OF MEMBER FOR FRONTENAC'S FILE

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Deputy Prime Minister and it also relates to the case of the Hon. Member for Frontenac. When he presented his Government's new code of ethics

on September 9, 1985, the Prime Minister told Members of this House that the conduct of his Ministers had to be beyond reproach. Referring to the contents of Mr. Gorman's letter, I quote:

> —evidence on file indicates that you were party to a violation of section 62 of the Elections Act.

How can the Deputy Prime Minister justify the action of his leader, the Prime Minister, who after receiving this letter—or at least after he ought to have been made aware of the contents—chose to bring this Minister back into his Cabinet? Why did he not ask him to sit on the back benches?

● (1440)

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Commissioner undertook to render a decision on this basis and on the basis of the evidence that he had gathered. He reviewed it, with the assistance of his own legal counsel and outside legal counsel. He arrived at a decision that no prosecution would take place.

I repeat, this individual is an officer of Parliament, an officer of this institution. We have accepted his verdict. I think that the Hon. Member as a Member of this place should do likewise.

REAPPOINTMENT OF MINISTER TO CABINET

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, it is not the Chief Electoral Officer who appoints Ministers. It is the Prime Minister who has to be held to account, and no one else.

Will the Deputy Prime Minister explain to the House when the Prime Minister first found out about the contents of this letter? Is it not true, as the Minister of Energy said himself, that he phoned the Prime Minister's office and told him about the contents of the letter? If that is the case, if the Prime Minister knew of the contents of this letter, then why did he renege on his word that he gave solemnly in this House that he would not reappoint the Minister to Cabinet until he was proven innocent?

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member can attempt to hurl insults across the way as long as he wants. The facts remain the same. The Hon. Minister resigned when the allegation appeared. The investigation took place. Due process was followed and a decision was rendered. The results are for everyone to see.

Again, I repeat, I wonder why the Hon. Member will not accept the verdict, or the version, or the conclusion of an officer of this institution. If anything, the Hon. Member is undermining the integrity of this institution. He is undermining the integrity of an individual who is not able to be here to defend himself.

**Some Hon. Members:** Hear, hear!

REQUEST FOR MINISTER'S RESIGNATION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is also for the Deputy Prime Minister. When the Minister of Energy resigned he said that even the possibility of a complaint could leave in doubt the integrity which would reflect on the Government. He also said that once the investigation had been completed his innocence would be completely established. We now know as a result of the release of the secret letter that his innocence was not completely established. By the Minister's own words he is still a threat to the integrity of the Government.

Will the Deputy Prime Minister act to have the resignation of the Minister reinstated until there is a complete investigation and until, as the Minister of Energy has said himself, he is completely cleared? He is certainly not completely cleared now.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member with all his experience may find it expedient to find the individual guilty. However, the Commissioner quite frankly says that he has the right to prosecute only when he is satisfied that he has all the necessary facts, and only in those cases in which he believes that it would be in the interests of justice to do so and where there is every likelihood that prosecution will succeed. Obviously, he did not believe that he had sufficient evidence to proceed with a guilty charge.

Again, I submit that the Hon. Member should accept the word, the verdict of a Commissioner of this institution. Not to do so is simply undermining the integrity of that office and the integrity of this institution.

**Some Hon. Members:** Hear, hear!

CONTENT OF COMMISSIONER'S LETTER

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my supplementary question is also addressed to the Deputy Prime Minister. If he reads the full letter, the letter of which we finally have a copy, he will see that it says that the Minister had participated in an infraction against paragraph 62.6 of the Elections Act.

**Mr. Thacker:** It is an allegation.

**Mr. Murphy:** You do not have the letter, do not pretend you do.

That is what Mr. Gorman said. Obviously, the innocence of the Minister of Energy has yet to be proven. Since that is now

known, why not have the Minister resign until the issue is clarified?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, there is a very fundamental axiom in Canadian life, that is, one is innocent until proven guilty.

Notwithstanding that, I thought that I would never have the opportunity to use the following article. It is an article that appeared in *The Ottawa Herald* on Wednesday, December 16, 1987. I thought it was somewhat harsh, but it does state this: "Turner and Broadbent: opposition muckrakers . . . 'murdering' parliamentary decorum".

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Guilbault (Saint-Jacques):** Withdraw!

**Mr. Speaker:** The Hon. Member for York West.

* * *

## IMMIGRATION

ADMITTANCE OF CONVICTED TERRORIST—NEWSPAPER REPORT

**Mr. Sergio Marchi (York West):** Mr. Speaker, my question is for the Solicitor General. It concerns the convicted terrorist who was granted landed immigrant status by the Government.

Throughout the entire week the Minister has maintained that the positive identification of this individual was only confirmed and established after he came into the country and that CSIS officials in Spain approved of the application on the grounds that they received misleading information from the applicant.

Will the Minister confirm or deny reports in *The Toronto Star* of today which suggest that the Canadian officials were informed and alerted to the man's true identity and record by either the CIA or the Israeli Secret Service even before the man set foot upon the aircraft that eventually brought him into the country?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I am not aware or familiar with the article to which the Hon. Member refers. I can only repeat what I have said in the House earlier. I am advised by my officials in CSIS that a positive identification was not established on the man in question until the month of May, 1987.

**Mr. Marchi:** Mr. Speaker, if the Minister is not familiar with the suggestion, then, with all due respect, he should read the article. It poses some very interesting concerns and possibilities regarding what really happened in Spain.

SERVICE OF DEPORTATION PAPERS

**Mr. Sergio Marchi (York West):** Mr. Speaker, my supplementary question is addressed to the Minister of State for Immigration. Given that yesterday the Solicitor General informed the House that the whereabouts of Mr. Mohammad were only confirmed at 1.55 p.m., and that following Question Period the Minister and his staff informed reporters that the deportation papers had been already served, will the Minister explain to the House why he wanted to mislead the public into believing that the deportation papers were already served when in fact the individual's Brantford lawyer today confirmed that Mr. Mohammad was served with the papers only this morning?

• (1450)

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, I was hoping that all Hon. Members would have learned the danger of citing newspaper articles without confirming the sources. We have a family, a father, a husband, whose job and life have been jeopardized because of some inaccurate quoting, for which one Hon. Member may now be apologizing or not apologizing.

I will confirm for the House that there is a convicted terrorist who is here illegally. Our intent is to use the full force of the law to get him out of the country. The deportation proceedings are under way. The papers have been served and the hearing will be next Monday.

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## AIR SAFETY

OTTAWA INTERNATIONAL AIRPORT—REPORT OF BOMB THREAT

**Mr. Les Benjamin (Regina West):** Mr. Speaker, may I ask the Minister of State for Transport, or the Parliamentary Secretary, since it is the procedure that when a bomb threat is deemed to be serious and has to be dealt with, one or two individuals at any given airport have to make the decision. Once that decision is made, all appropriate actions are taken to evacuate employees and the public.

Is it not true that employees of one airline were notified, they vacated their positions and left the line-ups at their position counters; and employees of other airlines were not notified until they heard from employees of the first airline?

Can the Minister tell us why all of the airline employees were not notified, and why the public were left standing in the building while the employees of the airlines vacated their positions?

[*Translation*]

**Hon. Monique Vézina (Minister of State (Transport)):** Mr. Speaker, I was not at the airport this morning, so I did not experience the situation first hand. Security should be a shared responsibility. Transport Canada has a concern for security which we share with the airlines. We share that concern with the people who are responsible for our airports and we trust these people to act intelligently.

There was an investigation. A general search was conducted. It was a false alarm, and I am relieved to hear the case is closed.

We at Transport Canada maintain our concern for security and we are of course open to any advice or recommendations that might improve the situation.

[*English*]

QUERY WHY PUBLIC NOT WARNED

**Mr. Les Benjamin (Regina West):** When an airplane is on the ground, or anything occurs in an airport, the responsibility is with the management of the airport, which is the Department of Transport, not the airlines, and it is not a shared responsibility. It never has been. I wish the Minister would inform herself of that.

Since it was deemed to be a serious threat and all the appropriate search measures were taken, can the Minister explain why provisions were not immediately laid on for the movement of the general public out of the airport terminal, either to another building or somewhere else in Ottawa? Why were the public left in jeopardy while airline employees vacated their positions? That is not the responsibility of the airlines, that is the responsibility of the Department of Transport. When will the Department really do something about airport security?

[*Translation*]

**Hon. Monique Vézina (Minister of State (Transport)):** I am afraid I will have to repeat what I said earlier, namely that our country has the best security system in the world. Our system measures up to any in the world, because it is well organized, because we can control the situation and we are, indeed, in control.

* * *

[*English*]

## INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND LAND CLAIM

**Mr. Albert Cooper (Peace River):** Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development, and it concerns the whole question of the Lubicon Lake Indian Band land claim.

In October the federal Government appointed a negotiator. The Province of Alberta has appointed a negotiator. The report of the Hon. Davie Fulton has been released.

Can the Minister bring Canadians up to date on where these negotiations are going, and what we can expect for results?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, I appreciate the concern of the Hon. Member on behalf of his constituents. The commitment of the Government of Canada to settle this land claim is a commitment that will be fulfilled.

**An Hon. Member:** When?

**Mr. McKnight:** An Hon. Member says "when".

I have had discussions with the Lubicon Band. There are negotiators in place. There is a request by the Government of Alberta to have the genealogy of the Band in order that they may review the genealogy to assure themselves that the volume of land requested to fulfil this commitment could be ascertained.

We really believe that if the genealogy is transferred to Alberta, Alberta will then be in a position as a Government, and the people of Alberta will know the volume of land that should be transferred under the Constitution Act of 1930, and we will be able to proceed with the volume of land and other matters which are important to the Lubicon people in settling this outstanding claim.

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## UNEMPLOYMENT INSURANCE ACT

RECOMMENDATION TO CONVERT MATERNITY BENEFITS TO PATERNAL BENEFITS

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, my question is directed to the Acting Prime Minister.

As he knows, both the child care report of 1986 and the Equality for All report of 1985 recommended changes to the Unemployment Insurance Act to convert maternity benefits to parental benefits and to rid the Unemployment Insurance Act of inequality. Similar recommendations were made by the Forget Commission and by the standing committee on employment. The Government did absolutely nothing about them.

Now we have the case of John McInnis of Kitchener who, as a father, claimed unemployment insurance benefits because he had to leave his job as a truck driver to take care of his child because the mother died in childbirth. He was refused benefits because he was a father.

I ask the Minister, what is he ready to do to help this father and child and provide for justice and equality under the Unemployment Insurance Act?

**Hon. Gerry Weiner (Minister of State (Immigration)):** The Minister of Employment and Immigration is away on government business at the moment. I would like to assure the Hon. Member that I will bring this question to his attention.

REQUEST FOR INTRODUCTION OF AMENDING LEGISLATION

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** The Government has been absent for a couple of years on this issue.

The fact is that four commissions have recommended the change that is required to bring about justice in this case.

Would the Deputy Prime Minister, be willing to bring in a Bill to change this matter immediately? I guarantee that on this side we will pass it immediately. Will he do that?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, it was the Government of which that Member was a part that brought in that legislation and—

**Mr. Allmand:** In 1945.

**Mr. Weiner:** It was never changed.

As I indicated, I will bring the matter to the attention of the Minister of Employment and Immigration upon his return to Ottawa.

**Mr. Speaker:** The Hon. Member for Cochrane-Superior on a supplementary to an earlier question.

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## INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND LAND CLAIM

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, my supplementary question is directed to the Minister of Indian Affairs and Northern Development regarding the Lubicon Lake Indian Band land claim problem.

The Minister knows the Constitution, or at least he ought to know it. The Constitution makes it clear that it is the trust responsibility of the Government of Canada to seek and obtain a just settlement with the Lubicon Lake Indian Band. If thereafter there is a problem with Alberta, then it is this Government that must meet that problem with Alberta.

Why will the Minister not carry out his constitutional obligations and enter into bilateral negotiations with the Lubicon Indian Band and reach a just and equitable settlement?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, I view the Hon. Member's question as an appropriate question, and I know of his concern.

It is the responsibility of the Government of Canada to provide and assist the Lubicon people in this settlement. The Government of Canada does not control the Crown land in the Province of Alberta.

I have offered to the Chief of the Lubicon Band that we, Canada, will proceed with negotiations, and at a time period that would be appropriate to enter into tripartite discussions, I would ask the Band to reconsider its denial of that process.

If the Band does not wish to transfer the genealogy to the Province of Alberta in order that Alberta can fulfil its obligations under the Constitution Act, Canada is prepared to take further action that will put that genealogy in the public realm. The Government of Canada, the Government of Alberta, and the people of Canada will be able to see the genealogy, and at that time Alberta will be able to make the appropriate judgment as to the volume of land that should be provided.

• (1500)

I would much prefer to have that genealogy placed with Alberta voluntarily. However, Canada is committed to fulfilling its obligation, and the options available to the Government are that of either public court or an inquiry.

**Mr. Speaker:** The Hon. Member on a supplemental.

**Mr. Fulton:** Mr. Speaker, my question is also in relation to the Lubicon Band—

**An Hon. Member:** Sit down, Jim.

**Mr. Speaker:** I am sorry. The Hon. Member for Cochrane—Superior has asked a supplemental. The Hon. Member for Skeena rises on the same issue with a supplemental, and I recognize the Hon. Member for Skeena.

REQUEST THAT FORMER BRITISH COLUMBIA SUPREME COURT JUSTICE REPORT TO COMMITTEE

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is on the same issue of the Lubicon Lake Band. I know my colleague has other important questions to ask, but I should like to ask the Minister a very serious question. In relation to the request by the Lubicon Band to have former Conservative Justice Minister E. Davie Fulton involved fully in a reporting capacity to the Standing Committee on Aboriginal Affairs and Northern Development, would the Minister explain to the House, to the people of Alberta, and to the Lubicon Band, why he has refused to allow this former Justice of the Supreme Court of British Columbia to be involved?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, the Hon. E. Davie Fulton provided a very important report. Mr. Fulton's view and Mr. Fulton's opinions are contained in that report. They are public. Mr. Fulton has a view.

In order to mediate one must be neutral. One must not have a point of view which has already been put forward to the public of Canada, to the Lubicon people. The one thing I would suggest is that if the Lubicon people wish to have Davie Fulton assist them, that is up to the Lubicon people.

However, in reporting to a House of Commons standing committee, one would hardly expect, looking at the confederational make-up of Canada, that the Government of Alberta would wish to have a mediator involved in something which is very important to the Government of Alberta, reporting solely to the Parliament of Canada.

**Mr. Speaker:** There will be a single question from the Hon. Member for Outremont, followed by a single question from the Hon. Member for York East, and that will close off Question Period.

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[*Translation*]

## THE COURTS

OPPORTUNITY TO MAKE SENTENCES UNIFORM IN SIMILAR CASES—REQUEST FOR IMPLEMENTATION OF ARCHAMBAULT REPORT RECOMMENDATIONS

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, my question is directed to the Minister of Justice. Last week, a judge in Ontario, at the federal level, handed down a totally unacceptable judgment in a case of sexual assault, namely a sentence of 90 days to be served on weekends only. The judge based his decision on the fact that the assailant was from a good family and that the victim did not suffer any serious physical or psychological effects. Mr. Speaker, it would appear that a number of judges across the country are applying legislation on sexual assault according to their own mood and milieu, and that there is a striking lack of uniformity in sentencing in such cases, depending on who the judge is.

Mr. Speaker, perhaps the Minister could inform the House when the Government intends to implement the Archambault Report which it has since February 1987 and which recommends sentence harmonization. When will the women of Canada be able to depend on our judicial system to see that justice is done?

[*English*]

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I appreciate the question. It is a serious and appropriate one. I share the concern of the Hon. Member with respect to the whole question of appropriateness of sentencing. Indeed I have addressed this matter on a number of occasions.

I should bring to the attention of the Hon. Member two things. First, the matter of sentencing is now a subject of consideration by the Standing Committee on Justice and Solicitor General. I am awaiting the results of the deliberation of that committee.

In addition, I have taken my own initiative to discuss this matter with the provincial Attorneys General with whom the administration of justice under the Constitution basically lies. I hope to have a full discussion with respect to the Archambault Report with my provincial counterparts at an early date. I hope we will synthesize all these considerations on a very complex but important topic at an early date, so that we in Parliament can in fact address this matter.

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## ENVIRONMENTAL AFFAIRS

APPLICABILITY OF PROVINCIAL LAW TO FEDERAL AGENCIES

**Mr. Alan Redway (York East):** Mr. Speaker, my question is for the Minister of the Environment. He has indicated that he believes all federal Departments and agencies should be subject to environmental law, but recently the Minister of Justice and the Department of Justice have defended federal polluters on the grounds of federal immunity from provincial legislation.

Will the Minister agree to amend immediately Bill C-74, which is presently in committee, to make absolutely certain that federal polluters are subject to all environmental laws? Will he ask his colleague, the Minister of Justice, to ensure that in future the defence of federal immunity will not be used in cases of this sort?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, I believe strongly—and I know that my view is shared widely in the House—that the federal Government is not above the law. That principle applies as much to the environmental field as it does to any other.

When a federal Department or agency breaks the law and violates pollution controls, then the book should be thrown at it. That texture is woven into the very fabric of the Canadian Environmental Act now before committee.

**Mr. Caccia:** It is not.

**Mr. McMillan:** If the Hon. Member, and the Hon. Member for Davenport who is heckling me now, both of whom are members of that committee, believe that the law as it is proposed falls short of the principle that the Hon. Member for York East has now articulated in his question, I invite them to propose an amendment, and it will be viewed with great sympathy by me and by the Government.

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## PRIVILEGE

WITHDRAWAL BY MINISTER

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I should like to rise today on a question of privilege. On reading *Hansard* of yesterday, I notice that in Question Period I inadvertently used a word that you normally would

consider unparliamentary when I talked about a "tissue of lies" in discussing the Opposition's suggestion that millions of dollars were spent on trade documents.

I just want to assure you, Mr. Speaker, that in no way was I implying that any Member of the House was lying; that would be unparliamentary. I was merely pointing out that the information was inaccurate. Therefore, I would like to take the first opportunity which is made possible today to set the record straight and withdraw the unparliamentary word.

**Mr. Speaker:** On what point is the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) rising?

**Mr. Boudria:** On the same point, Mr. Speaker.

**Mr. Speaker:** Of course I do not want to cut off the Hon. Member for Glengarry—Prescott—Russell on a point of order, but I would ask the Hon. Member to consider very carefully whether, in view of the complete withdrawal of what may well have been deemed to be an offensive word by the Minister, there is any need to pursue it further.

**Mr. Boudria:** Fine.

**Mr. Speaker:** I thank the Hon. Member.

ALLEGED INSINUATION OF WRONGDOING

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, I rise on a question of privilege as a result of remarks made by the Deputy Prime Minister (Mr. Mazankowski) who mentioned me as being in a similar situation to the Hon. Member for Frontenac (Mr. Masse). I think that he should withdraw those remarks which are quite unfortunate and unfair to me.

I spent 13 months under investigation for an alleged offence. My name was entirely cleared and those of all my co-workers. I think it is most unfortunate that one's name is never entirely cleared.

It took Elections Canada a very long time; it sat doing nothing for a very long time, and finally when my name was cleared it was a total and complete clearance. It was stated unequivocally—and there were no secret letters—that there was no semblance of anything wrong done either by me or anyone in my campaign. I resent insinuations that there was anything suspect about that, and I regret the fact that months later I am still having to rise to clear my name. Certainly the Deputy Prime Minister ought to know better.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I gladly rise to indicate to the Hon. Member that I in no way impugned motives or actions of wrongdoing on her part. I merely mentioned, because I read it in the newspaper, that she was undergoing a similar investigation by Elections Canada. She was obviously cleared. In a similar manner the Hon. Member for Frontenac was cleared, yet Hon. Members across the way choose to bring the issue up. There were other Members under investigation. I was simply trying to make the point that an officer of this House rendered a decision and those individuals across the way are questioning that decision on a selective basis. I take issue with that.

• (1510)

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I appreciate the Deputy Prime Minister's interjection, but this is worthy of clarification. It may be a modest clarification but nonetheless an important one.

The Minister referred to the fact that a number of Members of Parliament were being investigated. Indeed, there were three, one from each Party. The Liberal Party Member was totally exonerated. There were no infractions whatsoever by the NDP Member. The point they are making today is that there were infractions by the Hon. Member for Frontenac (Mr. Masse). I will just leave it at that. It was simply that distinction which was being made and I do not think the Minister, when he was making his case earlier, was suggesting there were any infractions by the other two Members. Perhaps some clarification of that would be appropriate.

**Mr. Mazankowski:** Mr. Speaker, I want to make it very clear again by quoting from the November 28 news release from Elections Canada:

> The Commissioner of Elections Canada, Joseph Gorman, today issued the following statement:
>
> "I have reviewed the results of the investigation which I received at 1300 hours on Thursday, November 21, 1985, as well as the recommendations of independent counsel which I received at 2030 hours on November 26, 1985. I have decided that no charges will be laid against the Hon. Marcel Masse or his official agent, Jean Morissette".

If that does not translate into a clearance of the Hon. Member for Frontenac, then I do not know what does. To do otherwise is to simply question the integrity of the Commissioner, and that is what the Hon. Member is suggesting.

**Mr. Speaker:** I think Hon. Members would want the Chair to exercise some judgment in this matter.

The Hon. Member for Broadview—Greenwood (Ms. McDonald) rose at the first opportunity following what she took to be a remark by the Hon. Deputy Prime Minister (Mr. Mazankowski) which might be taken by some to indicate that she had been guilty of some infraction of the Elections Act. The Hon. Deputy Prime Minister rose and made it abundantly clear that that was not his intention. I think that ends the matter.

A further issue was raised in Question Period which we are now getting back into and I have to tell Hon. Members, with respect to questions asked regarding the resignation and investigation of an Hon. Minister, a question of privilege or

point of order is not the place to pursue it. I am going to be quite firm in closing off any further comment in that respect under the guise of the question of privilege of the Hon. Member for Broadview—Greenwood (Ms. McDonald).

I will now recognize the Hon. Member for Churchill (Mr. Murphy) on what I hope is a somewhat different matter.

**Mr. Murphy:** Mr. Speaker, I think the question of privilege raised by the Hon. Member for Broadview—Greenwood has not been clarified and there is—

**Some Hon. Members:** Order!

**Mr. Speaker:** With the greatest respect to the Hon. Member for Churchill, who has been of great assistance to me as Speaker on many occasions, I do not take lightly what he may wish to say. However, I am in some difficulty here. I think I heard clearly what the Hon. Deputy Prime Minister said and I have certainly taken that as a complete clarification and withdrawal of any suggestion that the Hon. Member for Broadview—Greenwood was in any way guilty of anything wrong. Having said that, that ends the issue. Hon. Members will have to respect the position of the Chair in that regard.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I accept the ruling that you have just given but there is a new issue here. A similar remark was made concerning the Hon. Member for Hamilton East (Ms. Copps) by the Deputy Prime Minister (Mr. Mazankowski) today. While he may have withdrawn remarks made about the Hon. Member for Broadview—Greenwood (Ms. McDonald), I hope he will take a brief moment and make a similar and unequivocal withdrawal of any remarks which may have harmed the reputation of the Hon. Member for Hamilton East.

**Mr. Mazankowski:** Mr. Speaker, of course I would be glad to do so in the same spirit that I did with respect to the Hon. Member for Broadview—Greenwood. I was only using those as examples of issues which were investigated by the same officer of Parliament. Quite frankly, all I am suggesting to Hon. Members is that when we get into this sort of thing we should remember that when we are questioning the integrity or judgment of individuals, we do it right across the board. We cannot do it in a selective manner.

**Mr. Speaker:** I notice the Hon. Member for Lethbridge—Foothills (Mr. Thacker) wishes to rise.

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## POINT OF ORDER

### ACCEPTABILITY OF QUESTIONS

**Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, as a long-time Member of this House I must say that I am absolutely astounded by the line of questioning followed by both opposition Parties. I want to say why as a Member of this House—

**Mr. Speaker:** The Hon. Member has been given the floor. He should advise the Chair if he is rising on a question of privilege or point of order before getting into a long argument.

**Mr. Thacker:** It is a point of order as to whether or not perhaps yourself, as president of this assembly, should permit that type of question. As we all know, all sorts of charges can be laid and allegations made and those are handled, sometimes in a court of law; in this case, by the law of Parliament, the commissioner has that power. The RCMP are not judges.

If we are to get into the case of the Hon. Member for Frontenac (Mr. Masse) because of a leaked letter, then we have to get into all the supporting documents which might have been put before the commissioner with respect to the Hon. Member for Hamilton East (Ms. Copps) and the Hon. Member for Broadview—Greenwood (Ms. McDonald). We should not get into that at all, and I submit that perhaps as Speaker you should stop all of those types of questions.

The commissioner authorized by Parliament made the decision whether to prosecute or not. When he decides not to prosecute the slate is clean. There are no allegations that can be made against anyone.

As I said, I was quite shocked and astounded that Hon. Members would make that allegation against the Hon. Member for Frontenac because we will have to make the same ones against their people.

**Mr. Speaker:** The Hon. Member has risen and I thank him for not getting into extensive further debate on the issue raised in Question Period. However, I will take the Hon. Member's comments as a suggestion. I know it is suggested in the best spirit of this place, and it is perfectly proper to bring to the attention of the Chair the possibility that the Chair may have allowed some questions which under the circumstances ought not to be allowed. I will say this to the Hon. Member. Having allowed those questions, they cannot of course be undone. However, I will examine them carefully.

I am indebted to senior Members of this place who may from time to time wish to draw to the Chair's attention the possibility of error. I felt under the circumstances that the questions were appropriate, but I certainly will take into account the fact that the Hon. Member for Lethbridge—Foothills (Mr. Thacker) and perhaps some other Hon. Members may have felt that I extended too much latitude. I will examine that tonight.

• (1520)

I certainly want Hon. Members to know that the Chair does not take offence if Hon. Members bring to the Chair a question which perhaps the Chair should review, and I accept the suggestions of the Hon. Member in that regard.

*Point of Order—Mr. Thacker*

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, if Your Honour is to take into account the proposal made by my hon. colleague and start examining how much latitude you had given an Hon. Member, I would hope that you would listen to other points of view as well. We operate under the British parliamentary system and Your Honour and all my colleagues know that I am a great defender of the British parliamentary system. That British parliamentary system gives a lot of latitude to Members as to their way of questioning.

As much as we may resent the way some Members may ask questions, to me it is irrelevant under the British parliamentary system. If an Hon. Member chooses to go along a certain line, that may be resented by some other Hon. Members. I believe the Speaker is the supreme authority and will exercise his authority, having in mind the British parliamentary system which has worked very well for Canada. In the past, there were many things that I did not like, but I accepted them because they originated from the British parliamentary system, a good system.

The Hon. Member is saying that in certain cases the Speaker should exercise his final authority, though I know the Speaker is too wise a man to jump too quickly to the conclusion that what was done today should not be repeated because then he will create a precedent with which we would not like to live in the future.

I do not question the sagacity or wisdom of my hon. colleague's intervention. However, even he may not like his own intervention tomorrow if we were to enter into a very difficult debate for which there was already a precedent. What I like about the British parliamentary system, but what may sometimes not be to our tastes, is the strength of precedents. Because Mr. Speaker so and so, on a certain occasion many years ago, said the following, we shall today say the same. I do accept that, but we should not ask the Speaker to set a precedent with which the Hon. Member himself may not be ready to live in the days, months or years to come.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I will speak strictly to the point of order. I do believe that it is important for Members of the House, even for government Members, to be able to ask questions when they believe there is a need to do so. In this case the government Member said that the Commissioner of Elections made a decision on November 28, 1985, and therefore we in Opposition should not be able to ask questions on this matter. That is completely out of place.

The Commissioner made his decision and released a press release at that time which left a certain impression in the minds of the Prime Minister (Mr. Mulroney), the Deputy Prime Minister (Mr. Mazankowski) and others. We did not raise questions after the issuance of that press release because we were also left with a certain impression at that time. However, we now have a letter before us which gives us a different impression, an impression which demands that certain questions be asked in the House.

After examination, we have found that the letter sent to at least one other Hon. Member of the House by the Commissioner of Elections, the letter sent to the Hon. Member for Broadview—Greenwood (Ms. McDonald), was a different letter from the secret letter that was sent to the Hon. Member for Frontenac (Mr. Masse). The fact that these two letters are different and that one letter, the letter to the Hon. Member for Frontenac, ended by saying that the letter would be kept secret indicates that there is a reason for the issue to be raised in Parliament. I think—

**Mr. Speaker:** I always welcome the assistance of the Hon. Member for Churchill (Mr. Murphy). Perhaps it is appropriate for me to say that while the Chair has listened, as I think the Chair is bound to listen, the Hon. Member for Lethbridge—Foothills (Mr. Thacker) took a position with respect to the sometimes difficult line between what is an acceptable question and what is not an acceptable question.

I have listened very carefully to the Hon. Member for Saint-Denis (Mr. Prud'homme) who has served in this House for longer than most of us and whose judgment on these matters is of very considerable importance, especially to the Chair, and who has reminded the Chair that there is an obligation and a duty to ask questions, and that in order to pursue the truth some latitude must be exercised. I have said to Hon. Members in the past, and I will say it again, that even in a difficult matter my view is that not only does the Opposition have a right to inquire, despite the fact that it may be a difficult matter, it indeed has a duty. I hope Hon. Members will agree that I as Chair have tried, as I intend to continue to do, to diligently apply the rules in such a way that there is in every real sense the free and proper right to ask questions, as there must also be the full opportunity of reply, subject of course only to this. We must not ask questions in such a way that inappropriately and wrongly traduce or destroy the reputations of other people.

I know that the Hon. Member for Churchill is making the point that despite the fact that sometimes questions are difficult and awkward, and sometimes on difficult issues even worse, the Chair ought not to be too restrictive. As I said earlier, questions were asked today and I allowed them. I allowed them because I thought they were appropriate, despite the fact that it was a difficult issue. As I have said, of course I will read carefully those questions and answers because, as I have said to the Hon. Member for Lethbridge—Foothills, the Chair has an obligation to consider a concern if it is raised by an Hon. Member.

I think we have probably gone just about as far as we need to go. However, I indicated that I would hear the Hon. Minister and I would welcome his intervention.

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I will be very brief. Just by way of background, Your Honour and I were elected at the same time, and you will recall that in the early days of our time in this House it was common practice during all periods of

parliamentary debate, including Question Period, for Hon. Members to rise on points of order and questions of privilege if they felt that a question, comment or statement was in fact contrary to the rules as set out in the Standing Orders or in Beauchesne's. That practice carries on during debate now and the Chair does not always respond to every obvious violation of Standing Orders or practices of Beauchesne's, but the Chair certainly listens if someone rises on a point of order or a question of privilege in relation to a statement made, and the Chair reacts to that.

Because of the time that was taken up during Question Period with points of order and questions of privilege, the House decided, with agreement on both sides, that we would no longer permit points of order and questions of privilege during Question Period. That created a dilemma, I believe, and has over time caused the practices of the House in Question Period to change, not so much by deliberate choice or by decision of the House that this is the way we should go, but rather by the fact that there was then missing an opportunity to identify on a timely basis changes in procedures, questions and responses that may not have been in keeping with the practices as set out in the Standing Orders or in Beauchesne's.

I do not want to go into the details of the matter. I was of the opinion that parts of the questions raised by the Leader of the New Democratic Party were out of order simply because they asked a question of the Government that was beyond the Government's competence. I would have to read the "blues", but they were something to the effect of why the Commissioner of Elections took such and such an action. That is clearly beyond our competence. Had that been asked in normal debate or prior to the change in rules I would have been on my feet to say, on a point of order, that that question was out of order. The Chair could have agreed or disagreed with me at that point. My point is that through practice there have been no opportunities for Members on either side to raise those kinds of things.

• (1530)

I welcomed in your response to the Member for Lethbridge—Foothills (Mr. Thacker), Mr. Speaker, the indication that the Chair welcomes these kinds of observations and that, should Members believe that certain questions are out of order at any time, the House need not assume that each and every question has been carefully considered by the Chair and should be assumed to be in order unless the Chair ruled them out of order. In fact, the Chair welcomes observations about their appropriateness, propriety, and so on, and would take them into account.

I welcome that. I hope we would re-establish that practice. I believe it is Citation 359 of *Beauchesne's* which describes the kind of questions that are allowed, which bears no relationship to what happens here now. I am not sure that it is the result of a carefully thought out decision on anyone's part what we want this place to become and how we want to project to the public that sent us here. Rather, I think it has arisen in part because of the inability, through the changes we made, to have an opportunity for discussion on both sides to determine what is appropriate demeanour, response, and so on.

I welcome the opportunity to have this debate. I think we would do greater service to the public if we were a little more careful sometimes, if we had the opportunity to examine what we were doing, and if we exercised better judgment. I hope I am not being unfair, but too often it seems that it is the demands of the ten o'clock and eleven o'clock news which dictate behaviour in this Chamber rather than what we as parliamentarians in our heart of hearts would like to see this Chamber do.

**Mr. Speaker:** I appreciate the comments of Hon. Members. Those of us who were here some years ago will remember that a point of order or question of privilege was a very effective way of sidetracking Question Period. While they cannot now be raised at that time, I want to assure the House that when Members have concerns, as they do from time to time, as your Speaker I want to hear about them. In most cases the suggestions and counsel that are received from Members here are indeed of help to the Chair.

The Hon. Member for Skeena (Mr. Fulton) has a question of privilege of which I have received notice. It is somewhat complicated and I will hear him now.

* * *

## PRIVILEGE

### COMMITTEE ON ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT—REQUIREMENT FOR COMMITTEE TO REPORT

**Mr. Jim Fulton (Skeena):** Mr. Speaker, the issue is a little bit complicated. I will try to give you some idea as quickly as possible of from where the question of privilege flows.

A Bill known as Bill C-31 was passed by the House on June 12, 1985. Clause 22 of that Bill has two requirements, the first one being that the Minister shall cause to be laid before each House of Parliament, not later than two years after the Act is assented to, a series of items of information in relation to Bill C-31, including the number of people involved, the names and number of bands, and the impact of amendments on the lands and resources of the bands.

My question of privilege does not flow directly from that clause but from subclause (2) which says:

> Such committee of Parliament as may be designated or established for the purposes of this subsection shall—

—not "may", but "shall"—"forthwith"—and its "forthwith", not "sometime in the distant future"—

> —further on after the report of the Minister is tabled under subsection (1), review that report and may, in the course of that review, undertake a review of any provision of the Indian Act enacted by this Act.

The Minister of Indian Affairs and Northern Development (Mr. McKnight) did table a report in June, 1987, as was required. There was a rather lengthy debate, as you might recall, in this House as a result of the fact that there was almost no information in the report. However, that is a debatable point.

The point I want to get to is that the committee of Parliament, which has been designated by this House as the Committee on Aboriginal Affairs and Northern Development, shall report forthwith. That report has been before the Standing Commmittee on Aboriginal Affairs and Northern Development since June, 1987. In various areas and bodies of law in the country there are definitions of what "forthwith" means. In some areas of law it can mean a few days. In other areas it means other things. To Parliament, obviously, it means the requirement to move with some kind of speed.

The difficulty is that last year there was a Chair appointed by the Government for the committee on aboriginal affairs but the committee was not called for nine calendar months last year. No witnesses were heard and no business was undertaken. I am not certain what could possibly have gone on to cause the committee not to sit.

However, last fall I was appointed to the Committee on Aboriginal Affairs and Northern Development and am the permanent member of it. A steering committee meeting was held and a new Chair was chosen. As my colleague, the Member for Cochrane—Superior (Mr. Penner), and I have said on the record to the Member for Cape Breton Highlands—Canso (Mr. O'Neil), we were prepared to call it a new day in the committee and try to get the committee going. We began to invite witnesses in relation to Bill C-31 as we have a statutory responsibility to do. We invited the Assembly of First Nations, the Prairie Treaty Nations Alliance, and the Native Council of Canada, and we started moving on with other groups of witnesses.

Just before the break a committee meeting was held and a decision was taken there by motion and vote to call Mr. Justice E. Davey Fulton before the committee in February in relation to the Lubicon Indian band. The clerk of the committee was in touch with Mr. Fulton and he agreed to come on February 9. A very cordial and businesslike meeting of the committee was held with regard to the calling of other witnesses.

It was decided by all three Parties which were represented there that, because of the large number of witnesses—the Native Women's Association, and various bands, tribal councils and groups from across the country—who wanted to come, the job should be left to the staff and the clerk of the committee to request the presence of those witnesses on certain days beginning on Tuesday of this week for a full day of hearings and today for a full day of hearings.

The concern that I have, Mr. Speaker, is that without any notice or any attempt to give you notice by phone or mail, through the clerk or by any other means, the Chair of the committee cancelled all of those witnesses and all of those committee meetings. In some situations this might be seen only as an unfortunate situation, but this appears to be a conscious design in that once the committee stopped sitting last year it never sat again. It did not sit week after week until it had gone for nine months without sitting. The only committee of Parliament that did not sit during those months was the Committee on Aboriginal Affairs and Northern Development.

The concern that I have is that members of that committee at the very least, if not all Members of the House, are in some way, albeit in a grey area, in breach of the law. I direct you, Mr. Speaker, to look at Clause 16 which comes just before Clause 22, which says that should an aboriginal Canadian, Indian, Inuit, or Métis, violate any clause of Bill C-31 they are liable to extensive fines and up to six months' imprisonment. There are jail terms and fines for any aboriginal person who contravenes any clause of this Act, but neither the Minister nor the committee has done what is required by the law.

It seems to me that there is an intentional blockage of the committee. I came here with my schedule prepared for a full day of hearings on Tuesday. I learned only yesterday, and confirmed it this morning, that all of the witnesses and all of the hearings were cancelled for today as well. This leads me to believe that members of the committee are in some way already in breach of Section 22(2). There must at some point be a definition of "forthwith". It surely cannot mean never. If saying that a parliamentary committee must report forthwith means that it never has to report, that is an interesting new definition of forthwith, albeit something which many aboriginal people have come to expect.

I have had calls from aboriginal groups who have been denied their right to appear as witnesses. It is starting to cast a shadow, and not only upon the Government. There are many aboriginal people who are extremely angry with the Government because of its policies. However, this is now casting a pall upon all Members.

My final point is that I have things to do in terms of serving my constituency. I arranged my time to be here for committees that were scheduled six weeks ago. On Monday of this week the Chair of the committee cancelled those for Tuesday. I am not sure when he cancelled the hearings for today.

• (1540)

I cannot arrange my calendar to the whim of a chairman who has never called me. He has been in the House every day but has never spoken to me or given me a note. At some point I think the Chair will have to rule on the meaning of "forthwith", whether we are in breach of the law, and at what point the cancelling or lack of holding of committee meetings reaches the privileges and reforms of the House. I am prepared to move a motion to move this entire matter before the Standing Committee on Elections, Privileges and Procedure, where I think it should best be resolved.

**Mr. Speaker:** The Hon. Member has certainly put his case succinctly and has given the Chair a clear and concise statement of the facts and points in issue, which is helpful.

I will hear other Members, certainly the Member for Cochrane—Superior (Mr. Penner).

Of course, the Hon Member for Skeena has every right to put his case fully, as he has done. However, I now want any other Member who may address the Chair on this issue to keep in mind my gentle but nonetheless what I believe appropriate comments before Christmas on several judgments, that it has to indeed be a very serious matter before the Chair could be entitled to interfere into proceedings that are held by a committee.

If something is going on or not going on in a committee that takes it out of the ordinary and in fact works against the capacity of the Member to do his or her duty as a Member of Parliament, then there may be cases where the Chair can intervene. However, I need assistance from Members now as to whether these facts take us into what I would call that exceptional category.

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, your instructions regarding how we should approach this question of privilege are most helpful. Indeed, I will argue that there are such circumstances that do call for intervention from another authority.

All Hon. Members in the House will know that ordinarily, as Your Honour has suggested, committees are masters of their own arrangements. They control the manner and the rate in which they do their business. We could call that a precedent of the House of Commons. The committees are only subject to Standing Orders.

For example, if a committee refuses to meet, then it can invoke Standing Order 92(2), which states that four members may require a meeting. I will not go over that Standing Order and take up your time, but would just add that when there are only two opposition Members on a committee, Standing Order 92(2) very quickly becomes inoperative.

If we were to argue just that, we would be bringing to your attention something that could be called a grievance rather than a privilege and you would be quite correct in dismissing it forthwith.

However, the current situation with the Aboriginal Affairs and Northern Development Committee is really quite different.

I want to argue that at the present time the aboriginal affairs committee of the House is under the obligation of law to fulfil certain duties. Namely, it is to look at the impact of Bill C-31 and is required to report to Parliament as to what changes are necessary. It is a statutory obligation, laid upon the aboriginal affairs committee.

According to Beauchesne 4th Edition, Citation 13, page 12, whenever there is an expressed order of the House, whenever there is a statute or statute regulation, that supersedes every mere usage or precedent. Therefore, the concerns that you raised about whether we were just calling upon you to interfere with the operation of a committee, you can see immediately that we go well beyond that because we are under the obligation of the law.

The Member for Skeena (Mr. Fulton) and myself, as members of this committee, want very much to fulfil our statutory obligations. However, we believe that we are being prevented from doing so. When an Hon. Member is in any way prevented from carrying out his or her duties, then I would argue that this becomes a *prima facie* case of privilege.

Let me illustrate. Before the Christmas recess, it was agreed by all Members that we would allow the staff to do the scheduling, to call the witnesses and immediately upon resumption of Parliament, beginning this week of January 18, we would get down to work. Those witnesses were properly notified. They made their travel plans and were prepared to be here. Then, unilaterally, on his own volition, the Chairman cancelled all the meetings. All of those witnesses had to be notified not to come to Ottawa and they were inconvenienced and extremely angry and upset.

I think it could be argued that the Chairman is breaking the law. There is in the Criminal Code of Canada a very generalized penalty for breaking any statute. However, I will not argue that point at all because I would not want to tempt the Speaker to tell me to refer this matter to the Attorney General of Canada and have the matter delayed.

What we need is immediate action from Your Honour. If the chairman of the committee will not follow the law on his own volition, he must be directed to do so by someone who has authority over him. You, Sir, as the first among equals in this House, have that authority to order Members of Parliament to obey the law as that law impinges directly on them. Therefore, I am asking you to rule in favour of a question of privilege so that the Standing Committee on Elections, Privileges and Procedure can fully review this matter and be empowered to issue very strict orders that the committee must meet and must report because the law requires it to do so.

Let me add another illustration. If the Auditor General of Canada did not carry out his important duties and report to Parliament, there would be an outcry. If the Public Accounts Committee did not meet to consider a report from the Auditor General, that would be a serious matter. It would be a grievance, but no law would be broken.

The Auditor General, however, must audit and the Auditor General must report. The law requires him to do so. He is under a statutory obligation.

Similarly in this case, I am arguing that the Aboriginal Affairs and Northern Development Committee does not just operate on its own will. It is under the obligation of Section 22(2) of an Act of Parliament under Bill C-31. It is operating under the law and must, therefore, meet forthwith.

The Hon. Member for Skeena indicated that the Minister for Indian Affairs and Northern Development (Mr. McKnight) reported on June 26, 1987. The aboriginal affairs commmittee did not have a single meeting on Bill C-31 until December 10 and the Statute says that it is to meet forthwith. How liberally can one interpret the term "forthwith"?

I call upon you, Sir, to intervene in the name of the law and to get this committee working and operative so that its statutory obligations can be fulfilled.

**Mr. Speaker:** Before I proceed to the next Member, the Hon. Member for Cochrane—Superior (Mr. Penner) referred to Beauchesne. He gave a page and citation. Would he assist the Chair?

**Mr. Penner:** I was referring to Beauchesne 4th Edition, page 12, Citation 13.

**Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso):** Mr. Speaker, I rise to address the point under discussion, as Chairman of the committee in question.

With respect to the initial point of meeting forthwith, the Speaker and the House should know that the committee in fact had several meetings prior to Christmas. Several of those meetings were unusually long in an effort to respond to the need to examine the implications of Bill C-31.

With respect to the second point about cancellation of meetings, there has been no cancellation. No meetings were ever called. It is true that some witnesses were contacted.

A rescheduling process has taken place with some of those witnesses. If the Members who preceded me had been thorough in their comments they should also have commented that I have instructed the clerk to formally call meetings for next Tuesday and next Thursday. The clerk had this knowledge this morning and, indeed, yesterday. I am surprised that the Hon. Members did not bring forward this information.

• (1550)

I repeat, no meetings have been cancelled. Some witnesses were called. Tentative schedules were discussed. A re-scheduling process is under way. A tentative re-scheduling process has been drafted. It will be presented to the committee on Tuesday. It is an ambitious program to examine the implications of Bill C-31 and I am sure all committee members will be pleased with the plan which the Chairman will bring forward to the committee on Tuesday.

Although the statute in question requires that an examination be undertaken forthwith, it does not require that conclusions be made in an immediate way. Therefore I do not share the concerns of the previous speakers. I believe the committee is moving along in a very aggressive way.

**Mr. Speaker:** Perhaps I can assist Hon. Members. I have listened very carefully to the Hon. Member who is the Chairperson of the committee. What I would prefer to do at the moment is to adjourn this application of the Hon. Member for Skeena (Mr. Fulton). It may well be that the matters complained of are about to be corrected. However, I do not sit in judgment on that.

I do want to repeat again, in the interests of all Hon. Members and in the interests of members of the public who watch this place, it has to be an exceptional matter, indeed, for the Chair to interfere with committee proceedings. I am not saying, and I have never said, that something might not go wrong in a committee that would require the Chair's intervention. If I think something is happening in committee where, under exceptional circumstances, Members are not allowed to get on with the business they were sent here to do then that, of course, gets awfully close to privilege and the Chair would have to consider it.

I think I can save everyone some time, perhaps, by adjourning this matter, leaving, of course, all rights open, and I want to thank Hon. Members and the Chairperson, who obviously returned from some other obligations to come into the House and assist the Chair. The matter is adjourned and I will return to the House with this matter if it is necessary to do so.

**Mr. Lewis:** With respect to this matter, we did discuss this at length and the Chair brought down an excellent ruling prior to Christmas *vis-à-vis* what matters of privilege that happen in committee should be dealt with by the House. With respect, Mr. Speaker, I think that point ought to be the first point established in a question of privilege dealing with committee matters.

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## BUSINESS OF THE HOUSE

### WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my calendar says today is Thursday. That being the case I do want to ask the Deputy Government House Leader to give us a statement of Government business for the next seven days.

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, with respect to today, despite what I consider to be an unnecessary delay, we had hoped we would be able to complete the important legislation on the Atlantic Canada Opportunities Agency. Unfortunately, the protracted debate has delayed that. However, we would hope the Opposition would see fit to let that important Bill go to committee and not stall it any longer.

Tomorrow we will deal with a variety of Bills, depending on the availability of critics. We appreciate that people have other things they may perhaps be doing. I am referring to Bill C-104 which deals with the Statutes of Canada, Bill C-99, the Currency Act, Bill C-96, amendments affecting agricultural matters, and Bill C-91, which is under Consumer and Corporate Affairs.

We will be designating Monday as an allotted day. With respect to Tuesday, we have been continuing discussions with respect to the amendments which have been sent back from the Senate with respect to Bill C-84 and we may or may not be able to proceed with those. We are also looking at Bill C-60, the report and third reading of the Copyright Act.

**Mr. Gray (Windsor West):** I want to thank the Government House Leader for his statement. However, I do want to take exception to his use of the word "stall" with reference to the exercising by Hon. Members of their right, in fact obligation, to take part in debates in this House on important matters. I do not think that speeches by Hon. Members, including Hon. Members on the Minister's own side of the House, should be subtly criticized by being referred to as "stalling". That certainly is not the case and I am sure the Minister knows better.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Madam Speaker, I too want to say that we appreciate receiving this tentative agenda for work planned for the House of Commons. But like my hon. friend, the Hon. Member for Windsor West (Mr. Gray), has indicated, I want to register my concern at the Deputy Government House Leader's remark that we are holding up legislation. If my recollection serves me, we have had probably four or five speakers from the New Democratic Party on a Bill that the Economic Council has recognized as one of the most important issues economically facing our country in this decade.

I, for one, certainly do not apologize for spending two or three days talking about this Bill. It is a very important Bill. It has major flaws attached to it. I just do not want to give any impression that we will accept the notion that we are somehow prolonging unnecessarily the debate on this Bill. I think if one looks at our track record, one can see the tremendous amount of co-operation the opposition Parties have shown. It has resulted in a tremendous amount of legislation actually having moved through the House of Commons in the last number of months. There has been a tremendous amount of co-operation. And we plan to continue to do that. However, when it comes to very important pieces of legislation, such as is Bill C-103, we want to ensure that Members have an adequate opportunity to provide their views, particularly to point out in this case the shortcomings of this legislation.

**Mr. Lewis:** Madam Speaker, I appreciate the fact that it has been a difficult week for my colleagues and I want to withdraw any implication that in debating this Bill they were stalling. I said it in an off-hand manner and in no way did I intend to impute any ulterior motives.

## GOVERNMENT ORDERS

[*English*]

### GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**Mr. Riis:** Point of order, Madam Speaker.

**The Acting Speaker (Mrs. Champagne):** I realize that the Hon. Member for Skeena (Mr. Fulton) is rising, wishing to continue on the question or comments following the intervention of the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil). Unfortunately, as the Hon. Member has had to leave the House, that period for questions or comments is, therefore, eliminated. We are now resuming debate.

**Mr. Riis:** Madam Speaker, it is my understanding that the 10 minute interval is for comments or questions. I do not see that the fact that the member is not here makes any difference. He knew this was going to be the comment and question time. It is obviously impossible to ask him a question but it is still possible to make a comment, if Members so wish.

**The Acting Speaker (Mrs. Champagne):** This is a question that has arisen in the House on quite a few occasions previously. At other times as well the occupant of the Chair has always seen fit to resume debate. The comments or questions following an Hon. Member's intervention should normally be followed by the Member's own answer on to the comments or questions. As other occupants of the Chair before me have done whenever the Member has had to leave the House, the period for questions or comments has been eliminated. Resuming debate.

**Mr. Althouse:** Madam Speaker, I am very aware of the previous rulings on this particular matter, but I would submit to Your Honour that there is a slight difference in this particular case because the Hon. Member for Skeena, I believe, had the floor at one o'clock and was in mid comment—

**Mr. Fulton:** No, no. The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) was, then he left.

**Mr. Althouse:** The Hon. Member had the floor when one o'clock was called and I think that this is a slight variation from anything the Chair has ruled on before, if my recollection is correct.

• (1600)

**Mr. Harris:** Madam Speaker, I rise on the same point of order. The Hon. Member for Skeena (Mr. Fulton) was in mid-speech when the clock reached one o'clock, at which time Your Honour interrupted to say that perhaps the Hon. Member would like to continue his remarks when debate resumed. I now see that this is perhaps a different point of order.

Is the Chair suggesting that the ruling is that a Member by walking out of the House can prevent another Member from continuing a speech that is being made? If that is the rule then this is quite a different point of order from the one that was previously made. It would seem to me to indicate that if I do not like what someone is saying, especially in terms of a comment being made by a Member opposite, then I can get up and leave my chair and, all of a sudden, the question and comment period ceases. If I do not like a question or the tone of voice of an Hon. Member, then I can walk out and that would stop a speech from being made, or a comment. I do not think that that is the intention of the Chair in making the previous rulings that Members of the House by removing themselves can stop someone from speaking.

**The Acting Speaker (Mrs. Champagne):** The Chair's feeling is that, contrary to what the Hon. Member is saying, if a Member is not in agreement with what he or she hears then he or she would want to stay to have the opportunity to answer.

I would like to go back to a ruling made by the Speaker in 1985 in which he stated:

> Therefore, it is to me not sensible when a debate has been adjourned for a normal period of time, overnight or a lunch period or a week or whatever, to allow the questions and the comments to continue in the unavoidable absence of the Member who made the speech.

That ruling shall stand. We can now either resume debate, or is the House ready for the question? The Chair recognizes the Hon. Member for Skeena (Mr. Fulton) on debate.

**Mr. Jim Fulton (Skeena):** Madam Speaker, I am pleased to have an opportunity to speak on the Bill that is before us today. It has two principal sections in it, one being the establishment of the Atlantic Canada Opportunities Agency, and the other being the establishment of the Enterprise Cape Breton Corporation.

This is an interesting piece of legislation. We have seen this type of thing laid out before the House before. What is really behind it is what residents of Atlantic Canada would like to know more about. I say that because they certainly have been given a great deal of bluster and shell game by government Members, including a Minister who spoke this morning, as to what is really happening in terms of the Bill. We know roughly what kind of new or old money will be allocated. It is just over $1 billion over five years, that is, just over $200 million per year.

The Bill purports to be a new kind of decentralization. A special board will be created and so on. As I intend to point out, there is far less money than there used to be, either under the present Government or under any other previous Government in terms of real dollars per capita for regional development in Atlantic Canada. There really is not the kind of decentralization that government Members herald this measure to be.

I think a great many Atlantic Canadians would like to know what is really happening in terms of job creation in Canada, what free trade will mean and what these two new agencies will mean in terms of economic development, and whether or not small and medium-sized businesses, to which they are supposedly targeted, are the ones which will really benefit. We have to do a bit of looking to see whether or not what the Government is telling the people of Atlantic Canada is in fact what will happen. That is the proper role of MPs, whether they be government Members or opposition Members. It is certainly the role of opposition Members.

Statistics were released last year with respect to where jobs were being created in Canada. Such was reported on February 28, 1987, in *The Globe and Mail*. It was stated in an article in that newspaper that day that between January, 1986, and January, 1987, the total number of jobs in the country rose by 137,000, according to unadjusted figures, but only 5,000 of those jobs were created outside of Ontario. That certainly was and is well known in western Canada, which is where I come from. I come from an area not terribly different from some parts of Newfoundland, New Brunswick, Nova Scotia, Prince Edward Island, or certainly some areas of the Province of Quebec, if we include some of its areas as having the type of employment difficulties that are found in much of rural, northern and maritime Canada.

The games that can be played with figures are many. We heard the Minister and various Members from the government side claiming that this is new money and that it is more money. They said that it would really be the initiative that would finally get Atlantic Canada's economy going. Then, on March 7, 1987, not too long after this article pointing out where jobs were really being created was printed, it was pointed out that it is those regions of the country where we are starting to find real sluggishness in the economy. We see that in the areas of the country where the economy is really at work there is no unemployment. I refer to Toronto and the Golden Horseshoe, or the Golden Triangle, or whatever one calls it depending on what part of the country one lives in.

Many Atlantic Canadians were interested when the Minister of Public Works (Mr. McInnes) said that the Atlantic Canada Opportunities Agency may be the last kick at the can as far as development programs for the region from the federal Government are concerned. He went on to say, "I think it will work but it may be the last kick at the can from what the federal Government may do in the region". What does the Minister of Public Works mean? I think we have to look at some figures to find out just exactly what this means.

We can look at some federal Government figures to give us some idea of why this is really a shell game, that these are not

new dollars or that this is not some kind of a great new initiative. In the regional development envelope, between the time the Prime Minister (Mr. Mulroney) took office and now, there has been a reduction of $2.89 billion between fiscal 1984-85 and fiscal 1987-88. That figure will certainly rise to well beyond $3 billion by the time we end this fiscal year. There were cuts in the Department of Regional Industrial Expansion to the tune of $200 million in the first year the Conservative Government was in office. Some $100 million more was cut from the Department in 1985-86, while $150 million was cut from the Department last year. There have been all kinds of other cuts to the regional economy of Atlantic Canada. Some $16 million was cut from the East Coast ferry services. There was $100 million cut in Cape Breton alone in relation to the 700 jobs that were lost at the heavy water plants. The estimate, which is clearly accurate and perhaps even on the conservative side, is that on an annual basis since the election of the present Government there has been a cut in federal spending in the Atlantic region of $1 billion.

If we take a look at the figures we will see that there is around $200 million per year being proposed under these agencies being set up in Atlantic Canada with these boards having anywhere from up to 20 members. While $1 billion is being cut, $200 million is being replaced. This, of course, is something that Governments are embarrassed to admit, rather than announcing their plans year by year and saying, "We are taking $800 million away and we are giving you $200 million". A great many Governments forget that those dollars come from the people of Atlantic Canada. They come from Canadians. They are not printed solely here in Ottawa by Governments as they come and go from power.

What is happening is that the Government, rather than announcing the initiative province by province, a few million here and a few million there per year, adds all the provinces together and then multiplies by five. Why does it not multiply by 10? My colleagues have touched on this before. Why does it not multiply by 20, 30, or 40 to make it sound like some substantial amount of money? Certainly Atlantic Canadians and Canadians I represent in the most western constituency of Canada do not forget very quickly that this is the Government that, on a quick, late evening phone call signed a cheque and gave a $500 million gift to the Reichmann brothers in Toronto to help them along with their Gulf deal. They like to call it a tax break—the Little Egypt Bump—they do not like to admit that it is gift wrapped. Those are real dollars. They are not 50 cent or 80 cent dollars. The $500 million that was given to the Reichmanns was real Canadian taxpayers' dollars. Of course, there was the billion for the bank bail-out, and the billion for the bail-out of bad loans that banks had offshore. There is lots of money to be spent out of Ottawa, but the priorities of the Conservative Government are what have to be looked at. Those two agencies are being sold very much as a pig in a poke to Atlantic Canadians.

• (1610)

We have to take a look at what the Government has been saying this really is. They claim that it is decentralized control over regional development. Many Atlantic Canadians found there was too much bureaucracy, it was too difficult to get through to Ottawa, it was too difficult to find out what the programs were, and it tended to be seen very much more as a straight patronage oriented operation whenever money was spent.

Senator Lowell Murray, the Minister responsible for the new agency, ACOA, was reported in the *Globe and Mail* on June 27, 1987 as saying that final decisions will be made by him in Ottawa. "The ultimate responsibility rests with me," and a Cabinet committee made up of the six federal Ministers from the Atlantic region.

The Bill claims that the decisions are being put into the hands of some Atlantic Canadians from various areas of Atlantic Canada and that they are going to make the decisions. But we find that just as the Government does not want to give as much money as it is taking away, it also does not want to give the type of decentralized decision-making that it claims this Bill is all about.

The power of the Minister and the lack of autonomy of the agency is clearly articulated. Anyone who wishes to read it will find it in Clauses 5, 6, 7, and 20, that is regarding the role and powers of the Minister. Clause 11 reveals the ties that the President of the agency has with the Minister in that the President is the deputy of the Minister and is "under the direction of the Minister".

It is worth taking a moment to take a look at what has generally happened over the years with the commitments from Ottawa regardless of Government, and we find that there has been a decline. Over the last 25 years less than 3 per cent of total federal economic expenditures have been applied to regional development. That is a statement that I feel very much involved in, in terms of what types of money is actually returned to the north coast.

We have a salmon industry that is worth $750 million a year. Huge amounts of taxes are paid on that. We have Prince Rupert Grain operating once again. As a matter of fact, it started moving grain only a couple of hours ago. A very substantial amount of revenue is created and generated for farmers across the country as a result of the operation of that grain elevator, or Ridley Terminals, for the movement of northeast coal from northeastern British Columbia, Tumbler Ridge, and so on down and out through Prince Rupert.

I know how rarely it is that federal economic development moneys make it out to the distant regions of the country, whether it is in the forest sector, in relation to new technology, research and development for sawmills and so on; whether it is in the fishery sector, in the mining sector, or in generalized small and medium sized businesses. That is why all Canadians, not only Atlantic Canadians, should take a close look at what type of legislation this Government is bringing forward.

It is clearly a pre-election period. We see the Prime Minister trying to live up to his promises that his Government would double the amount spent on research and development. He is never going to make it, but at least he is attempting to live up to some promises. There is the western development initiative, the Atlantic initiative, the northern Ontario initiative. There will be more initiatives between now and the election. They will always be for large areas and for many years or multiples of years, for five or ten years, to make the amount budgeted sound very large, whereas in fact the early years of expenditure are almost always very small. It is a political expediency and trickery that Canadians who live in the regions have come to expect not only of the Conservative Government but very much of the Trudeau years.

Explicit regional development expenditures in 1984-85 for all of Atlantic Canada were in the order of $230 million. We also have to weigh that. Many Atlantic Canadians or members of their families spend part of the year collecting unemployment insurance because of their seasonal employment, whether it is in the lobster fishery, the cod fishery, as shore workers, in the forest sector, or in small business or tourism. But the $230 million that this Government felt was appropriate for regional development in Atlantic Canada is only 15 per cent of what is paid in unemployment insurance. We have to take a look at that. There was $1.6 billion coming out through unemployment insurance payments. The total amount that is going in for regional development is one-seventh of that amount. We have to start thinking about that in terms of how Government makes expenditures and what are its priorities.

Let us look at expenditures under DRIE's industrial incentive programs. They have decreased in real terms from $9 per person almost 20 years ago in the 1969-70 fiscal period to $4 under the Government. These are not inflation related dollars, they are 1981 dollars. There was $9 per person 20 years ago and it is $4 per person now. If that is a commitment to the small and medium-sized enterprises in Atlantic Canada, it is not much of a commitment to be as nice as one possibly can.

Comparing Newfoundland to the area I come from in the Queen Charlotte Islands where there is a lot of fishing, forestry, and similar types of occupations and similar types of unemployment found in the areas, for Newfoundland the reduction in the same period was from $9 per person to $3 per person, while expenditures under the general development agreements and economic and regional development agreements, known as GDAs and ERDAs, have declined from $16 per person 13 years ago to $14 under this Government in the 1984-88 period. We are seeing a decline in all of those areas whether one looks at it in terms of fixed dollars or in any other way.

For Newfoundland the reduction was from $126 per person to $80 per person, while Ontario experienced an increase from $2 to $3 per person. When comparing what is happening in the regions, we are seeing a real decline, whether it is measured over 20 years, 10 years, 5 years, or however it is measured. There is a reduction in the amount of real dollars going out for economic development into the regions, whether we are talking about the Atlantic region, northern British Columbia, or other regions of the country, whereas in the area of the country where there is no real measurable unemployment, because most of those people are moving between jobs which are found when there is 5 per cent unemployment, as is found in the constituency of the Minister of Finance (Mr. Wilson)—that is how low the unemployment is there—there is an increase.

My colleague from St. John's East (Mr. Harris) has kindly provided me with the most recent Statistics Canada unemployment rates in percentage. Last year in Newfoundland it was 18.6 per cent; in Prince Edward Island, 13.3; Nova Scotia, 12.5; New Brunswick, 13.2; Quebec, 10.3; Ontario, 6.1; Manitoba, 7.4; Saskatchewan, 7.3; Alberta, 9.6; and British Columbia, 12.0. We start getting some idea of what is happening in the country.

We heard from the Minister of State for Forestry another example of a promise made by the Prime Minister. There was going to be a full Ministry and Minister of Forestry as soon as the Government was elected. What did we get? We got a Minister of State for Forestry, who is very good at his job. I am not running him down for one moment. I think that he is very good at his job, and that is certainly what I hear from the sector. But we find that he has been buried. He has almost no staff, almost no Department, and to give him more work to do, mining was added on.

The regional occupations of a very substantial number of Canadians are in the forest sector. There are more than 1 million Canadians, if one takes those who are indirectly and directly employed in the forest sector. So we have a Minister of State with half a dozen senior staff, attempting to assist in terms of all the programs and everything that is going on. We know that the forest sector is running into some very difficult times as a result of bad management of the resource. There are too many companies cutting an ever diminishing number of mature and harvestable trees. In the mining sector again we see the Minister overloaded.

We have to ask why the Government would decide to try to confuse the voters of Atlantic Canada as to what is really being done. It cut the funds, then it announced a partial return, then that is multiplied by five and called a major new program, a major new initiative. Then the Minister of Pubic Works states that it is the "last kick at the can". If that is the way the Conservatives think they will catch the interest of Atlantic Canadians, I think they will find out soon enough that it is not acceptable.

• (1620)

The Bill will give ACOA control over federal regional development programs specifically related to the Atlantic

region—the Industrial and Regional Development Program, known as IRDP; the Atlantic Enterprise Program, known as AEP; the Small Businesses Loans Act as it relates to the region; IRDA subagreements in relation to forestry, tourism, and so on; and the Atlantic Development Program.

I think I have dealt with the key points that I wanted to cover in some detail. The Government has announced that it is the major and last initiative and that it is decentralization. I think I have demonstrated that it is the furthest thing from decentralization. In fact, as Senator Lowell Murray said, the control over this is remaining in his hands, and he is not even available for questioning in the House or from the Minister of Labour (Mr. Cadieux), the Minister of Consumer and Corporate Affairs (Mr. Andre), or any member of the Opposition. No one gets to question him because he is not a Member of Parliament. He is not responsible to anyone. He can make whatever kinds of decisions he wants. There has been no decentralization. In fact there has been a major chopping of money rather than the kind of topping up there should have been.

There is nothing in the legislation which specifically requires that jobs created are in any way to be considered fundamental to the awarding of ACOA funding. There is no targeting. In general terms it says that it is for small and medium-sized enterprises, but it does not include the rigid and precise kinds of definitions which provide results. Does a corporation have to create new jobs, or does it just have to create more profits? Can those profits be diverted elsewhere? There is a fundamental kind of language or targeting which can be included in Bills to allow Parliament and Atlantic Canadians to decide whether or not their money is being well spent.

I am sorry I do not have more time to speak today. There are all kinds of comments I would like to make about proposals which I think should be made for Atlantic Canada. Perhaps, if someone questioned me about that, I might take the opportunity to expound a little on what I think would be a better way of dealing with economic development initiatives in Atlantic Canada.

**Mr. Harris:** Madam Speaker, I would like to ask the Hon. Member what he has to say to the notion we heard in the House twice today, once from the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil)—and the Hon. Member was commenting on it when the lunch break came—and once from the Deputy Government House Leader, that for some reason we were wasting the time of the House talking about this very important issue.

It is an issue which affects four provinces of the country. It is a most important issue. In the context of the business of the House, speakers from our Party wish to raise their concerns about the issue and to point out how government has failed, not only this Government but the previous Government as well.

Is it any wonder that the following conclusion can be reached by economists? I draw the attention of the House to the comments of Elizabeth Beale, a consulting economist for the Atlantic Provinces Economic Council. In the 1987 report she went back through 15 years of regional development programs of the Government of Canada, that is, this Government and the previous one. She says that there has been very little improvement in any of the major indicators of regional disparities between the Atlantic provinces and the country as a whole, and that the gap in unemployment rates is proportionately the same now as it was 15 years ago. She also indicates that although personal incomes have been raised slightly, the increase is attributable to the increase in personal transfer payments. She also says that funding for regional development efforts in recent years has been well below the peak reached in the late 1970s.

Is it any wonder—and I would like the Hon. Member for Skeena (Mr. Fulton) to comment on this—that this is the case when the attention of the House cannot be directed to this issue for a period of four days or five days because the Deputy Government House Leader and a member of the government Party from Nova Scotia complain about the fact that we are talking about this issue on a national basis in the forum to which we were elected to debate issues of national importance? This is an issue of national importance. It is not only an issue of importance to Atlantic Canada.

I was pleased to see the Hon. Member for Skeena, whose riding is one of the farthest from my own, take the time to come to the House to speak on an issue of national importance. I would like to ask for his comments on that and for some suggestions he may have to improve regional development programs.

**Mr. Fulton:** Madam Speaker, I am very pleased to take the opportunity to do that. I share the concern of the Hon. Member for St. John's East (Mr. Harris) about the comments of the Government House Leader and the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) concerning three days of debate on Atlantic Canada. I must say that when there are debates about British Columbia or Skeena, I love it and the people from Skeena love it. They know that some national attention is being given to their problems and to the issues affecting them.

I know why the Deputy Government House Leader, the Minister of Labour (Mr. Cadieux), and the Hon. Member for Cape Breton Highlands—Canso do not want it raised. It is because there is so little money and because it is a badly drafted piece of legislation. It is an embarrassment. If I were from Cape Breton I would not want it debated too long.

What if the real figures started being quoted in the papers? What if someone took out a chalkboard and a piece of chalk and said: "Just a minute now. It is $1 billion for five years for all the provinces, so it is $200 million for a year"? What if he went on to say: "But that is not just for Nova Scotia. It is for the four provinces"? Even if it is evenly divided—and it will

not be—it will amount to $50 million each. Then if we break that down into 12 months, it comes to about $4 million. If we break it down further, it comes to a couple of bucks a day. There is not very much.

I know why the Hon. Member for Cape Breton Highlands—Canso is embarrassed. It is because there is not much money going to Cape Breton, to Nova Scotia, or to New Brunswick. This is why the Minister of State for Forestry and Mines (Mr. Merrithew) was talking about things he used to do when he was in the provincial Cabinet. He had to talk about what they used to do 20 years ago. He did not want to talk about the money that is in there. He did not want to talk about the legislation. He was nervous. He was worried. He was paranoid. Those Tories have crowed the falsification for too long. I know why the Hon. Member for Cape Breton Highlands—Canso did not come back for questions this afternoon. It was because I caught him being mischievous at the very best. He was saying that the NDP had supported the National Energy Program in western Canada. Tories from Alberta have loved to crow about that in every election. They have said that members of the NDP were supporters of the National Energy Program and that they destroyed the economy of western Canada. There are many western Canadians who know that that is a lot of bumf. Tories can go around and talk about it, but all they need to do is to look at the public record to see that we did not vote with the Liberals. We voted with the Tories. Is that not amazing? We opposed the National Energy Program. However, it makes good grist in rural ridings which have small newspapers. They can manage to get these stories out and move them around.

This is why government Members do not want this stuff debated. The media in Atlantic Canada are starting to pick up on it. They are starting to say: "Just a minute". They gave glowing coverage to this $1.05 billion. The Prime Minister got his shoulder to it and just managed to squeeze it over the $1 billion mark. He might as well have said that it was over six years rather than $1.05 billion over five years.

Why not tell the truth to each province? Why not tell Nova Scotia that it is only $20 million? We do not know how it will break down. What we do know is that it is controlled by Senator Lowell Murray who cannot be questioned by anybody in this place or by anyone in Atlantic Canada. He certainly is not responsible to this board. It is a remarkable state of affairs.

The Hon. Member for St. John's East says that it is good that I am involved in the debate. I feel good about being involved in the debate because I have been to Newfoundland and I know what problems are faced by Newfoundlanders. I have been to Nova Scotia. I have been to New Brunswick. I have been to P.E.I. I have been in the Province of Quebec. I have been in all Maritime and Atlantic areas, and the problems which are faced there are very similar to those in northwestern British Columbia. I represent an area which is almost the size of France, and it will be bigger in the next election. The Government thought: "give him something bigger to represent and maybe that will keep him quiet". Of course it will not. It will really get my blood pumping.

The Hon. Member for St. John's East referred to an important point which has been raised by a number of economists in Atlantic Canada. As I am sure he would know—and in fact he used it in his own speech—the Economic Council of Canada, in its report released on September 30, 1987, indicated that the issue of economic disparity, particularly regional economic disparity, will be the largest problem facing the country over the next five years. It said the national economy is likely to expand steadily in coming years but uneven regional growth will be the country's major economic problem. Does the Government respond? No. It sends $500 million in Loomis trucks down to the Reichmann Brothers in Toronto. It is sending $1 billion to the banks to pay off bad loans they made outside of Canada. It is sending $1 billion to bail out some of its pals in the banking industry out west. Yet what does it give for the whole of Atlantic Canada? Is it even as much as the Reichmann Brothers got in one present in 1987? No. It gives $200 million per year to the whole of Atlantic Canada.

• (1630)

**Mr. Thacker:** Point of order, Madam Speaker. I just want my friend to clarify his remark about trucks of money going out to western banks. I am not aware of any bank in western Canada, its management or shareholders, which has been bailed out. Would he just clarify that for me?

**Mr. Fulton:** Madam Speaker, as I am sure anyone who is watching the debate will know, I used a metaphor. The money probably went out in the form of a cheque. If it was $2 bills or $10 bills it would probably amount to $400 or $500 Loomis trucks packed to the ceiling with bags of cash, bulging at the edges, on their way down to Toronto. The Reichmann brothers barely need to ask for it. Of course, Mickey Cohen, who worked here in Ottawa, knew how to get the cash for them.

**Mr. Thacker:** My friend has not answered the question. He has not given me the name of the bank whose management or shareholders were bailed out. I am aware of a couple of banks where the depositors were paid, depositors such as credit unions who had deposited money in banks that got in trouble because of the National Energy Program. There were teacher's unions, hospitals, universities and municipal councils who were depositors as well. That seems to me to be quite different from bailing out banks and I just wanted him to know that the record should be clear.

**Mr. Fulton:** Madam Speaker, I am glad that the Hon. Member put that on the record. It was very useful. I am glad he has a good memory and remembers exactly who got part of the bail-out. What I am referring to is the fact that the Prime Minister (Mr. Mulroney) and Cabinet decided it was more important to give $500 million cash, loaded in those Loomis trucks and sent down to Toronto, to the Reichmann brothers, the wealthiest family in Canada. This was the Gulf deal and the "Little Egypt Bump". It was better to give them $500

million than to give more money to Atlantic Canada for all those families who need the money.

**The Acting Speaker (Mrs. Champagne):** The time for questions and comments has now expired.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mrs. Champagne):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Papineau (Mr. Ouellet)—External affairs—Situation in Haiti—Government position / Convening of meeting of most important countries involved in aid to Haitian people—Holding of inquiry—Government position; the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Fisheries—Issuance of offshore lobster fishing licences in Nova Scotia / Request for cancellation of licences; the Hon. Member for Winnipeg North (Mr. Orlikow)—National defence—Awarding of CF-18 maintenance contract. Science and technology—Establishment of centres of excellence—Position of Manitoba Universities.

## GOVERNMENT ORDERS

[*English*]

### GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**Mr. Maurice Foster (Algoma):** Madam Speaker, I am happy to have an opportunity to speak this afternoon on Bill C-103. I know of the serious financial and economic difficulties which have been facing Atlantic Canada for many years. Even though when they joined Confederation they were one of the richest areas in the country, they have now suffered greatly. This Bill is designed to do something in that regard.

However, we are worried that it will be very similar to the northern Ontario recovery program which the Deputy Prime Minister (Mr. Mazankowski) talked about in the fall of 1986. He told us then that because of the slow economic growth in northern Ontario, which is very similar to Atlantic Canada, he was considering a number of options. They included a federal economic development committee, and a transfer of some federal agencies and services to northern Ontario. Project moneys were going to be dedicated to northern Ontario. A stabilization program was going to be established for the forest and mining industries. Special tax treatment was going to be given to equity investors in the region.

It is interesting to note that even though the Deputy Prime Minister said that on November 19, 1986, none of that has come to pass. Nothing has really happened. Something seemed to have happened last July. There was a grand announcement that the Government was establishing the Fednor program. It was going to establish a committee. Yet seven months later the program is not operational. You cannot find out by phoning any government office in Sudbury or Sault Ste. Marie or Thunder Bay what the criteria is for that program. Supposedly it will eventually provide some $8 million a year in loans or grants. Yet you cannot find out what that program will cover. Does it cover small business or large business? Does it cover manufacturing and processing or the service industry or transportation or whatever? We do not know. From what I have heard during this debate, ACOA does not know exactly what is going to be covered or how it will work.

I have a suspicion that even though the Fednor program for northern Ontario was announced by the Solicitor General and the Minister for Regional Industrial Expansion last July 13, there was absolutely no money allocated for the fiscal year 1987-88. If not, then of course the whole thing is really a charade.

What other reason can there be for indicating that the Government wants to start a program like this in the fall of 1986 and 16 months have gone by and the application forms do not exist? The criteria for the program does not exist. There is only one very small aspect of the whole program even available. There is talk in the Deputy Prime Minister's statement about a stabilization program for forestry and mining. What a joke. Two months after the Minister made that statement in the House, the Government imposed an export tax of 15 per cent on the forest industry. Do you think that will stabilize the industry? In fact, it cost northern Ontario some $26 million in 1987 to stay in the softwood lumber exporting industry. Fortunately, because of a very strong market in the U.S., the industry has survived. However, as the market turns down in 1988, as many economic forecasters indicate it will, that export tax will be devastating to the industry.

There is another little hook here. The Ontario Government chose not to transfer that export tax to a stumpage charge. If it did, the amount could be twice the $25 million. I am surprised that any company in the softwood industry in northern Ontario could pay a tax of that magnitude and still survive. Clearly, if it is transferred to a stumpage charge, it will be that much more devastating.

The Deputy Prime Minister talked about a stabilization program for the mining industry. Six months after he said that, the Minister of Finance (Mr. Wilson) came into the House with a tax reform Bill which does away with flow-through shares and the earned depletion allowance. That mechanism generated this year some $500 million or $600 million for mining exploration and development along the Lake Superior shore and the area North of Sudbury and across the north channel area. Exploration and development is now taking place, but it will not be when that program is phased out next year.

• (1640)

There is a whole series of assaults on northern Ontario at a time when the Government is talking glibly about a northern Ontario recovery program. I am sure the Atlantic Canada Opportunities Agency will face the same kind of assaults. So many of the areas of Canada which have not been doing very well since the economic recession of 1981 have suffered difficulties from slow growth.

The other aspect mentioned by the Deputy Prime Minister in November of 1986 was the transferring of whole government Departments to regions like northern Ontario. Yet looking at the facts, we see that some 1,300 jobs have actually been moved out of northern Ontario. Practically every government Department, whether it be the Post Office, Indian Affairs, Employment and Immigration or the Armed Forces, has been moved out. As well, another 500 people have been laid off as a result of the export tax which caused many of the softwood lumber and stud mills to be shut down.

There is almost a conspiracy against slow growth areas like northern Ontario at a time when the Government is talking about recovery programs. I am sure that Atlantic Canadians are facing the same difficulties. My concern is that we do not simply pick out of the air nice, glib names like northern Ontario recovery program or Atlantic Canada Opportunities Agency without actually putting money into these areas where so many other economic factors apply.

This afternoon, I heard the Minister of State for Forestry and Mines (Mr. Merrithew) say how wonderful free trade would be for the Province of New Brunswick. However, it was only two weeks ago that Harrison McCain of McCain Foods, one of the largest food processing companies in Canada, said on a Sunday morning news magazine that the whole free trade arrangement which would remove tariffs on processed foods but maintain marketing boards will simply not work. He said that there will be only two choices for the grocery manufacturing industry to make: to destroy the marketing boards for poultry, turkeys, eggs and dairy products, marketing boards which the Government is trying to maintain, or to move processing plants to the United States.

Mr. McCain said that he could live with it either way. He said that he had plants operating in the United States as well as plants operating in Canada. He would prefer to continue to supply the Canadian market from his plants in Canada, but if the Government chooses to go ahead with the free trade agreement, he will simply operate the plants in the United States and ship the food into Canada.

I believe that that is one of the least understood aspects of the free trade deal. The grocery manufacturing sector is the largest manufacturing sector in Canada. Gross volumes of sales amount to some $40 billion per year. The sector employs 225,000 people, more than the total number of farmers in Canada who are making above the economic minimum of $20,000 in gross revenues.

The free trade agreement will increase quotas for poultry, meat, eggs and turkeys and will remove tariffs on processed food coming into Canada. Eventually, there will be a confrontation. It might not happen for two or three years, but eventually the grocery manufacturers of Canada who employ a great many people and have a massive volume of business will put it to the Government that it will have to either get rid of the farm marketing boards or they will move their plants and operations to the United States. I predict that at that stage, the marketing boards will be destroyed.

I listened to the Minister of State for Forestry and Mines and I have a great deal of respect for his remarks on most issues. However, I do not think he has looked into the problems of the grocery manufacturers in his own Province of New Brunswick or in the rest of Atlantic Canada.

We have to talk not only about pro-active programs like the Atlantic Canada Opportunities Agency but we have to look at all those underlying government programs which have been cut back. Services to farm groups like the inspection of potatoes have been cut back. More and more costs are being loaded on the input side. We must look at the cost of assistance provided in transportation agencies and the fishery as well as high profile programs. After all, a few million dollars in incentives often go a long way.

I have been very impressed with the small business economic development corporations which have been set up in my own constituency under the Department of Employment and Immigration. They have been extremely effective in creating jobs, often much more effective than the programs run by DRIE. One aspect of that program has been the involvement of local committees, and I think that is a very worth-while part of any economic development program including the one before us here today.

Those are some of my concerns. I am concerned that we do not take away jobs and that we do not impose new taxation as was the case with softwood lumber and the removal of the earned depletion allowance and flow-through shares. All government programs should be co-ordinated.

I want to see the Government not only announce and talk about these things but put the money up to see that these programs actually work and are not just a charade that will have no effect on balancing economic opportunities for the

slow-growth areas of Canada, the North and the eastern provinces.

**Mr. Angus:** Madam Speaker, I would like to pose a question to the Hon. Member for Algoma (Mr. Foster). In the closing part of his remarks, he made reference to the business development corporations under Canada Employment and Immigration. There is a parallel organization with which I think he is familiar, the community futures committees. The City of Sault Ste. Marie was one of the first communities to be designated under community futures. Perhaps he could elaborate on how those kinds of things can be used first for local control and second for the improvement of employment and economic opportunities in those areas outside the Golden Horseshoe, areas like Sault Ste. Marie, Atlantic Canada and the northern parts of the country.

• (1650)

**Mr. Foster:** Madam Speaker, the question is a good one because the small business development corporations which have been developed are a part of the community futures program. In most communities they are called the business development centre. The one in Sault Ste. Marie has been extremely effective, as they all have. There are three of them in my constituency. There is one in the adjoining riding in Sault Ste. Marie which serves part of my constituency.

The figures which stick in my mind are that for an investment of $225,000 or $250,000 a year they have been able to generate 40 or 50 jobs. That is all money which was lent at 11 or 12 per cent, which is not any great gift. Therefore, they seem to have been very effective.

The Community Futures Program in our area is just becoming operative. The advantage seems to be that there is a local committee involved in it. The self-employment option is being used in some areas, which I think is an excellent program. Instead of putting certain strictures on the unemployment insurance or on welfare for people, they are actually given a wage to start their own business. That, of course, has to be vetted by the business development centre. That is a good feature. The community opportunities fund has a potential to be useful, although it has not been used to any great extent in my constituency.

I do not think the portion for retraining and manpower mobility really rests with the Community Futures Program. It seems to me that those should be run out of the Manpower office. I am very concerned that the Manpower office is being destroyed. It seems that so many things are being moved over to Community Futures. That is useful from the point of view that you get community development in things like the business development centres, self-employment grants, and the community opportunities fund. I think that all those rest naturally with it. However, to put manpower training programs and manpower mobility programs with it causes one to wonder what the Manpower office is left to do itself.

Therefore, I am not sure that I fully agree with that. In any event, the Community Futures Program lasts for one or two years and is then left mainly with the business development centres which are designed to operate for a long period of time.

I think the whole Canadian Jobs Strategy is in question. Many of the Manpower centres in my riding are completely denuded of funds for the fiscal year by June or July. You are left with a multi-faceted program and a local advisory council on how these Canadian jobs strategies should work with no funds left after the first two or three months of the fiscal year. I have great concern with that.

The other aspect on the employment and training side is the question of funding for seats for manpower retraining. We have four or five major community colleges in northern Ontario. Every one of those has been cut back by 40 per cent. If they had 100,000 training days, as the Cambrian College in Sudbury had in 1984, they were reduced to 60,000 training days. That is a real backward step because I do not see them being replaced, and this during a period when we have been in a severe economic recession in northern Ontario. Those are some of my concerns in response to the Hon. Member's question.

**Mr. Harris:** Madam Speaker, I listened with interest to the speech of the Hon. Member for Algoma (Mr. Foster) on this issue. I was particularly interested in his comments about local control over economic planning.

I would like to inform the Member that the expert whom the Government asked to advise it on how to design and set up this agency expressed a concern in his report to the Government that the agency ought to be set up very carefully because otherwise it may become one big slush fund. He expressed great concern that this might happen and cautioned against too much political development. He said it should be kept away from politicians.

In this particular agency the approach of the Government has been to establish a board and to appoint to that board a group composed almost entirely of Conservative Party supporters who are involved in business. On the national level the Government has said that the final decisions will be made here in Ottawa by Senator Murray and the five or six Atlantic Ministers who are involved.

**Mr. Fulton:** Who is Senator Murray?

**Mr. Harris:** He is the Senator from the other place who is not answerable here. Therefore, we have political control at the top level, and at the advisory and board level we have a group of other individuals involved.

Does the Hon. Member have a concern about the approach that the Government has taken in setting up this agency? I have a very serious concern with it and I wonder whether he and others in his Party share it.

**Mr. Foster:** Madam Speaker, that has certainly been of very great concern to our caucus. The Hon. Member for Cochrane—Superior (Mr. Penner) pointed out that on the eight-person board on the program every member had extremely close contacts with or held a senior position in the Conservative Party. If there is any scandal in the appointment of that board, which I think has done the program a serious disadvantage, it has been appointment of a board comprised entirely of Conservative people. On that board are two former provincial members who have impeccable credentials with the Conservative Party, but that taints the board and makes people think that if they are not Conservative they will not get any help from the program. That is an important aspect of the point which the Hon. Member has made.

Politics has not been an important aspect of the local community futures boards and they therefore function strictly on the basis of their abilities, interests, and activities at the local level. The factor which the Hon. Member has raised is very debilitating and it should certainly be taken into account if this legislation is ever passed and implemented in order that the Government will not discredit and debilitate the board before it even gets started.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** The time allotted for the period of questions and comments has now expired.

It being five o'clock, the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

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• (1700)

## PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

### THE ENVIRONMENT

ADVISABILITY OF INTENSIFYING RESEARCH FOR ALTERNATIVES TO REFRIGERANTS

**Hon. Chas. L. Caccia (Davenport)** moved:

That, in the opinion of this House, the government should consider the advisability of intensifying research for alternatives to refrigerants such as freon, which contain chlorofluorocarbons (CFCs) that erode the earth's ozone layer.

He said: Madam Speaker, I will proceed quickly to explain the reason for this motion. The use of chlorofluorocarbons, which are commonly described as CFCs is based on the fact that they are propellants in aerosols such as hairsprays, deodorants and anti-perspirants. This use was banned in 1980, yet clorofluorocarbons are still used as propellants for cooking and paint sprays.

The most common use for chlorofluorocarbons is as a coolant in refrigerators, freezers and air conditioning units. These clorofluorocarbons to which I will refer as CFCs are also used extensively in foams, including rigid insulation foam, flexible foam for cushions and foam for packaging food.

The high-tech and communications industries use certain forms of CFCs as a solvent for cleaning electrical circuits and the like. It should be pointed out that Canada is a small player in the clorofluorocarbon game, using only 22,000 of the estimated 940,000 tonnes per year consumed the world over. In the United States, for instance, 90 per cent of cars sold have air conditioning, as do 80 per cent of light trucks. This market alone consumes 54,000 tonnes of CFC 12 as a coolant, which is more than twice Canadian consumption of all chlorofluorocarbons.

One may wonder why refrigerants are named in this motion. It is because this is the largest of all the chlorofluorocarbons uses in Canada. Some 9,000 of the 22,000 tonnes of chlorofluorocarbons consumed annually in Canada are for refrigeration purposes.

What threat do chlorofluorocarbons pose? The five commonly used CFCs, namely, 11, 12, 113, 114 and 115, erode the ozone layer in the stratosphere, some 20 to 40 kilometres above the earth. Chlorofluorocabons are gaseous and travel easily in the atmosphere. They do not break down easily in the lower atmosphere and can last from 60 to 300 years in the stratosphere.

The ozone acts as the earth's sunscreen. It blocks some of the sun's ultraviolet radiation from reaching the earth's surface. What would happen if the amount of ultraviolet radiation increased? Health would be affected. Scientists in Environment Canada and elsewhere predict that the number of cases of skin cancer and eye cataracts would increase.

Our immune system would also be affected and even suppressed, making people even more susceptible to certain diseases, viruses and infections. The environment would be affected. Scientists predict that agricultural crops would not grow as well or yield as much, and that phytoplankton, the basis of the food chain in the oceans, would be adversely affected. The air quality would also be in question because ultraviolet radiation is a contributor to smog in urban areas. Therefore, an increase in ultraviolet radiation would create more smog and more associated health problems such as eye and nose irritation and, more important, asthma and heart problems.

This brings me to the global warming question, which is an issue that has been more recently raised in scientific circles and through the media for public consideration. chlorofluorocarbons also contribute to the greenhouse effect of global warming.

We mostly hear about carbon dioxide emitted by burning coal, oil, wood and gas as being the main culprit of global warming. However, CO2 pales in comparison to CFCs. Scientists estimate that a molecule of CFC is 10,000 times more effective than a molecule of CO2 in absorbing and radiating infra-red radiation, the process which warms up the atmosphere. Today it is estimated that CFCs account for about 10 per cent to 15 per cent of the warming trend. If CFCs continue to travel into the atmosphere at the present rate, that could grow to 50 per cent in 50 years.

There has been a global response to this question of ozone depletion and damage. In September, 1987, the United Nations Environment Program sponsored a protocol on substances that deplete the ozone layer. It was signed in Montreal by 24 nations and the European Economic Community. If it were ratified and implemented, it would reduce the global consumption of the five ozone-depleting CFCs to 50 per cent of the production level of 1986 by the year 1998. This is a tremendous step forward.

However, we should not rest on our laurels. Due to the long life of CFCs in the stratosphere—60 to 300 years—Environment Canada suggested that a reduction of 85 per cent is required in order just to stabilize the levels of ozone in the atmosphere. This view is endorsed by many environmental groups and organizations, such as the Nordic Environmental Ministers, who advocate complete elimination as soon as possible.

Therefore, it would make sense to urge our Government to ratify the protocol immediately, to formulate and publish a strategy for reducing to zero our consumption of chlorofluorocarbon in the shortest possible time, and to launch a global initiative with like-minded Governments with the aim of eliminating rather than reducing by 50 per cent the production of ozone-depleting chlorofluorocarbons.

This is also a terrific opportunity for parliamentarians. The effort to sustain ourselves on this planet can also be moved on the international agenda. For example, those Members who are members of the Inter-Parlimentary Union which is scheduled to meet in Guatemala next April, can talk about sustainable development because it is on the agenda and will be debated there.

The Government of Canada also has a role to play. It could intensify its research effort in areas such as monitoring the progress and effort of the industry in research endeavours. It could ensure the transfer of new technology and information to Canadian users, consumers and importers of CFCs and products containing chlorofluorocarbons.

It should intensify its research in non CFC solutions, including the use of helium or other refrigerants, new designs for refrigerator systems, or other replacement technologies such as the solar powered refrigerator invented by a Guelph engineer. The fridge has no moving parts, no compressor and, most important, no CFC refrigerant.

It should study methods and technologies for the conversion of CFC-based processes to non-CFC systems. This is an important area in which to intensify research and promoting efforts.

It is also important to develop intensive co-operation with Canadian industry on demonstration projects and to develop methods and technologies for the conversion of chlorofluorocarbons based processes to non-CFC systems.

• (1710)

Finally, we must search for ways to reduce our consumption of CFCs by way of prohibition where alternatives already exist, for example, paper products instead of CFC foams for consumer packaging of food and otherwise, or, for instance, by following the lead of the Ontario Government and putting a national tax on motor vehicle air-conditioning to reduce its attractiveness to the consumer, something we did in the mid-1970s.

Of course, the role of industry here is very important. The major producers of CFCs are Dupont, Imperial Chemical Industries and Allied Signal. They must make major commitments to the development of alternative products, and I believe they accept that ozone depleting CFCs must be eliminated from use as soon as possible. There is also a role for the consumer, that is the reduction in our consumption of CFCs by way of prohibition where alternatives already exist, and I have already mentioned substituting paper products instead of CFC foams for consumer packaging and putting a national tax on motor vehicle air-conditioning.

The Government could also introduce labelling requirements that identify products containing CFCs so that consumers can make an informed choice.

Inevitably, when we explore an issue of this kind, we have to conclude that there is a necessity to elaborate on the question of climate protection policy. It seems to me that as a first priority, the Government of Canada should launch a global climate protection initiative. This requires long-term thinking, the ability to start in motion programs that will last far beyond the normal political term and which may, indeed, offer little in the way of short-term political gain. But it must be done. We must, as elected representatives, accept this responsibility and challenge if Canada and the world, for that matter, is to be a productive and hospitable place for future generations.

I would like to bring to your attention, Madam Speaker, the fact that West German parliamentarians are already considering how to tackle this very problem. I will list some of the principles they have proposed; first, the examination and understanding of the role of nitrogen dioxide and halogenated hydrocarbons; second, the necessity of assessing the contribution of methane to the greenhouse effect, identifying emission sources and developing international measures to set limits to emissions; third, assessing the disintegration products of halogenated hydrocarbons and their impact on humans and the environment; and fourth, to develop hydrogen fusion energy as a strategy to reverse the global warming trend. In these few words there is a complex and long-term problem. The fifth principle is to urge international co-operation in the maintenance of tropical forests described by scientists as the "lungs of the planet". Finally, the necessity of considering debt-waiving for Third World countries and other measures as a necessary premise for the switch to an environmentally supportable economy. These are items which are being discussed in the Parliament of the Federal Republic of Germany which struck me as being far-reaching and worthwhile to put on record here.

On September 19 the Citizen published an article by Gwynne Dyer. He put the problem this way, and I quote:

> There is a serious defect in the human system. We can respond with fear, a sense of urgency and a high degree of co-operation and self sacrifice to present, highly visible emergencies. But we have no built-in sense of alarm when confronted only with a rate of change that augurs disaster for the future.
>
> By the time most people begin to feel the effects personally and develop the sense of urgency that would provide broad political support for drastic corrective action, it will be very late in the process. Perhaps too late, for all these processes will be moving very fast by then, and probably interacting to produce synergistic effects that may be beyond our ability to control.

The article is entitled "Ozone treaty no triumph, but its a first step". Mr. Dyer continues:

> That is why the Montreal Protocol is hardly an unqualified triumph. The action it promises is slow and inadequate, and it took 10 years to get even this degree of agreement, although the Global CFC industry only has a gross annual value of about $1 billion. We are still a long way from even such limited international agreements to protect the environment where really rich and powerful interests are involved.
>
> But there is cause for at least a minor celebration. As Mostafa Tolba, executive director the United Nations Environment Programme, said at the signing ceremony: "This is the first truly global treaty that offers protection to every single human being on the planet". True, it doesn't offer much protection, but the precedent is vitally important.
>
> For the first time, sovereign states have formally recognized that their domestic activities affect the environment globally, and that they are accountable for the consequences. Now what we need is about a dozen more treaties of the same kind on various other environmental issues, each having far bigger teeth than this timid firstborn.

That is the end of the article which, I think, expresses very well, in a balanced form, the achievements so far and the challenge still ahead.

To conclude, I would like to read from the book entitled *Our Common Future* which is the report by the World Commission on Environment and Development, and specifically from the Foreward by Madam Brundtland, the Prime Minister of Norway and the chairperson of that commission, which sat for three years and produced this significant report in April, 1987. Madam Brundtland writes, and I quote:

> Scientists bring to our attention urgent but complex problems bearing on our very survival: a warming globe, threats to the Earth's ozone layer, deserts consuming agricultural land. We respond by demanding more details, and by assigning the problems to institutions ill equipped to cope with them. Environmental degradation, first seen as mainly a problem of the rich nations and the side effect of industrial wealth, has become a survival issue for developing nations.

I commend these lines to you, Madam Speaker, which contain a lot of wisdom and the political capacity of putting together in that statement the developed nations of the northern hemisphere with the developing nations of the southern hemisphere and thus creating a common global denominator which is so important in moving ahead with this particular issue.

I want to thank you, Madam Speaker, and my colleagues, who in their wisdom decided to move ahead on this motion we are debating today, urging the Government of Canada to intensify the research for alternatives to refrigerants. It is a small motion but behind its wording is a warning of some significance. In the end, when we examine this issue, we will inevitably have to deal with the question of climate as well as the welfare and the well-being of future generations of human beings on this planet of ours.

• (1720)

**Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment):** Madam Speaker, on behalf of the Government and the Minister of the Environment (Mr. McMillan), I am very pleased to have an opportunity to speak on the motion presented by the Hon. Member for Davenport (Mr. Caccia).

When we look at this motion from the outside we see that it speaks to intensifying research, but on the inside it explores the political will that our Government has to protect the atmospheric global commons and the common atmospheric heritage of mankind. There should be no doubt whatsoever in anyone's mind in this House or across Canada with regard to the high priority that the Government places on protecting the ozone layer.

In Montreal on September 16, 1987, an unprecedented international protocol to protect the earth's ozone layer was adopted by over 40 countries. The protocol, developed under the auspices of the United Nations Environmental Program, will slash emission of ozone-depleting emissions of chlorofluorocarbons, CFCs, by 50 percent. It is the first ever global atmospheric treaty, now known as the Montreal Protocol.

We should be proud of the key role that Canada played in the work which led up to this historic signing. Canada's participation in this issue, both on the national front and on the international plane, merits mention.

Canada is one of the small number of nations which has taken substantial individual action to reduce the use of CFCs, a group of industrial chemicals threatening the ozone layer. In 1980, Canada banned the use of CFCs as a propellant in deodorants, anti-perspirants and hair sprays. Notwithstanding, the threat to the ozone layer remains a global problem requiring a global solution.

Consequently, Canada has played a key role in international negotiations to protect the ozone layer and to develop worldwide controls on ozone-modifying substances. In 1981, Canada strongly supported a proposal that an international treaty be developed to protect the ozone layer. Under the United Nations Environmental Program representatives of some 30 nations have been meeting regularly since 1982 to hammer out the world's first global agreement on the atmospheric environment.

Regionally, opinion was sharply divided among many nations on just how CFCs and other ozone-modifying chemicals were to be restricted. Several times when the talks had broken down completely it was Canadian initiatives that reopened the serious negotiations. The Canadian delegation rapidly gained the reputation not only for the source of its motivation, environmental protection rather than economic self-interest, but also for developing compromise positions and helpful and innovative new ideas to bring together.

When it became apparent that an environmentally significant agreement on the control of ozone-modifying chemicals would be difficult to reach, Canada was one among the first nations which supported signing an agreement in principle first and then negotiating the controls later. Thus, in 1985, 28 nations, including Canada, met in Austria to sign the Vienna Convention for the Protection of the Ozone Layer.

The Vienna Convention establishes a framework to protect the earth's atmosphere through co-operative international efforts. It also provides for international co-operation in scientific research and information exchange. Canada signed the agreement in 1985 and was the first nation formally to ratify it in June of 1986. To date, 28 countries have signed the convention. About 10 have ratified it. Canada is hopeful that the required number of ratifications, which is 20, will be attained shortly and that the convention will come into effect this year.

As noted, Canada worked with other nations to develop international pollution control standards to limit the release of ozone-modifying substances. Canada was advocating both a short-term and a long-term strategy, one that would see both the phase-down in production and release of CFCs, and one that would control other ozone-modifying substances as well. These standards were enshrined in the protocol to the Vienna Convention at the diplomatic conference in Montreal on September 14 to 16, 1987.

Throughout the lengthy negotiations to develop both the Vienna Convention and the subsequent pollution control standards, Canada has played a key role. It was a Canadian proposal presented in 1986 which broke a serious deadlock in the negotiations and paved the way for the development of the final pollution control agreement in which Canadian contributions played an important part. In recognition of Canada's efforts, the United Nations Environmental Program accepted Canada's offer to host the diplomatic conference for the signing of this international agreement.

The controls set out in the Montreal Protocol, when implemented, will truly represent a major landmark in history. They will not only represent the first real international action to protect the global atmospheric environment, but also mark the first concerted international effort to prevent an atmospheric environmental problem before it reaches the crisis stage. The Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on substances that deplete the ozone layer will become a global turning point, a model for continued world-wide co-operation between Government, industry and public interest groups to safeguard our planet.

I am very proud of the major role which the Government and the Minister of the Environment played in making this happen. Consider for a moment the following. The Montreal Protocol will initiate a dynamic process for responding to all ozone layer depleting substances, not just those currently earmarked for control measures. It will provide a mandated phase-down for the most harmful chemicals. This has already stimulated the search for environmentally appropriate substitutes and will ultimately dramatically affect the marketplace. It will provide an incentive for less developed countries to avoid recreating the problem or repeating our mistakes. It will provide stringent trade sanctions against countries which do not join the protocol and refuse to accept their environmental obligations to future generations.

It is the first global treaty to protect the atmosphere from the possible effects of human activity. It is also the first global treaty to mandate controls before significant destruction and economic loss occurs. It demonstrates that Government, industry and other interested parties can set aside parochial interests and work together to preserve the common heritage of mankind.

It demonstrates that global agreements on environmental risk management are possible. It offers a global precedent for controls on toxic chemicals and perhaps even acid rain. For the protocol to come into force it will need to be ratified by a minimum number of countries. Canada will be among the first to do so under the authority of the new Environmental Protection Act currently before the legislative committee. Canadians should be proud of the important role Canada played in the development and signing of this historic agreement.

• (1730)

The Government is committed to achieving the 50 per cent reduction in emissions of controlled CFCs in Canada as set out in the protocol and more. The federal Government is not currently conducting research on alternatives to CFCs. However, we are meeting with the various industrial associations to review their respective programs.

There is a tremendous amount of research going on in the private sector. When all of these consultations are complete, and the ongoing research programs reviewed, then the Government will be in a position to decide whether there is any compelling need to intensify sponsored government research in this area.

I hope that this short intervention demonstrates clearly the responsible actions that our Government is taking and will continue to take to respond to the ozone layer depleting problem.

**Ms. Lynn McDonald (Broadview—Greenwood):** Madam Speaker, I am very pleased to participate in the debate this afternoon on a very wise and far-reaching proposal put forward by the Hon. Member for Davenport (Mr. Caccia) which states:

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That, in the opinion of this House, the government should consider the advisability of intensifying research for alternatives to refrigerants, such as freon, which contain chlorofluorocarbons (CFCs) that erode the earth's ozone layer.

It is a very simple proposition, and I am sorry that the response of the Government has not been more forthright.

Yes, Canada has played an important role in the Vienna Convention and the signing of the Montreal Protocol, certainly a global first for a strategy to reduce the emission of substances which deplete the ozone layer. We were very pleased to see that, although I am certainly going to suggest that we ought to be a little cautious as to how fortunate those results might be because it is a very modest first step on a problem on which we still have a great deal more to do.

Canada can be congratulated for its role there. But I am sorry that we see so much complacency that that seems to be adequate. The Parliamentary Secretary referred to the consultations with industry and that they will consult and see how much research they are doing. Industry may need a little more of a prod. Perhaps consumers need both a prod and a carrot. We need to see government action in terms of its own purchasing. We as consumers large and small can also play a role in safeguarding our environment. Indeed, on the question of ozone depletion, consumers have been prominent in the struggle. It was consumers who first of all took aerosol cans off the market and required that a substitute product be used. Consumer action can be extremely important in this regard. As a major consumer, Government can also be extremely important. Taxation policies have to be addressed as well as regulations. I am afraid that we have a very long way to go, and complacency that we are getting there is not very helpful.

Let us be clear about what the Montreal Protocol is going to achieve. As the Parliamentary Secretary stated, it was a compromise solution. Canada helped to work out the compromise. Certainly, a compromise to get something signed and something done in order to take that first step was worth taking. It was very important, but let us not think that it is enough. We do not know if it is enough. There is a lot of scientific doubt about it.

Approximately 10 years ago when the scientists themselves began to see the ozone depletion, they did not even publish the results because they were so amazed at the findings. They thought that their instruments were wrong. The problem was so mind-boggling that there could be this major depletion of ozone. Of course, the ozone hole has expanded enormously since then. We do not know if the measures that are being contemplated now will be remotely enough. They are only directed at a reduction, not an elimination. In some countries it is expected that there will be an increase in the use of substances that deplete the ozone layer. Then perhaps there will be a stabilizing and a falling off.

We know that because of the nature of these substances already the massive quantity of those ozone depleting substances are in the air and moving upwards. They have a long lifespan of 75 or 125 years. These chemical reactions of substances thought to be quite inert and harmless, substances that were welcomed by industry and consumers and that seemed to be an advance, that were non-toxic and not harmful to the health, over time, it turned out, that with chemical reactions in the stratosphere proved to have an extremely harmful effect on human health. They are harmful in terms of skin cancer, they have an effect on food production, and they contribute to the greenhouse effect, with consequences that are so enormous we can scarcely imagine them, climatic warming, raising of ocean levels, and perhaps a complete change in the geography of our country. These are the types of effects that we are talking about.

Yet what does the protocol direct itself to? First a stabilization of the production and emission of these products; then a reduction, not an elimination. We do not know if that reduction will be enough. Perhaps the scientists themselves do not know if it will be enough. Perhaps it was just a situation that that was all that could be achieved politically. Some countries, countries influenced by their own industries that are looking at short-term cost savings and not long-term costs to the environment and human health, stated that that was as far as they were prepared to go.

We have a very major problem yet to solve. We don't know, perhaps the measures are already too late. These processes will continue. Even if we completely stop the emission of these substances into the atmosphere it might be too late, given the quantity that is there already and in the process of these complex chemical reactions.

Practically speaking, what are we looking at? We are looking at substances such as solvents, coolants, substances that go into motor vehicles, air-conditioners, refrigeration, solvents used for electrical equipment, and fast-food packaging. There has been a substitute for aerosol cans. For some of those products there is obviously an alternative immediately available, cardboard for this foamy kind of substance. For other areas, there will have to be more imaginative solutions. It is encouraging to see things like solar run refrigerators, for example. For other substances such as air-conditioners, it is not clear what the substitutes will be, or if the substitutes that are being considered will be quite good enough. More research will be required.

Government policy in terms of taxation can also be very helpful to prod people not to use substances that will have economic, health, and environmental consequences and to use them more sparingly. Of course, one way is to make those unsafe substances more costly to encourage the use of environmentally health conscious benign substances. That is the type of direction in which we have to go.

It is for that reason that I very much welcome the proposal of the Hon. Member for Davenport. It is one that encourages the Government into stimulating research in this area. I would hope that the Government would see fit to support it and not to sit back on its laurels and talk about the good things that have happened. Yes, some good things have happened. Yes, we have made a step. Yes, we have a framework. But let us address this very serious problem with the appropriate kind of response. Let us look at the Brundtland report of the World Commission on the Environment and Development, and the commitment to sustainable development.

What could be more fundamental for sustainable development than the survival of this protective layer, the ozone layer around the planet? If we do not have that, then we are talking about very small matters indeed once that is destroyed.

The protection of our planet itself and of human, plant, and animal life on that planet is at risk. It is absolutely fundamental that we give this priority. I share the frustration with the Hon. Member who introduced this motion. It is difficult to talk about matters so important when the impact is such a slow incremental one. Perhaps it is not even that slow. It is fast enough, I guess. It is not like a chemical spill where we see the consequences immediately—one day something is fine and the next day it is contaminated. It has a gradual effect, and it is very much harder to raise the alarm as to the consequences to human health and the environment when the effects are ones which will take place years later.

• (1740)

People are using ordinary consumer products now and years later these elements, having gone through a very complex chemical reaction, will have the effect of depleting the ozone and depriving us of that protective layer, with dire consequences for all life on our planet.

It is a complex matter in which we must involve all people. We must involve consumers and Governments. There must be a research role. I very strongly support the motion and urge the Government to give it the appropriate, very favourable, very enthusiastic, and very serious response it deserves.

**Mr. Joe Reid (St. Catharines):** Madam Speaker, I am very pleased to join in the debate on this very important matter. Many people in the country have yet to grasp the importance of the protection of the ozone layer.

I should like to refer to the December issue of *Bridges* which contained an article referring to the danger or the threat to the ozone layer. The article concluded by indicating on the positive side that a global UNEP treaty had been designed to protect the ozone layer and that the level of knowledge had advanced. It went on to indicate that it has never been more true that the need for scientific research is imperative and exceeded only by the need for international recognition that short-sightedness and narrow self-interest put us all in peril.

I commend the Hon. Member for Davenport (Mr. Caccia) for highlighting this subject matter. I say to him and to the Hon. Member for Broadview—Greenwood (Ms. McDonald) that while the motion suggests that we consider the advisability of intensifying research, the Government of Canada has already actively entered into a program to work toward the co-ordination of testing, research, and product development of less hazardous product use. As a clear demonstration of this, the Hon. Member for Scarborough Centre (Mrs. Browes) already pointed to the Montreal Protocol. In September, 1987 Canada hosted a gathering of 40 countries in Montreal to negotiate a protective control protocol on the use of CFCs.

Just recently, from January 13 to January 15, 1988, Canada, along with the Conservation Foundation and the

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United States Environmental Protection Agency, co-sponsored in Washington a conference to explore the current scientific status of research and product development of substitutes.

For those who are not familiar with the Conservation Foundation, let me point out that it is a non-profit environmental agency in the United States organized to conduct research on emerging environmental issues, and obviously this matter is one of them. It brings together people with varied backgrounds—academic and scientific—to clarify issues and to reach agreement on what might be done. It communicates the findings of its work to policy makers, parliamentarians like ourselves, and opinion leaders in business, academic circles, the conservation community, and the press. Since its founding in the United States in 1948, the Conservation Foundation has been dedicated to improving the quality of the environment in all respects and to promoting wise use of the earth's resources.

I am happy to report that the conference in Washington was a tremendous success. They had planned for some 250 participants, and over 700 showed up representing industry, environmental groups, and Governments from over 20 countries. Happily there was a clear consensus on the need for action now, and industry described ways and means to introduce new programs designed to reduce emissions and to find environmentally acceptable substitutes for CFCs and halons.

For example, the major producers of these chemicals announced a joint toxicity testing program costing some $8 million to facilitate information transfer and thereby speed up the process of bringing environmentally acceptable substitutes to the market as hastily as possible.

In general terms the conference facilitated the collection and sharing of information on current technologies to reduce emissions of CFCs and halons, including substitute chemicals, recycling, recovery, and destruction. It facilitated the provision of a forum in which users, producers, researchers, regulators, environmental groups, and the media could discuss the development of product substitutes and alternative processes. It facilitated the making of pronouncements by industry that it is or intends to move away from those chemicals and products which are hazardous to the ozone layer. In addition, it facilitated the exchange of information on declining markets for controlled substances and on emerging markets for substitutes and alternatives to CFCs and halons. This is of great advantage to all.

The conference identified ways, means, and opportunities for reducing dependence on CFCs and halons through four separate plenary sessions and a series of workshop sessions. The workshops ran simultaneously with the plenary sessions, and each concentrated on a key application of CFCs and halons. The workshops offered sessions on alternative technologies and substitute products. Each focused on particular chemical substitutes, giving conference participants an opportunity to discuss one or many hazardous products.

In addition, during the two informal "poster paper" sessions, participants had the opportunity to discuss papers and ideas with scientists and engineers working on new developments in the field. The conference featured as well the very practical side effect of a trade fair where commerce could display products and services to all who were interested in the problem. Participants had the opportunity to learn first-hand about the substitutes and alternatives to CFCs and halons which are now being offered.

I have intentionally provided much detail on the successful event just completed in Washington in an effort to underscore the importance which is being placed on the issue not only by the Government but by the private sector, environmental groups, and the public at large. The collective commitment to finding solutions to the ozone layer depletion problem rang clear in Washington with the level of participation and the quality and quantity of information willingly exchanged.

Having looked at the clock, Madam Speaker, let me move on to my concluding paragraph. I hope that the comments which have already been made indicate the Government's high priority for this very severe problem. Major efforts are already under way devoted to putting in place substitute chemicals, substitute technologies, and suitable substitute products. Canadians in both the private and public sectors are involved in many of these projects either as participants or in a managerial capacity. Should any priority research area be identified by anyone as requiring additional information or attention, the Government, as is its custom, will give the matter the importance it deserves.

• (1750)

**Mr. John Reimer (Kitchener):** Madam Speaker, I am pleased to join in this debate on a very important matter. Before I begin I want to commend the Hon. Member for Davenport (Mr. Caccia) for bringing this motion before the House. The Hon. Member has brought many environmental concerns before this House and I commend him for doing so and I want to support this motion.

Research on substitutes to ensure and secure an orderly transition to chemicals and products which will not adversely affect our ozone layer remains a critical element in the timely resolution of this problem. I am happy to be able to report that an unprecedented level of research is now moving forward on several fronts.

Growing concern within the international scientific community, as well as the expectation by industry of regulatory measures to control ozone modifying substances, have revived the quest for alternatives to chlorofluorocarbons or CFCs. Alternatives are being sought in three areas: alternative chemicals; products and services; and technologies.

First, producers of CFCs have concentrated their efforts on alternative chemicals with lower ozone depleting potential. Although many hurdles such as acute toxicity and technical feasibility have been successfully passed, some technical aspects such as catalyst selection surrounding the development of economically viable commercial processes remain unsolved.

Second, alternative products and services currently exist. For example, fibreglass insulation, though not as efficient per unit volume as polyurethane foam, can be used as a suitable substitute. Another example is egg containers, which do not require foam plastics. As well, aerosol products in many instances are now propelled by hydrocarbons. However, these alternative products and services will require that a price be paid, be it in either efficiency, increased safety or simply consumer preference.

The third alternative is new technology. Alternative technologies currently exist for some products and are under development for others. For example, the deodorant stick has partially replaced the aerosol propellant package. A new helium-based refrigeration system has been developed by Cryodynamics under the sponsorship of NASA in the United States. An aqueous cleaning technology for the electronics manufacturing industry is being substituted for CFC-based cleaning technologies. Last, but by no means least, procedures and work practices could also be re-designed to accommodate recycling of CFCs and minimize emissions to the atmosphere.

I would like to focus attention briefly on a special category of chemicals adversely affecting our ozone layer. They are called halons, chemicals which are very similar to CFCs. However, they contain bromine in addition to or in place of chlorine. These are the chemicals used in fire extinguishers. Current production of these chemicals is relatively small, but because they contain bromine they are three to 11 times more destructive of the ozone layer than CFCs. What is also very worrisome is the rapid rate of growth in the use of halons.

Canada does not currently produce any halons. However, we currently import about 0.5 kilotons of the chemical in bulk, and an undetermined amount in small products. Given the enhanced destructive efficiency of the halons, it is estimated that they contribute about 15 per cent of the Canadian chemical contribution to the destruction of the ozone layer.

Environment Canada officials have been consulting with the Canadian fire protection community on ways and means of dealing with the halon problem. That community agrees with the need for controls to protect our environment and prevent the depletion and/or modification of the ozone layer. However, the halons have a very high economic and security value and there are no known substitutes with the same important fire protection characteristics. The fire protection community has been challenged to meet the fire protection needs of Canadian society, whether it be government, financial, transportation, industrial or defence facilities. In many cases use of halons has been the only acceptable means to achieve required fire protection of critical facilities in a safe and effective manner.

Halon fire extinguishants are used to protect life and property from the destructive effects of fire. As such, they have some very desirable qualities. The halons do not cause secondary damage. They are highly effective. They are chemically stable and human tolerance to their exposure has proven to be very high. They are the only known fire extinguishants with these combined benefits and properties. However, their cost is very high compared to other extinguishants such as water, carbon dioxide, or dry chemicals. This fact has limited their use to those applications where cost-benefit concerns have been satisfied.

The fire protection community became aware of the importance of the environmental factors and possible destruction of the ozone layer by halons in the fall of 1986. Immediately a study was conducted by the industry to determine use and emission patterns and how emissions could be reduced or, in some cases, eliminated. Data for the study were provided by fire equipment manufacturers, fire equipment distributors and installers. Limited use levels for Canada were agreed to by consensus.

Let me just list a few of the actions these various groups studying the problem have come up with through consensus prior to any regulatory control. I think it is quite significant. First, they conducted a study to determine use and emission levels. Second, they published major articles in the *Fire Journal*, their most widely-read publication with a circulation of over 30,000 copies, explaining the problem. Third, they conducted major seminars to advise their community of the concerns and to seek solutions. Fourth, they established and financed the program to be administered by the National Fire Protection Association to co-ordinate and fund research, develop new requirements, and monitor program results. They recently proposed a scheme to charge 3 cents to 5 cents per pound of halon produced to create a research fund to find substitutes. Fifth, they are sponsoring an international meeting to raise the awareness of how halons destroy the ozone layer and to solicit even broader co-operation in the search for solutions. Six, they are looking into the possibility of warning labels for their products. Seven, they are exploring new and additional techniques for halon recapture and recycling.

I submit that this list is a good beginning of voluntary action currently undertaken by the fire protection community. It illustrates the kind of concerted and co-operative action which can be cost-effectively undertaken when government, industry and other interested parties are able to work together.

I look forward to the continuing debate on this subject and the vote to come on this motion because it has been designated as a votable motion. I would like to support the motion.

**The Acting Speaker (Mrs. Champagne):** The hour provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list in order of precedence on the Order Paper.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

EXTERNAL AFFAIRS—SITUATION IN HAITI—GOVERNMENT POSITION/CONVENING OF MEETING OF MOST IMPORTANT COUNTRIES INVOLVED IN AID TO HAITIAN PEOPLE—HOLDING OF INQUIRY—GOVERNMENT POSITION.

**Hon. André Ouellet (Papineau):** Madam Speaker, I welcome this opportunity to inform the House that yesterday in Montreal, I met with members of the co-ordinating committee for Canadian solidarity with the Haitian people. The people I met asked me to inform the Government, and especially the Minister, the Secretary of State for External Affairs (Mr. Clark), of their views in the House of Commons.

Basically, one of the demands Haitians living in Canada were making on behalf of the Haitian people who are going through a very difficult time, one of their demands when they were still optimistic about the future, was to have a democratic election, for the first time in many years, and perhaps for the first time in their lives, so they could have a democratically elected government. However, we now know the kind of electoral travesty that led to last Sunday's so-called election. The co-ordinating committee would like to see the Canadian Government immediately and unequivocally condemn this illegal government's National Council for its human rights violations in Haiti and refuse to recognize the "Macoute" election held last Sunday. The committee also asks the Government of Canada to deny any formal or informal recognition to the government formed as a result of that election.

Monday, the Minister said in answer to one of my questions that, considering the extremely low-rate of participation, Canada did not recognize this election. That is one point the co-ordinating committee will appreciate.

Second, the Minister said: We intend to review our relations with Haiti, including development aid. Reviewing our relations with Haiti is basically a matter of recognition. Will the Minister, who said publicly that he did not recognize the election, turn around and recognize the Government that is expected to be formed shortly? That is a question the Minister failed to answer, but it is a fundamental one, and we would certainly appreciate the Government giving us a specific and intelligent answer.

If the Government does not recognize the election, it would of course be very difficult to recognize the government formed as a result of that election.

The Minister also said he intended to review his development aid program. If that is indeed the case, I think the Minister will have to consider recommendations made by eight non-governmental observers, sponsored by the International Human Rights Federation, who went to observe the election that was supposed to be held last November in Haiti. They returned to Canada and submitted a report with some very specific recommendations on Canadian aid to Haiti.

First of all, these impartial observers suggested that the Canadian Government immediately stop food aid because it is a disincentive to local food production.

Second, the Government should suspend bilateral aid to Haitian government departments and the institutions that are part of these departments, especially the "institutional reform" and "energy" sectors of the Canadian International Development Agency's Program.

Third, to re-examine publicly all assistance programs to Haiti, in consultation with Canadian non-government organizations operating in Haiti.

Fourth, to act in co-operation with other governments to withdraw any direct assistance to the Haitian government.

Fifth, to maintain and reinforce the projects of non-government organizations which benefit the basic groups in the community and strengthen the fabric of the Haitian society in areas such as literacy programs, free radio stations, labour unions, and so on, which can truly help the Haitian people to gain eventually a democratically elected government following a really free election by the Haitian population.

• (1805)

It seems obvious that the Canadian Government is embarrassed. On one hand, it gave in good faith its support to an election. It sent all the proper electoral equipment to Haiti, as well as Canadians to ensure the presence of a local force to guarantee a free election. The fact is that this did not happen. First, General Namphy simply cancelled the election, and second, he took action to ensure that the election would take place while the population could not truly exercise its voting rights democratically. We expect answers from the Government, and I trust that these answers will reflect the proposals of the co-ordinating committee of Canadian solidarity with the Haitian people.

**Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations):** Madam Speaker, in his intervention yesterday, the Hon. Member for Papineau (Mr. Ouellet) drew our attention to three points on which I would now like to comment further.

First, he suggested that the Canadian Government supported for months the military junta of General Namphy. I am certain that the Hon. Member would not wish to put the thorny Haitian issue under the impassioned, abusive and unproductive light too often favoured by certain groups.

In reply to his questions, it would be good to recall that the National Government Council or CNG led by General Namphy, whether we like it or not, represents the constitutionally identified authority to govern the affairs of Haiti until February 7, and thus to ensure the transition to a new government. It was therefore impossible not to have proper relations with the CNG. Until November 29, as I believe that everyone will agree, we provided assistance to organize the election, through the CNG as well as the CEP, while remaining concerned about the growing conflict between the two parties. After November 29, we focussed our action on the CNG using the means at our disposal, short of interfering in the internal affairs of an independent country, to remind the Haitian Government of its constitutional obligations each time it took undesirable action. It was without any illusion that we waited until January 17 to express ourselves as we did to avoid being accused of interfering in the internal affairs of another country at such a critical moment as the holding of an election, whatever the quality of this election. Some view this as improper procrastination. I urge them to give serious consideration to what might have been the democratic value of such a premature intervention, not to mention its real influence on the outcome of events.

Secondly, the Secretary of State for External Affairs (Mr. Clark) has already indicated that we were holding consultations with countries concerned over Haiti. A meeting is being organized with the ambassadors of EEC countries that are interested in gaining a better insight into our position. Generally speaking, our partners are now seeking further consultations on the Haitian question. Still it may be too early to conclude that they are prepared to express similar positions in this respect or consider that pressure through their means of assistance might be the most appropriate way to proceed.

The question of possible concerted action remains relevant and is the subject of consultations. I think I can reassure the Hon. Member by saying that the assistance program is indeed part of the review process with respect to our relations with Haiti. Contrary to a number of blatant allegations, the Government does not fear that our financial assistance might be diverted towards questionable endeavours. However it would rather seek agreement with all the organizations involved and, if need be, make adjustments so that there be no doubt left as to our intentions and actions.

• (1810)

[*English*]

## FISHERIES—ISSUANCE OF OFFSHORE LOBSTER FISHING LICENCES IN NOVA SCOTIA/REQUEST FOR CANCELLATION OF LICENCES

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, on January 19, 1988, I put a question to the Minister of Fisheries and Oceans (Mr. Siddon) concerning the irregular issuing of four new Class A lobster licences. I asked the Minister to cancel those licences in view of a number of factors that would have to be taken into consideration.

By awarding these four new Class A lobster licences, the Minister has broken an undertaking he gave to the Lobster Advisory Committee, which advises him on such matters, and therefore has undermined the integrity of the entire fisheries management system on the East Coast.

Four new Class A licences were given to the offshore fleet when the inshore fleet is struggling to make a living. I might say that this year has been better than most as far as lobster catch is concerned, but the Minister took it upon himself to reverse an undertaking he gave to the Lobster Advisory Committee six months prior to the awarding of these licences. His undertaking was that he would consult with the Lobster Advisory Committee prior to the issuing of new lobster licences. As I indicated to the House, the Minister broke that undertaking.

When one considers the recipients of these new four Class A licences, one must call into serious question the patronage which is being exhibited by the Government of Canada. It is a well known fact that the individuals involved were known supporters and affiliates of the Conservative Party of Canada. That does not mean one ought not to be given an opportunity to make an application for various licences because one holds a particular political belief, but, on the other hand, it is very clear and obvious to many that the system we have in Atlantic Canada for issuing lobster licences was circumvented in this particular instance and four prominent supporters of the Conservative Party were able to obtain those licences and the largesse that goes along with those new four Class A lobster licences.

In fact, in August last year, the Minister took it upon himself to meet with two companies that I am aware of, and perhaps with even more privately, at the Prince George Hotel in Halifax. These two companies were Comeau Seafoods and Newell Lobsters. A business partner of Newell Lobsters just happens to be a Conservative MLA in Nova Scotia.

I am not suggesting any impropriety by the sitting MLA in Nova Scotia, but I am suggesting very clearly that there is a perception, and I believe it to be a real perception, that the only reason the recipients of those licences in Nova Scotia were successful in getting them is because of their affiliation and contacts with the Conservative Party of Canada. That is shameful, in view of the fact there is a large inshore fishery in Nova Scotia and the Atlantic region whose economic interests the Minister has sacrificed in order to soothe and facilitate his political friends who are operating boats on the offshore.

I think it rather repugnant that the Minister of Fisheries and Oceans would stand in the House and refuse to cancel those licences. It is so repugnant that the Premier of the Province of Nova Scotia has called for cancellation of those licences. The Minister of Fisheries in Nova Scotia has called for the cancellation of those licences. The Leader of the Liberal Opposition in Nova Scotia, who brought this issue to the forefront, has also called for the cancellation, as have fishing groups, unions, and so on, in the Atlantic region. Yet this Government continues to wear the label of sleaze and patronage. When it has an opportunity, it refuses to seize the opportunity to cancel those licences and thereby restore confidence and integrity to the management system in the fisheries in Atlantic Canada. By supporting the inshore fishermen as opposed to the offshore fishermen, it would certainly rid itself of the label and symbolism of patronage, sleaze, and so on.

• (1815)

I hope the response from the Parliamentary Secretary today will provide us with new information, that it will now cancel those licences, since it has circumvented the process which has been put in place for many years. If he would do that, I am sure all those individuals, including myself, who have spoken out fairly forcefully on this issue, would compliment the Minister for taking this action. He now knows that the action he did take by issuing those licences was certainly not in the best interest of the inshore fishermen or, indeed, the Atlantic fisheries as a whole.

**Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations):** Madam Speaker, the selection procedures for issuing new offshore lobster licences are similar to those used for new licences in other fisheries. The Department provided the Minister with a list of 13 applicants and a list of criteria which ideally could be met by candidates and against which they could be evaluated. Based on an evaluation, he chose the four applicants which best fit the criteria. The strongest candidate met all the criteria and received two licences. The other two were stronger than the remaining candidates and each received one licence.

In discussions over the past two years, lobster fishermen have stressed that no new inshore or offshore licences should be issued in traditional South West Nova fishing zones. They argue that no new fishing effort could be accommodated on these zones 4X and 5. The Minister has heeded this advice. There have been no new inshore licences in these traditional zones. What has happened is the Minister, based on advice from officials, has opened a new fishing zone in area 4W eastern Nova Scotia and allowed four new licences to harvest a developmental quota of 360 tonnes in that area.

In order to lessen the risk for the new participants in this fishery, he has allowed each of the new licences to have 30 tonnes, 120 tonnes in total, in the traditional offshore area 4X and 5 and reduced the over-all enterprise allocations of the original eight licences by a corresponding amount of 120 tonnes. To compensate the original licence holders, they have been given 15 tonnes each in the new zone. Let me repeat, the total offshore quota in 4X and 5 remains at 720 tonnes. It has not increased. In summary, the Minister has not increased effort in the 4X and 5 area and this was consistent with the advice of the committees.

*Adjournment Debate*

NATIONAL DEFENCE—AWARDING OF CF-18 MAINTENANCE CONTRACT/SCIENCE AND TECHNOLOGY—ESTABLISHMENT OF CENTRES OF EXCELLENCE—POSITION OF MANITOBA UNIVERSITIES

**Mr. David Orlikow (Winnipeg North):** Madam Speaker, on January 18, I put several questions to the Minister of Regional Industrial Expansion (Mr. de Cotret) with respect to the awarding by the Government of the CF-18 contract to Canadair in Montreal rather than to Bristol Air in Winnipeg. That is a decision which has infuriated people from all sectors of the communities in Manitoba.

• (1820)

I asked the Minister why he had told the Leader of the New Democratic Party, who asked about this decision and who asked for assurances that the decision was made on the basis of an analysis of the competitive bids, and the Minister said that the Government had done that. The Leader of the New Democratic Party also asked why the Minister did not agree to the proposal that the New Democratic Party made, that the decision be looked into by the Auditor General. This is a proposal that was rejected by the Minister.

We now know, as a result of information obtained by *The Globe and Mail* and the *Winnipeg Free Press*, that the decision was made for political reasons. The Minister of Regional Industrial Expansion said in the House that the two bids were very close on technical merit and on cost, and that the results were very close between two highly competent groups of companies. Outside the House he said that the Canadair bid was $104 million over three and a half years compared with $105 million for Bristol.

We now know that according to the evaluation done for the Department by its technical experts that the facts are incorrect. In fact, what the experts said was that the Canadair bid would cost 13 per cent more in the first four years. With regard to the question of technical merit, they said that while both companies were technically acceptable, Bristol was the preferred bid based on "a significantly higher technical assessment". The people of Manitoba have every reason to continue to be angry with the Government for its wrongful decision.

The second question I asked the Minister was in connection with the report in the *Winnipeg Free Press* that highly-placed senior public servants had made it very clear that in the decision as to which universities would be chosen to receive funding as centres of scientific excellence that Manitoba universities would be frozen out because of the fact that the Premier of Manitoba, Mr. Pawley, has opposed so many of the recommendations of the Prime Minister (Mr. Mulroney), such as the free trade agreement. The fact is that the Prime Minister's proposal that the Government of Canada allocate $1.3 billion of new money for improving the quality of our higher education system and the establishment of the centres of excellence at a number of universities in Canada to concentrate on scientific research and development does not deal with new money at all.

The fact is that the Prime Minister, before he became the Prime Minister, criticized former Liberal Governments for their failures to adequately fund scientific research and development. He pointed out quite correctly that in Canada we were spending about 1.5 per cent of Gross National Product on research and development and that this was among the lowest of any of the countries belonging to the OECD, as well as Japan. He promised that a Conservative Government would increase expenditures to 2.5 per cent of Gross National Product.

We know now that in fact expenditures are still at the level they were during the Liberal years, that is 1.3 per cent. We know now that business and industry have not responded as the Conservatives promised they would to increase significantly their expenditures and their efforts in the field of scientific research and development. We know now that Canada is near the bottom, if not right at the bottom, of all the countries in the western world, including Japan, in terms of the efforts that are made in the field of scientific research and development. We know now that after the Conservative Government took office it realized what a tremendous scam and scandal had been created by the Liberal Government scientific research credit fund, which was supposed to encourage industry to participate in and increase its efforts in scientific research, and that it would probably cost the treasury of Canada and the people of Canada approximately $800 million. In fact, it would cost a great deal more.

• (1825)

The Conservatives announced the stoppage of that plan, but they grandfathered all those already in the pipeline. The result is that Canadian taxpayers will probably lose approximately $3 billion. In fact, very little in the way of real research has been done.

I say that it is time for the Government to face up to realities. It is time to stop playing politics when handing out contracts. It is time to live up to the promise made by the Prime Minister when he was the Leader of the Opposition, that the Conservative Government would substantially increase the efforts of Canada in the field of scientific research and development.

[*Translation*]

**Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations):** Madam Speaker, I listened with considerable interest to my NDP friend telling us about the CF-18 maintenance contracts, but I found rather strange his reluctance to provide all the figures. Although he and the leader of the New Democratic Party (Mr. Broadbent) may not know it, the CF-18 maintenance contract was in two parts. The first part dealt with engineering and the second with repairs.

In his remarks, the Hon. Member said that, compared with Canadair, Bristol's bid was 13 per cent lower on the engineering side. What he failed to indicate, however, is that Canadair's bid on the repairs side was 10.5 per cent lower than Bristol's.

Well, Madam Speaker, if we consider the situation and the contract as a whole, we realize, as the Treasury Board minister indicated at the time, that there was some 3 per cent differential on the basis of which the Conservative government, anxious to promote national and collective interests—a notion which may escape the NDP member, let alone his leader—ruled in favour of Canadair.

It is on the basis of its concern for national identity and the equitable sharing of contracts that the federal government following various departmental assessments on technical merits and costs decided, under the circumstances, to award the contract to Canadair.

In conclusion, Madam Speaker, may I tell my honourable friend that we have provided the Auditor General with the documents he was seeking and that the government would gladly and at any time provide . . . Of course, there remains the condition of confidentiality for the bids made by existing companies, but whenever the Auditor General wants to have a look at bid papers, Madam Speaker, the minister will gladly provide them, as tradition will have it. Again, the Progressive Conservative Government is demonstrating that it is accountable for its decisions which are based on the need to promote national unity and equitable sharing of contracts among all Canadians.

**The Acting Speaker (Mrs. Champagne):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

# HOUSE OF COMMONS

**Friday, January 22, 1988**

The House met at 10 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*English*]

### MISCELLANEOUS STATUTE LAW AMENDMENT ACT, 1987

MEASURE TO ENACT

**Hon. Doug Lewis (for the Minister of Justice)** moved that Bill C-104, an Act to correct certain anomalies, inconsistencies, archaisms and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes of Canada be read a second time and referred to a legislative committee.

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I believe there have been consultations involving the Parties. Certainly on behalf of the New Democratic Party, in view of the nature of this Bill we are prepared to see it go through all stages in the House today.

It is legislation that has already been reviewed by the Standing Committee on Justice and Solicitor General. It is an important and valuable process whereby legislation which has become in some way archaic or no longer in effect as a result of Government policy decisions can in fact be changed, whereby errors which have crept into legislation can be dealt with. Certainly we support the process.

The Bill in question has been dealt with. There were a couple of hearings by the committee on some of the more substantive provisions of the Bill. Given the unanimous support of the Standing Committee on Justice and Solicitor General, on behalf of the NDP, we are prepared to co-operate in the passage of this legislation in all stages through the House today.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I simply want to add on behalf of the Liberal Party and the Liberal caucus, that this Bill is practically an annual event and that it is tabled for the purpose of correcting certain anomalies. Occasionally, inconsistencies, archaisms and errors are found in the Statutes of Canada, and I believe the odd translation error as well.

Mr. Speaker, I can assure you we will certainly not object to the passage of this Bill, that we support it and that we will allow passage at all stages in the House today.

[*English*]

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the Chair.

**Mr. Lewis:** Mr. Chairman, in view of the sentiments that have been expressed earlier with respect to the study this Bill has been given, and the fact that we expect to move quickly, perhaps there would be agreement to grouping the clauses in the Committee of the Whole House.

**Some Hon. Members:** Agreed.

**The Chairman:** I thank the Hon. Minister for his suggestion.

**Mr. Gauthier:** Mr. Chairman, I just have one question. Will the Government tell us where this legislation ends as far as statutes are concerned? Is this an update until, say, September or October of last year or does it include all of the year 1987?

• (1010)

**Mr. Lewis:** It is my understanding that the review included all statutes which had received Royal Assent.

Clauses 2 to 84 inclusive agreed to.

Clause 1 agreed to.

Schedules 1 to 4 inclusive agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

## CURRENCY ACT

MEASURE TO AMEND

**The Hon. Tom Hockin (Minister of State (Finance))** moved that Bill C-99, An Act to amend the Currency Act, be read the second time and referred to a legislative committee.

He said: The Bill before us is of a purely housekeeping nature. Its purpose is to ensure that the accounting procedures followed in determining the exchange fund's net income are consistent with those followed in the consolidated Public Accounts.

[*Translation*]

Hon. Members may recall that in 1985, the Auditor General of Canada recommended that several special government accounts, including that of the Exchange Fund, be consolidated in with the general government accounts. In his February, 1986 Budget the Minister of Finance announced revisions to the accounting policies of the Public Accounts of Canada in response to the Auditor General's recommendations. Among these were the consolidation of the Exchange Fund with the Consolidated Revenue Fund for purposes of determining the fiscal position of the Government.

[*English*]

The Exchange Fund is a special account of the Minister of Finance (Mr. Wilson) which serves as the principal repository of Canada's official international reserves. Although the Exchange Fund has been consolidated with the Consolidated Revenue Fund in the Public Accounts, it exists as a distinct accounting entity and is governed by separate legislation, namely, the Currency Act, which Bill C-99 proposes to amend.

The Currency Act contains a provision that differs from the accounting principles now followed in the Public Accounts. In determining that income the Currency Act calls for gains or losses from exchange rate changes, and these occur daily and weekly, and gold transactions to be averaged over three years, while such changes are recognized immediately in the Public Accounts. So there are two different accounting treatments.

The amendment we are proposing would repeal the three-year averaging provision in the Currency Act and require that the accounting principles applied to the Exchange Fund be consistent with those of the Public Accounts. This will remove an anomaly that was created by the consolidation introduced in 1986.

I would like to note that this amendment to the Currency Act has no financial implications and will not affect the actual operations of the Exchange Fund in any way. It is concerned only with the presentation of the Exchange Fund's financial statements, making them consistent with the presentation already contained in the Public Accounts and which is based on recommendations of the Auditor General. The Auditor General recommended this not just for the Exchange Fund but for other funds of the Government of Canada as well to bring them into consistency.

Finally, I would like to remark that the payment of income by the Exchange Fund to the Consolidated Revenue Fund is only a bookkeeping entry. No cash is transferred. Income from foreign currency assets is retained by the Exchange Fund and the Canadian dollar equivalent which is paid to the CRF is matched by an increase in Canadian dollar advances to the Exchange Fund from the CRF so that there is no change in cash holdings. The change also has no effect on the Government's deficit whose measurement is already determined by the accounting principles adopted last year.

I do feel, Mr. Speaker, that not only is this Bill of a housekeeping nature, and not only does it follow the recommendations of the Auditor General, but it makes overdue sense since the changes introduced in 1986, and I would urge the House to give it speedy consideration.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, indeed, as the Minister said, this Bill is a straightforward Bill which is changing certain methods of reporting and accounting in line with recommendations of the Auditor General. Therefore, it is the view of the Official Opposition that it is not a Bill which requires extensive debate or a Bill on which there would be controversy.

The original recommendation to change the methods of reflecting currency matters in the Public Accounts of Canada came from the Auditor General in 1980. Indeed, the audit report to the Minister of Finance for the year ended December 31, 1979, disclosed the matter of the Exchange Fund account as an item that should be brought to the attention of Parliament since it had not previously been disclosed in a manner which made it clear to Members of this House.

I want to put this in the context of the whole question of financial accountability. We in this House have all been pleased with the changes that were made in committees. There was all-Party support for many changes that were made in the way committees functioned. Indeed, we have seen some improvements with which we can all be very pleased. However, a weak link still exists in terms of financial accountability.

• (1020)

If we consider the original purpose for which Parliament was intended a few centuries ago we will see that it was originally intended to be a place where citizens could have their grievances redressed before they paid their taxes. Later on, at the time of American independence, there was the stirring statement "no taxation without representation". One of the basic functions of Parliament is to ensure that citizens have a voice in the way their taxes are spent and that there is proper accountability. In spite of the changes in the committee system with which we are all so pleased, a weak link still exists in financial accountability. I say this not in any partisan fashion because every Party in the House has to bear some responsibility for this.

When we have Estimates put before the House it is traditional under Vote 1, General Administration, that questions

can be asked about any aspect of that Department's administration and functions. What happens is that Members of the Opposition come in with whatever criticisms or complaints they have about the Department and they line up with them while the Government supporters line up to protect the Minister. Policy matters are discussed but it is very rare in the course of a debate on the Estimates to have a line-by-line examination of the costs.

Furthermore, since the rules were changed in the 1970s, an Estimates have gone out to different standing committees instead of being dealt with in the House. The advantage that was foreseen at that time was that there would be specialists on the committees, but that has not developed. We still have too much changing of Members in committees. What has been lost is the overview function which used to be provided in the House.

There is now nobody, and when I say "nobody" I am talking about Members of Parliament as distinct from Ministers, looking at the totality of expenditures inclusive of all government departments. In standing committees where there may be Members looking at Estimates of a particular Department, we do not find Members examining past expenditures and looking at trends. At the end of the day we come to the Public Accounts Committee which functions as an effective audit committee. However, we do not manage by audit alone. The Public Accounts Committee has the final accounting but the standing committees are not doing it at the present time.

When we consider the chain of information that is provided to Members we start with Estimates. There are Ways and Means Motions which do not necessarily always match precisely the Estimates, since there can still be Supplementary Estimates coming in to confuse matters. Then, eventually, there are the Public Accounts of Canada followed by the Auditor General's Report. Then, the Public Accounts Committee tries to establish at the end of the day that moneys were spent precisely as Parliament meant them to be spent.

I hope that since we have all—and I say "all" because it was an all-Party initiative—managed to make very substantial changes to the standing committees to achieve a higher level of functioning, Members of Parliament will come back to remember that one of the first and most important basic functions of Parliament is to control spending and ensure financial accountability. To carry this out two things are needed. First, what is needed is the will on the part of Members of Parliament, and second, clear, understandable information is needed. The quality of information provided to Members of Parliament has improved over the last 10 years, largely in response to constant pressure from the Public Accounts Committee of the House and from the recommendations of the Auditor General.

Part III of the Estimates now gives a great deal of information which provides an interested Member with the opportunity to ask questions based on financial accountability, and not only on administrative aspects of the Department.

If Part III of the Estimates is well used in conjunction with the Public Accounts of Canada, it can also help one to follow through the actual spending. The Auditor General has developed a further proposal; the acronym is FGRS which stands for federal government reporting study. It was a lengthy study done in co-operation with the Controller and Auditor General of the United States. I am very impressed with its potential since it gives Members a better chance to track expenditures from Estimates right through to conclusion than anything I have seen thus far.

For the busy generalist, be it Member of Parliament, journalist or interested business person, FGRS would allow one to see at a glance what has happened, whereas now one has to plough through Ways and Means Motions, Part III of the Estimates and Public Accounts. Sometimes one is frustrated in this attempt to see what has happened because different items are hidden. I am not saying that anyone has intended to hide them, but we do find apples and oranges and that measures are bulked together in a way that makes it difficult to understand.

The measure before us has to be seen in the context of attempting to provide more clear information to Members of Parliament and, of course, to the public. The next step is the commitment of Members of Parliament to use that information wisely and constantly. What is also required is a commitment from Ministers to make available this kind of information.

I was shocked to see a letter written by one of the present Ministers, admittedly one who has not had a great deal of experience in Parliament, in which, in response to a request of mine as the Chairman of the Public Accounts Committee for additional information he wrote that financial control is a function of Government, not of Parliament. In this, of course, he is quite wrong. To be sure it is a responsibility of Government. It is also a responsibility of Parliament. It has been part of the basic responsibility of parliamentarians for centuries. Any Member of Parliament who forgets that is failing his or her constituents badly.

In the context of providing better information and of clarifying issues so that we know exactly what we are looking at in the Public Accounts of Canada this Bill is one additional step. It affects the presentation of the Exchange Fund account which is governed by the Currency Act. The steps that are taken by the Government today appear to be congruent with the recommendations of the Auditor General. Essentially, it repeals the three-year averaging provision. It requires the accounting principles of the Exchange Fund to conform with those used in the Public Accounts of Canada.

• (1030)

It is another step to make the Public Accounts of Canada more intelligible. It is a step that makes it easier for those concerned with accountability matters to find the facts that they want, and on that basis I welcome this measure.

[*Translation*]

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I would like to congratulate the Minister of State for Finance (Mr. Hockin) for having made what, I believe, was his first speech in French in the House.

[*English*]

I would like to congratulate the Hon. Member for Trinity (Miss Nicholson) on her elevation to the front bench of her Party. I notice that briefly she was occupying a front bench seat in the New Democratic Party. We welcome her here since she may not be able to get a seat in the redistribution in her own Party.

Having worked with the Hon. Member for some time I know there are few who work as hard and as consistently as she does on subjects which are difficult, complex, and not always transparent to the average elector, and her promotion is deserved.

I wish to comment briefly on the Bill, and then perhaps a little less briefly on some of the implications related to the operations of the Exchange Fund account and the Band of Canada.

As the Minister and the critic for the Liberal Party have indicated, this is a technical Bill. It arises out of the 1986 Budget. In a modest way, it goes counter to some of the other steps that have been taken by the Government to hide its operations from average Canadians. In this particular case, it is a slightly more open accounting for the operations of the exchange fund account.

As I understand it, it appears to make a difference of between $200 million and $500 million a year in the reporting that takes place in the public accounts. It will bring the exchange fund account in line with the practices of the general public accounts. Interestingly enough, this is at a time when the banks in their operations are also moving away from smoothing and are being a little more direct on a year-to-year basis about the operations of their reserves. In a sense, this is what is happening with the Government of Canada.

If that was all there was to talk about, I could now sit down. I do wish to say a word or two, because yesterday for only the second time since his appointment we had the opportunity to have the Governor of the Bank of Canada come before the House of Commons Standing Committee on Finance and Economic Affairs. Since the Governor is responsible for the operations of the exchange fund account, among other things, it is appropriate to take some perspective in terms of how the exchange rate for Canada is being managed or influenced by the Government and what that may mean in terms of economic policies.

I would like to express misgivings over what seems like a single-minded obsession with inflation of the Governor of the Bank of Canada, at the expense of the other objectives of economic policy. The Governor is still worried about inflation. He states that the inflation rate of approximately 4.2 per cent is still too high. In his view, the only good rate of inflation is a zero rate of inflation. Therefore, until that goal is achieved, he does not wish to relent in terms of keeping inflation as his number one priority. He states that there can only be one monetary policy for Canada, that we cannot have any form of differential interest rates in different areas of the country. Then he states, in a rather sanguine manner, that he hopes that somehow some of the benefits of economic revival in the country might trickle down to Atlantic Canada, to the outlying parts of Quebec, and to those parts of Ontario and British Columbia which remain depressed and retain unemployment rates of 10 per cent or higher.

I was disturbed at the manner in which the Governor of the Bank of Canada seems to tolerate what really now is a two-Canadas economic policy. We have a situation where unemployment has fallen to 2 or 3 per cent in areas such as Mississauga, west of Toronto; the unemployment rate in the industrial belt of southern Ontario and around Metropolitan Toronto is in fact down to around the 4 or 5 per cent range. I have noticed on recent visits that if people are looking for low wage service industry jobs, they are amply advertised, the want-ads are full, and one can knock on the doors of restaurants and small manufacturing establishments and probably get a job. However, a person would not be able to pay the rent because of the price of housing in the Toronto region. Nonetheless, there is employment there in a way that there was not three or four years ago.

When I say that there are two Canadas, that is demonstrated markedly when one looks at the disparities in unemployment rates between central Canada, particularly southern Ontario, and the rest of the country. Although these are the November figures, December is only a little different. The unemployment rate in Ontario is approximately 5.9 per cent. In southern Ontario it is in the order of 4.7 or 4.8 per cent. That compares with an unemployment rate of 13 per cent in Atlantic Canada, 18 per cent in Newfoundland, 13 or 14 per cent in the interior of British Columbia, 10.4 per cent in British Columbia as a whole, 10 per cent across most of the region of the Province of Quebec with the exception of Montreal, where it is a shade lower, and perhaps the area of the eastern townships.

Therefore, we have a situation where, apart from southern Ontario, unemployment rates remain at levels which are historically excessive, which are too high, and which I believe are unacceptable to average Canadians. Nonetheless, they are certainly acceptable to the Governor of the Bank of Canada. Perhaps it is easier for the bank Governor because he moves in rarefied circles, lives in comfortable housing in this, my community of Ottawa. It is a comfortable community which tends to have an economy that is not as good as but close to that of southern Ontario. The real hardship and misery of what is happening and continuing to happen in much of the country in the other Canada is simply not visible to the Governor or to his staff here in their glass tower on Wellington Street in Ottawa.

What was particularly disturbing about the evidence of the Governor was when he indicated that in his view the economy of Canada is very close to over-heating. I asked, "What would happen if the unemployment rate came down by another 1 per cent?" He said, "In that case we would be very, very close to over-heating."

We know what has happened since the crash of October 19, 1987. We know that at the time the Bank of Canada, in conjunction and in consultation with the Department of Finance, dropped interest rates sharply, injected a lot of liquidity into the economy in order to prevent a snowballing effect from the stock market crash bringing the whole economy in its wake. That has been relatively successful in the sense that we have not had a continuing and accelerating crash along the lines of what happened beginning three or four months after the great October crash of 1929. Since that time we have seen interest rates go back up both in this country and in the United States. Those rates controlled or directed by the Bank of Canada have gone up by almost a full percentage point. In other words, it has been as if that was only a little nightmare that lasted for a few weeks, but now it is over and we can go back to the real business of the Bank of Canada.

In the view of the Governor of the Bank of Canada the real business is fighting inflation. The Governor is saying that he and his bank are really there to serve as the monetary policy directors for the economy of central Canada, specifically of southern Ontario. They are now putting on the brakes because they feel that southern Ontario is about at or beyond the point of over heating.

I would suggest that that is a message of despair for people who live in Atlantic Canada with an unemployment rate of 13 per cent, and for much of Quebec with an unemployment rate of over 10 per cent. British Columbia is still reeling from the recession and it still has unemployment rates that are generally over 10 per cent. Substantial parts of the Prairies, not to mention northern Ontario, also have excessively high unemployment rates. As far as those people are concerned, they are in another Canada. They can forget about getting any kind of assistance from the Bank of Canada. They can forget about any creative and constructive use of monetary policy to try to spread the benefits of economic revival in the country to those regions. It is significant that we are now in about the fifth year of economic recovery, yet economic recovery has mainly been felt in central Canada.

[*Translation*]

That is why I say we now have two Canadas. We have Central Canada whose economy is concentrated in Southern Ontario around Toronto and in the Golden Horseshoe, where the unemployment rate now averages less than 5 per cent. And we have the rest of the country where the unemployment rate is still over 10 per cent, going as high as 13 per cent in the Atlantic Provinces, 18 per cent in Newfoundland, and 10 per cent or more in British Columbia.

When I asked the Governor of the Bank of Canada whether he was prepared to take the necessary steps to help create full employment in these regions, the answer was in fact negative, since the Governor and the Bank of Canada have a policy that is aimed at fighting inflation, despite the fact that inflation has dropped to 4.2 per cent. They see a danger of economic overheating in Ontario, which justifies maintaining interest rates at levels that are excessively high now at about 5 per cent in terms of real interest. Historically speaking, this is very high, and what this means is that they refuse to allow the economy to expand, which would benefit Quebecers and Canadians in both Eastern and Western Canada.

• (1040)

[*English*]

We have seen this particularly over the course of the time we have had the free trade negotiations. When those negotiations began the Canadian dollar was at about 72 cents. Today the dollar is just above or just below 78 cents, at a level which I believe is the highest it has been for about seven years. It is back up to that particular level.

It is interesting that the American authorities have been pressing Canada to lay off in terms of our trade surplus with the Americans and to do so by raising our exchange rates. We have done that.

It is interesting as well that the exchange fund appears to have been used in recent days specifically in order to keep the value of the Canadian dollar from going even higher and at the same time to prevent the Bank of Canada having to step in to lower Canadian interest rates. In other words, the bank is using the fund, I presume with the co-operation of the Minister of Finance (Mr. Wilson) and perhaps at his direction, to keep the dollar from going higher. At the same time it is adhering to its policy of interest rates which are too high because of its phobia about inflation.

My Party and I have always thought that the priorities of economic policy are not just to try to balance an adequate and acceptable level of inflation against an acceptable level of economic growth.

The third element is that full employment should be just as much an objective of government policy as is inflation control or economic growth. Because of the Bank of Canada's direction of monetary policy and its influence over the exchange rates, I believe that the Bank of Canada must be seized with that as well. We cannot have one part of the duopoly which is governing fiscal and economic policy focusing only on inflation and leave it up to fiscal policy to do the rest in terms of trying to achieve full employment.

I was depressed when the Governor of the Bank of Canada said yesterday that there should only be one monetary policy for Canada. He did not reveal a shade or a smidgen of interest in trying to find ways to work with the chartered banks in order to ensure that their lending policies for real investment and real development in western Canada, Quebec, and

Atlantic Canada might in fact be more liberal or more open than their policies in southern Ontario. I do not see why that could not be done. Perhaps it cannot be done by the use of monetary instruments directly, but the Governor of the Bank of Canada, who is a man with intellectual force, and is perhaps a bit more vigorous than his predecessor, a man who is new to the job, is in a position to establish some new traditions. In fact he might well start to sit down with bank chairmen and operating officers on a regular basis to review what they are doing in order to try to get away from the structural imbalance where Ontario is close to full employment at the same time that the rest of the country is far from employment, the structural imbalance where we have two Canadas.

Monetary policy, inflation fighting, the exchange rate, and fiscal policy are all very closely intertwined. This is why I have chosen to take this opportunity to speak a bit about these interrelated questions which I think are germane, even though they extend a little beyond the narrowly defined purpose of Bill C-99. However we do not have many opportunities for this kind of discussion. It is germane as well because of what I felt were some rather wrong-headed and misdirected statements of direction by the Governor of the Bank of Canada in his testimony yesterday.

The fact as well is that many of the instruments by which government seeks to influence and change the structural problems in the economy that lead to having two Canadas will in fact be weakened because of the Government's trade deal with the United States, what I call the "American option".

The American option does not stop the Americans from using defence grants, state policies, and those kinds of things to encourage industrial development and to put jobs into regionally poor or underdeveloped areas in their country. However, the American option of the Prime Minister (Mr. Mulroney) certainly does that here in Canada. If we try to use labour market policies, training, regional development subsidies, perhaps differential rates of taxation, and fiscal policy to encourage growth in Quebec, Atlantic Canada, and British Columbia, while at the same time discourage growth in central Canada to keep the economy from overheating, we will immediately become victim to interference from the American Government and from American industries. They will shout foul and start to talk about countervailing tariffs and other types of trade actions against the output of Canadian companies. Since most Canadian companies are of a scale where they will need and in fact be encouraged to develop markets in the United States, they will be vulnerable to that, and the Government will be vulnerable to that as well.

We have a Governor of the Bank of Canada who says that he wants one monetary policy, that he cannot do anything about trying to get jobs into Newfoundland, and that in fact he will put on the brakes before Newfoundland even gets close to anything approaching full employment. At the same time we have a Conservative Government which takes an American option which effectively in the trade deal means that future governments—and I am not only talking about future Conservative governments, but when the NDP forms a government and maybe the Liberals if they ever get to form a government again—will be constrained in using the traditional instruments of fiscal policy and the traditional tools of structural change in the economy in order to try to get a better balance among the regions of the country. I think that is very serious. In effect we are systematically stripping ourselves of the instruments and the tools that we have been using. At the same time we have the Governor of the Bank of Canada saying that he does not want to do anything about it.

I wanted to raise these particular questions. If the Governor of the Bank of Canada thinks that we are getting into an inflationary spiral before large parts of the country have even recovered from the depression, it is a very sad message indeed. One of the criteria on which the Conservative Government will be judged in the election that we expect to come this spring or this fall will be its failure to bring a lot of Canada out of the recession in which it had been plunged under the previous Liberal Government. The Government has talked about its priorities in terms of there being economic revival and national reconciliation. How the devil do you reconcile yourself to a situation if you are in Atlantic Canada where the unemployment rate is 13 per cent and the unemployment rate among young people is 18 per cent or 20 per cent? I would not reconcile myself to that. I say that is totally unacceptable.

• (1050)

What kind of economic revival is it, Mr. Speaker, when in Newfoundland the unemployment rate remains at 18 per cent or more? What kind of revival is that? All of that bumf has gone off to the shredder which was designed to tell people otherwise. The reason people did not take that information is that they knew it contained Tory misrepresentations of what was really going on. That, I grant you, may be a little far from Bill C-99.

I am suggesting that this area of economic policy is too little debated here in the House of Commons and should be discussed a great deal more because these questions all interrelate. It is by no accident that a governor who was obsessed with inflation has contributed to the operations of the exchange fund which has helped raise the dollar to 78 cents from 72 cents. This, in effect, has put an 8 per cent increase in costs, give or take a percentage point, on Canadian industries selling into the United States.

In other words, in order to get the deal with Washington, our monetary authorities in consultation with the Minister of Finance more or less did what they were told, which was to take some of the competitive edge off Canadian industry so that the Americans would not be so mad at us and Congress would pass the Prime Minister's American option—I have finally found the words for it that can be used in a parliamentary sense—which our Prime Minister signed.

What other deals have been made? I am not sure. I was encouraged because I think it was a sensible statement when

the Governor said that he is not wedded to a particular exchange rate for the Canadian dollar. I think that is correct. I think we make a bit too much over whether the dollar is at 100 cents, 78 cents or 72 cents or even at 65 cents. What is important is how Canadians are living here in this country, and not more than that. I do want to know whether there have been any secret deals made between Canada and the United States in order to encourage Congress to go ahead with this American option for Canada that will put the dollar up to 80, 82 or 84 cents sometime in the near future.

I would like some reassurance from the Government, if it has any priority for full employment, particularly in the regions, that it will reject this obsession of the Governor who is prepared to wrestle inflation to zero per cent even if it means another half a million Canadians have to go without jobs.

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** I understand there is a disposition for Bill C-99 to be referred to Committee of the Whole.

Is that agreed?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** Mr. Hockin, seconded by Mr. Lewis moved that Bill C-99, an Act to amend the Currency Act, be now read a second time and referred to Committee of the Whole.

Is that agreed?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the Chair.

On Clause 1—*Net income credited to C.R.F.*

**Mr. Cassidy:** Mr. Chairman, I do not think when we agreed to put this Bill through today that we expected there would be some reason for which comments like the one made would be germane, but I think we can get through this within three or four minutes. Could the Minister of State for Finance comment on the recent operations of the Exchange Fund account? Specifically, will he confirm that the Government has intervened in the Exchange Fund account in order to allow the Bank of Canada to keep interest rates at their current level, a level which I think is excessive and that the Exchange Fund account is being used to control the dollar from going up as fast as it might because the Government is agreeing with the Bank of Canada that interest rates should be kept at their present level?

**Mr. Hockin:** Mr. Chairman, I certainly cannot confirm that. I will endeavour to do some research on that for the Hon. Member. I think the operation of the exchange fund account is affected by a whole host of variables. The Member mentions but one. There are many others. It would be very difficult to extract one particular determining variable and announce that that is the cause of the Exchange Fund account's differing balance at the end of each day.

**Mr. Cassidy:** Mr. Chairman, maybe I could pursue this a little bit and ask the Minister of State for Finance this question. Is it true that we could have prevented the dollar from rising at perhaps an excessive rate by allowing the interest rates to come down? Is it not also true—the Government talks about 120,000 jobs that might conceivably come in the 1990s from the trade deal which the Prime Minister had signed—that that reduction of interest rates would and could bring about a much bigger increase in employment and this could be done now in 1988 rather than waiting five years for the results of a trade deal which has all kinds of other adverse consequences for Canada.

**Mr. Hockin:** Mr. Speaker, I find it difficult to accept that this particular question is relevant to the Bill. The Bill is a straight accounting change. We are not discussing substantive policy. I think it is wrong for me to depart into an economic lecture on the use of the Exchange Fund account when this Bill is changing a simple accounting treatment which is about two years overdue for change.

**The Chairman:** I believe the Hon. Member for Ottawa Centre recognizes that fact.

**Mr. Cassidy:** Mr. Chairman, to some extent my question did relate to the operations of the Exchange Fund account. We have the Governor saying that he needs to keep interest rates high because of the inflation problem. Then you see the Exchange Fund being used in order to keep the Governor from having to reduce interest rates. Does the Government agree with the Governor of the Bank of Canada when he says that the inflation rate is too high and that the inflation rate should be wrestled to zero regardless of what impact that might have on other desirable areas of economic policy, including unemployment?

**Mr. Hockin:** Mr. Chairman, clearly the Hon. Member certainly thinks that interest rates are too high. Clearly the Hon. Member thinks that the level of the Canadian dollar is too high. Clearly he thinks by lowering both all problems would be solved. The Government disagrees with both those premises.

**Miss Nicholson (Trinity):** Mr. Chairman, I also have a question for the Minister which follows on what he has just said. As the Minister pointed out, this is an accounting change which is overdue. I would appreciate hearing the chronology from the Minister and why this has taken so long.

The rules were changed some two years ago in the Public Accounts of Canada. In the February 1986 Budget, the Minister of Finance announced some changes in the accounting practices respecting the Public Accounts of Canada. Some of these were made in response to repeated recommendations of the Auditor General, and that included the consolidation of the Exchange Fund account and other special accounts with the Consolidated Revenue Fund. Those changes were put into effect immediately in the Public Accounts. Through those changes the three year averaging provision was abandoned with respect to the Public Accounts. It has taken a full two years to bring in this Bill which finally gets things on an equal footing. Could the Minister explain the delay?

**Mr. Hockin:** Mr. Chairman, the Member is quite right. The response in two recommendations of the Auditor General was the consolidation of the two accounts; the Exchange Fund account and the other special accounts with the Consolidated Revenue Fund. This change was put into immediate effect in the Public Accounts. We are now getting around to changing the Currency Act.

• (1100)

The Hon. Member asked why it had taken so long and it has been more than a year. I will be glad to try to see if I can get more information on this, but my understanding is that there were a number of accounts of the Government that had to be changed in order to be made consistent with the accounting principles in the Public Accounts. There were grain accounts and various other stabilization accounts. This is one of many. It is my understanding that they were to be done more or less at the same time and that is what has held us up. I would like to be able to confirm that for the Hon. Member and I will look into it further.

**The Chairman:** It being eleven o'clock, it is my duty to rise, report progress and request leave to consider the Bill again later this day.

Progress reported.

## STATEMENTS PURSUANT TO S. O. 21

[*English*]

### CANADIAN BROADCASTING CORPORATION

ALL-NEWS TELEVISION CHANNEL—SUPPORT FOR GRANTING OF LICENCE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I would like to state in the House that the constituents of Ottawa—Vanier are writing to me in large numbers—this week alone I received over 20 letters—concerning the CBC all-news channel and the protest that has been raised by Tory Members of Parliament and others. I would like to read one letter from constituents of mine representative of the number that I have received this week:

> May I request you to voice on my behalf, and on behalf of many other constituents in our riding, our opposition to this move and to contact the Prime Minister and the Minister of Communications to urge that the Cabinet *not overturn* the CRTC's decision on this issue.
>
> The standards and quality of CBC's news programming have been judged superior to that of the private broadcasting companies. Moreover, the CBC is one of our most important national institutions, instrumental in the development of Canada's national identity and it is in our own interest to support and strengthen it. Awarding the licence to the CBC will ensure competent and independent news service in Canada.

[*Translation*]

Mr. Speaker, I would only ask that, with respect to the question of linguistic specificity, francophone viewers be provided with similar services in their own language.

* * *

[*English*]

### BANKS AND BANKING

CHARTERED BANKS—INTEREST RATE CHARGES

**Mr. Jack Scowen (Mackenzie):** Mr. Speaker, the Bank of Montreal has announced that it is about to shed what it calls nickel-and-dime charges. I commend the bank for its leadership in this direction and I am sure customers will appreciate not having to pay to deposit and withdraw from savings accounts.

There are other charges in all banks that are not so nickel and dime that should be looked at very seriously. There is also the feeling in the business community that our banks are charging an excessive interest rate to cover losses chartered banks incurred with foreign loans. Bank customers refer to the large spread between interest paid and interest charged. Perhaps the banks should clear this matter up for the general public. While some progress in public relations may be made by banks, there is still a lot left to be desired.

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### HISTORIC EVENTS

MILLENIUM OF CHRISTIANITY IN UKRAINE

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, today at 12 noon in the Rotunda of Parliament, the Deputy Prime Minister (Mr. Mazankowski), on behalf of the Right Hon. Prime Minister (Mr. Mulroney), along with Members of Parliament from all Parties, will join with Metropolitan Maxim of the Ukrainian Catholic Church and Metropolitan Wasyly of the Ukrainian Orthodox Church and representatives of the Ukrainian Canadian Committee in inaugurating the celebration in Canada of the millenium of Christianity in Ukraine.

It is fitting that celebrations of this event be launched today in Ottawa, the day that in 1918 Ukrainians re-established their

right to govern themselves by declaring the sovereignty and independence of Ukraine in Kiev.

In 988, St. Volodymyr the Great, the ruler of Kiev, adopted the Christian faith as the religion of his nation by baptizing his people in the waters of the Dnieper River.

The acceptance of Christianity profoundly altered the entire further course of Ukrainian history, significantly determining the development of Ukrainian culture in all of its manifestations and giving rise to a wealth of spiritual and social values.

The struggle of the Ukrainian Orthodox and Catholic churches, along with Ukrainian Protestant denominations, to overcome Russian imperialist and Soviet systemic persecution and banning has been a symbol to Ukrainians across the world to maintain their own rich historical and religious legacy.

I am sure I can speak for all Members of the House, and indeed for all Canadians, in extending best wishes to Ukrainians throughout the world for the solemn observance and festive celebration of the millenium year.

* * *

## INCOME TAX

NORTHERN BENEFITS—LACK OF GUIDES AND TAX FORMS

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, this week the Olympic flame came to the Yukon and it was a great event as it has been elsewhere in Canada. Now Revenue Canada has set up enough hurdles for northern Canadians to file for their northern tax benefits to qualify as an Olympic event.

I have received numerous telephone calls from constituents who, when they received their tax forms, found that they had been requested to fill out their T22-22 northern tax benefit forms only to find that they were not there. I began the quest for the forms.

It appears that the guides for these tax benefits have not been circulated, and indeed are not printed and will not be available until the end of February. I have been told by officials at Revenue Canada that they will send out copies of the guides and forms to residents, or that residents may call regional offices. It is a good idea to call the regional offices, but many northern Canadians do not have telephones. That clearly does not serve the public.

I call on the Minister to ensure that guides and forms for northern tax benefits will be made available in all post offices in the designated regions so that northern Canadians too can "go for the gold".

*S. O. 21*

## AIR TRANSPORT

NOISE CAUSED BY AIRCRAFT USING PEARSON INTERNATIONAL AIRPORT

**Mr. Sergio Marchi (York West):** Mr. Speaker, I rise to remind the Government and particularly the Minister of Transport (Mr. Crosbie) of the ongoing and unacceptable problem of aircraft noise over the Humberlea community in my riding. This frustrating problem is by no means new. The Minister's predecessor, now the Deputy Prime Minister (Mr. Mazankowski), was presented with this same dilemma on a number of occasions and failed then to resolve it to the satisfaction of residents.

The issue of overwhelming noise from planes departing from or approaching Pearson International Airport emanates from the disproportionate use of the East-West runway 24-L despite the fact that there is another parallel runway, 24-R, just to the North. The community is simply fed up and frustrated with the Government's excuses and it will no longer tolerate an unbalanced, unfair procedure of utilizing 24-L to an exaggerated and unacceptable degree.

I am demanding, therefore, that the Minister intervene to ensure that the Department's policy of alternating runways every four hours be respected. The time for action to guarantee a balanced pattern of flights over the Humberlea community is now, before its fabric as a neighbourhood and the health of its citizens are affected any further, particularly considering that the Government has now approved and will soon be building a third air terminal at Pearson International Airport.

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## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

CRITICISM OF GRANTING SPECIALTY SERVICES CABLE LICENCES

**Mr. Bob Pennock (Etobicoke North):** Mr. Speaker, the CRTC's November decision to grant new licences to TV specialty services deprives Canadians of the freedom of choice we cherish. Most do not know that if they do not want a 24-hour rock channel, a religious channel, or an all-news channel, they will be forced to receive it and will have no choice. Most do not know that they will be forced to pay an extra monthly charge for these services, estimated at over $2, and they will have no choice.

What about the 25 per cent of Canadians who do not have a channel converter? Their plight is even worse. Not only will they not be able to receive the new services but they will have to pay for them anyway. What about seniors or low-income families to whom the additional charge of $2-plus per month will be a burden? They will either have to pay it or give up their cable service.

Canadians here in Ottawa are rebelling and are making their views known to their cable companies here. They do not want this forced down their throats. I encourage all Canadians to write or call their cable companies to express their outrage at this mandatory carriage of service.

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## WINTER OLYMPIC GAMES

### OLYMPIC TORCH RELAY

**Mr. John Reimer (Kitchener):** Mr. Speaker, it is with great expectation that all Canadians await the opening of the 15th Winter Olympic Games in Calgary on February 13. In large part, credit for this air of anticipation must go to the efforts of PetroCan in its sponsorship of the Olympic Torch relay.

As the torch has travelled on its 88-day cross-country journey, it has served to capture the Canadian imagination and has acted as a focal point for national pride. Certainly this was the case on January 5 when 10,000 people braved bitterly cold temperatures to catch a glimpse of the flame as it passed through the city of Kitchener. It was a heartwarming and uplifting experience for everyone who had the privilege of being present.

• (1110)

PetroCan's rigorous planning has not only ensured that the relay proceeded safely and with remarkable precision, its sensitive attention to every detail also contributed immensely to the joy and excitement of this remarkable event. PetroCan is doing a first-class job and is to be congratulated.

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## EXTERNAL AFFAIRS

### NICARAGUA—PROPOSED BILATERAL TALKS WITH UNITED STATES

**Mr. Dan Heap (Spadina):** Mr. Speaker, Daniel Ortega, President of Nicaragua, has asked President Reagan to reopen bilateral talks, since he has met Reagan's condition by opening talks with the Contras. In the past, Reagan and the Contras demanded concession after concession and, when Nicaragua agreed, they demanded further concessions. Reagan demanded reopening of *La Prensa*, and ending of censorship and the state of emergency. When Nicaragua did so, Reagan said they were only cosmetic and asked for more.

Nicaragua has now abolished the popular tribunals and agreed that 3,300 prisoners, including hundreds convicted of assault or murder, can go free, and either remain in Nicaragua if the war has ended, or else leave Central America. It has offered to let the UN, the OAS, and the Republican and Democratic Parties send observers to monitor the Contras' re-entry into Nicaraguan civil and political life. Nicaragua has agreed to hold elections for municipal office and for the Central American Parliament on schedule.

Now the Government of Canada ought to tell President Reagan to stop supplying arms to the Contras and to begin the bilateral peace talks with the Government of Nicaragua which he broke off.

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## THE ECONOMY

### SUPPORT FOR GOVERNMENT'S POLICIES

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, cohesive and realistic were the words used yesterday by Michel Belanger, President of the National Bank, to describe the Government's economic policies. Belanger maintains that a cautious monetary policy, a gradual reduction of the deficit, and freer trade enabled Canada last year to outrank all other industrialized countries in production and growth in employment.

[*Translation*]

After asking "how does one explain the widespread silence on the quality of the Conservative Government's performance?", Mr. Bélanger went on to say that "a government following a successful policy for which it does not get credit is tempted indeed to change course". However we know that our Government will not change course and will implement the free trade agreement.

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[*English*]

## UNEMPLOYMENT INSURANCE ACT

### MATERNITY LEAVE—SUGGESTED AMENDMENT

**Mr. Jim Jepson (London East):** Mr. Speaker, as it stands, Section 30 of the Unemployment Insurance Act implicitly discriminates against the mothers of those premature babies who are most at risk and who are, for that reason, unable to come home from the hospital on their due date. Under Section 30, mothers can begin their maternity leave early should the baby arrive prior to the expected date. Alternatively, if the baby is premature and cannot leave the hospital immediately, the mother has the option of delaying her maternity leave until the expected date, at which time, presumably, the baby will be taken home from the hospital. However, there the flexibility of the Act ends. There is no provision to allow for further delays beyond the baby's expected date of arrival.

The mother of a premature baby who is not ready to come home from the hospital on her expected due date has two options. She can take her maternity leave without her baby,

which defeats the purpose of maternity leave, can prove very depressing for the mother, and in general makes little sense, or she can choose to forgo part of a leave which should be hers by right of law.

This choice is clearly unjust to a group of mothers who surely need more help rather than less, and I urge the Minister to consider changing this very important part of the Act.

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## CANADA ELECTIONS ACT

CALL FOR RESIGNATION OF MINISTER OF ENERGY, MINES AND RESOURCES

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, there appear to be two systems of justice in this country. There is one system of justice for the rich and powerful, one system for Conservative cabinet Ministers, and another system of justice for ordinary Canadians.

We have learned that a Minister of the Crown, the Minister of Energy, Mines and Resources (Mr. Masse), appears to have breached the Elections Act. It was decided that it was not in the public interest to prosecute him. I ask why is it not in the public interest to prosecute a Minister of the Crown who breaches an Act passed by this Parliament? Why is it in the public interest to prosecute ordinary Canadians who run stop signs or park illegally but it is not in the public interest to prosecute a Conservative cabinet Minister?

The Prime Minister (Mr. Mulroney) knew or ought to have known that there was sufficient evidence to prosecute and convict that Minister. He ought not to have allowed that Minister back in the Cabinet. What message does this send out to Canadians across the country? The message is very clear. If you are a Conservative cabinet Minister, there is one system of justice. If you are an ordinary Canadian, there is another system of justice.

I call on the Government of Canada to show some decency and some sense of morality and force that Minister to resign.

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## EXTERNAL AFFAIRS

INDIA—ALLEGED TORTURE OF DETAINED CANADIAN CITIZEN

**Mr. W. Paul McCrossan (York-Scarborough):** Mr. Speaker, on December 3, 1987, I raised in the House of Commons the case of Balkar Singh, a Canadian citizen under arrest in India, and the fact that, in the presence of both a Canadian consular official and a doctor he made an allegation of torture.

Since that time Mr. Singh's lawyer has filed a writ of *habeas corpus* citing that in the presence of named senior Indian police officials he was first hamstrung from the ceiling, then someone sat between his legs and started jumping, using him as a swing. Following this, electric shocks were applied to his sexual organ, armpits and head. His legs were then forced to virtually 180 degrees. He was then beaten on the stomach and on the soles of his feet and to this day he cannot walk.

Three weeks ago a lawyer for the accused gave a copy of this sworn information to the Canadian High Commission and urgently requested a follow-up consular visit. No access has been allowed by the Indian Government.

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## BANK OF CANADA

CONDUCT OF MONETARY POLICY

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, yesterday John Crow, Governor of the Bank of Canada, appeared before the Standing Committee on Finance and Economic Affairs to answer questions about the bank's conduct of monetary policy which affects interest rates and the value of our dollar. It is now clear that Mr. Crow sings from the same old song-book used by Gerald Bouey.

The regions of Canada, the Atlantic provinces, rural Quebec, northern Ontario, the Prairies, British Columbia, and the North, can suffer from exceedingly high rates of unemployment and still the Governor of the Bank of Canada will not even consider the possibility of lowering interest rates because the boom times in southern Ontario may nudge up inflation.

What we have here is an admission that there are two policies in this country, one for southern Ontario and one for the rest of us in the far-flung regions. Do the people in Corner Brook, Chicoutimi, Timmins, Flin-Flon, Cranbrook, Kamloops or Clearwater not matter as much as the people in Toronto? Why are John Crow and the Minister of Finance (Mr. Wilson) writing off these people? Do they not care? Obviously not.

New Democrats say it is time that the Bank of Canada reduces interest rates. Even a 1 per cent drop would yield twice the economic benefits of the Mulroney-Reagan trade deal over the next decade. We believe it is time for an interest rate policy which is fair to everyone. New Democrats believe that no matter where you live in this great country you deserve a chance to be employed.

*Oral Questions*

## LABOUR RELATIONS

COLLECTIVE BARGAINING SYSTEM—CALL FOR COMMITTEE EXAMINATION

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, the Prince Rupert grain handling dispute is now over and western grain farmers will breathe a sigh of relief, temporarily. The tragedy is that it is those same grain farmers who will have to pay for the failure of management and labour to bargain collectively and reach an agreement. As is so often the case, the Government has been called upon to intervene.

I believe Canadians are tiring of a system whereby innocent third parties pay for the failure of management and labour to come to a reasonable conclusion. I think Canadians are asking parliamentarians to consider doing away with strikes and lock-outs in essential services, instead seeking out better ways of resolving these disputes without the terrible debilitating effects which strikes and lock-outs and prolonged labour disputes cause.

Whether it is Prince Rupert or Air Canada, or the railways or the Post Office, the Vancouver Port or the Port of Thunder Bay, the principle is the same. I implore Members of Parliament to consider establishment of a special committee to find better ways of dealing with these breakdowns in the collective bargaining system.

# ORAL QUESTION PERIOD

[*English*]

## CANADA ELECTIONS ACT

QUERY WHETHER PRIME MINISTER KNEW ABOUT MR. GORMAN'S LETTER CONCERNING INFRACTION BY MEMBER FOR FRONTENAC

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, it would be useful this morning if the Prime Minister were available and accountable to Parliament—

**Some Hon. Members:** Order!

**Mr. Boudria:** —but in his absence I want to direct my question to the Deputy Prime Minister.

**Some Hon. Members:** Order!

**Mr. Turner (Ottawa—Carleton):** Where is Turner?

**Mr. Clark (Yellowhead):** Who is Turner?

**Mr. Speaker:** I very much hesitate to interrupt the lead question. However, one of the reasons, as Hon. Members know, that we do not comment upon the presence or absence of a Member is that Members have to be many places, and that includes Prime Ministers. It creates disorder, as it just did. It is perfectly appropriate to say "in the absence of a certain Minister I will put the question to another Minister". That is a courtesy and a long-standing tradition. I know that Hon. Members will want to stay within our rules.

[*Translation*]

**Mr. Boudria:** Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Deputy Prime Minister, and it relates to the violation of the Elections Act by the Minister of Energy, Mines and Resources.

When the Prime Minister decided to bring the Minister back into his Cabinet in November 1985, was he aware of Mr. Gorman's letter in which he said to the Minister, and I quote: "... evidence on file indicates that you were party to a violation of Section 62 of the Elections Act."?

At the time, was the Prime Minister aware of that, yes or no?

• (1120)

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I think what is relevant in this case is the fact that when the allegations surfaced the Minister did the proper thing in the parliamentary tradition and removed himself from the office of the Minister of Communications. The issue was investigated in detail by the appropriate authorities. The Commissioner of Elections rendered a verdict and that verdict was accepted by the Prime Minister.

I remind Hon. Members again that if they want to take issue with the judgment, the discretion, and the verdict that was brought down by the Commissioner, who is entitled to bring down his verdict as outlined in the Act, it is perfectly within their right to do so. However, I remind him that this individual is commissioned under statute to carry out the law and he has carried out the terms of the law, exercising his discretion and judgment as he so saw fit.

**Mr. Boudria:** I am taking issue with a judgment, the judgment of the Prime Minister.

REINSTATEMENT OF MINISTER

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, given that the Minister himself resigned from Cabinet, saying in the House that he was to establish his innocence, and given that Mr. Gorman's letter says of the Minister: "Proof in the dossier demonstrates that you participated in an infraction against paragraph 62.6—" of the Canada Elections Act, why did the Prime Minister, who knew or should have known, return this person to Cabinet?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member suggests that the Minister is guilty. The Commissioner did not find that he was guilty. If he so found he would have exercised his prerogative

and proceeded with the prosecution. In his wisdom and judgment there was not sufficient evidence to proceed.

PRIME MINISTER'S POSITION

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, on September 9, 1985, the Prime Minister, in an open letter sent to Members of Parliament concerning public sector ethics and morals, said that there was: "No doubt that the ultimate responsibility for the ethical standards of the federal Government rests with Cabinet and more particularly with me". Therefore, the responsibility belongs to the Prime Minister. He said so himself.

Therefore, why did he reappoint to Cabinet a person whom the Chief Electoral Officer had found to be in breach of the Canada Elections Act? Why did the Prime Minister breach yet another promise to the people of Canada?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, this is really, in effect, a parliamentary issue. An officer of Parliament has been charged with the responsibility of investigating this issue. As was pointed out by the Chief Electoral Officer in a news release of yesterday:

> —the Canada Elections Act makes it quite clear that it is the function of the Commissioner to decide whether or not to proceed to prosecute a case. The Commissioner consents to prosecution only when he is satisfied that he has all the necessary facts and only in those cases where he believes that it would be in the interest of justice to do so and where there is every likelihood that the prosecution will succeed.

I invite the Hon. Member to read the pertinent sections of the Act. Perhaps I may have to quote them in the House.

Hon. Members are taking issue with a decision that has been made by an officer of this House. I think it is wrong to do so.

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## PHARMACEUTICAL INDUSTRY

DRUG PRICE INCREASES

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Two and one-half months ago the Minister said, as reported at page 10666 of *Hansard*:

> One of the consequences of the activity of the Senate is to raise once again the spectre of whether drug prices will increase at a faster rate than the cost of living. They will not. I maintain that those who claim that they will are wrong and have no basis for making that claim.

In view of his undertaking, and in view of the fact that the Ontario Ministry of Health has confirmed that drug prices in that province are rising above the CPI level—in some instances in excess of 100 per cent and in one instance above 250 per cent—will the Minister now admit that Bill C-22 is a sham with regard to protecting consumer interests? What will he do about it? Will he do the honourable thing and rescind Bill C-22?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, in Canadian law passed by this Parliament, there has not been the ability of any federal institution to monitor the prices of drugs and keep them within reasonable levels. Bill C-22 provides that capability through the Patent Medicine Prices Review Board.

If, in fact, the Hon. Member is angry about this apparent news from Ontario that prices may be rising faster than the cost of living in the immediate past, he should direct his anger at his own colleagues in the other place who delayed passage of Bill C-22 so long that the Drug Prices Review Board is not in place to do anything about that apparent problem.

BILL C-22—MINISTER'S POSITION

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my supplementary question is directed to the same Minister. Canadians are saying, and the Minister has confirmed for all to hear and see, that he is nothing more than a mere puppet for the multinational corporations. After the Minister stated in the House of Commons on August 14, August 21, and November 3, 1987, that prices will not exceed CPI, how can he stand in his place and say that? Is it not a fact that he is not assuming his responsibilities as Minister responsible for consumers? This Bill is being allowed to gouge seniors by charging them a higher cost for drugs. When will he do something about it?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, the Hon. Member's ignorance of Bill C-22 and its purpose is mindboggling, given the apparent time he spent studying the Bill. He ought to be aware of the necessity of getting the regulations promulgated before the Drug Prices Review Board is able to exercise that authority. Had the Hon. Member, his friends in the New Democratic Party, and the Hon. Member's colleagues in the other place not been so irresponsible in their delay, this Board would be up and operating, and there would not be these price increases.

If he is angry at somebody, he should look in the mirror because the villain is there.

* * *

[*Translation*]

## CANADA ELECTIONS ACT

REQUEST FOR CLARIFICATION OF DOCUMENT REFERRED TO BY COMMUNICATIONS DIRECTOR IN PRIME MINISTER'S OFFICE

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I have a question for the Deputy Prime Minister. Mr. Bruce Phillips, a well-known former Conservative and now Director of Communications in the Prime Minister's Office, said according to the media this morning, and I quote: "—the Prime

Minister's Office was aware of the facts involving the Member for Frontenac well before yesterday". Mr. Phillips said: "There was other correspondence prepared by Mr. Gorman which gives further details on this case".

Mr. Speaker, my question is this: What was the date on the document which Mr. Phillips was referring to? When was it received in the Prime Minister's Office and what did it contain?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am not sure of all the details to which the Hon. Member is referring. However, what is at issue here is a judgment that was rendered by an officer of Parliament who rendered a decision after an investigation and consideration of the case. Perhaps it might be appropriate to quote from the Canada Elections Act to put this whole issue into perspective—

• (1130)

**Mr. Murphy:** Answer the question, Don.

**Mr. Mazankowski:** If they do not want me to answer the question, Mr. Speaker, I can sit down. I am trying to explain it so it might enlighten them, because I think there is a certain amount of political grandstanding here—

**Mr. Riis:** It's an injustice.

**Mr. Mazankowski:** —over an issue that is of very fundamental importance, which strikes at the very heart of our parliamentary institution.

**Mr. Riis:** Indeed, it does, integrity.

**Mr. Mazankowski:** This is a law that was passed by all Parties in this House. Section 70 (3) states the following:

> The Chief Electoral Office shall appoint a Commissioner of Canada Elections—whose duties, under the general supervision of the Chief Electoral Officer, shall be to ensure that the provisions of this Act are complied with and enforced.

Section 70(4) states:

> No prosecution for an offence under this Act or for an offence under section 115 of the *Criminal Code* in relation to anything that this Act forbids or requires to be done shall be instituted except with the prior consent in writing of the Commissioner.

It is the Commissioner who has the duty, the power and the authority to press charges. In this case he exercised his judgment and discretion and chose not to do so, because of insufficient evidence, I would assume.

[*Translation*]

REQUEST FOR CLARIFICATION OF CERTAIN DOCUMENTS

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, we have here the ghost of Allan J. MacEachen. Mr. Speaker, I would like an answer to the question I just asked. Mr. Bruce Phillips, Director of Communications in the Prime Minister's Office, said that other correspondence had been drafted by Mr. Gorman in the case involving the Member for Frontenac well before yesterday and had been circulated in the Prime Minister's Office.

I would like to know whether the Deputy Prime Minister is prepared to table these documents and also what these documents contain. And I would like to know when the Prime Minister's Office was made aware of the situation.

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if the Hon. Member has some documents which he has in his hands, as he had yesterday, let him table them. Let him bring them forward.

RETENTION OF MINISTER IN CABINET

**Mr. Lorne Nystrom (Yorkton—Melville):** It seems to me that Mr. Bruce Phillips is rather a reliable person in this operation across the way, Mr. Speaker. I would like to have that document tabled before this House and I am sure the Canadian people want it. What we want is honesty and openness in government and we are not getting it from this Minister across the way.

I also want to know why a year and a half ago, when the Prime Minister found more information about a former Minister, he kicked him out of the Cabinet and set up an inquiry, and now when we have more information about a violation of the Elections Act by the Minister of Energy, Mines and Resources, why is that Minister kept in Cabinet, and why is there no inquiry into his conduct?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member makes a categorically false statement. If there had been a violation, prosecution and charges would have been laid. This was not the case—

**Mr. Nystrom:** There was a violation.

**Mr. Riis:** There was a violation.

**Mr. Fulton:** There was a violation.

**Mr. Mazankowski:** The Hon. Member is now questioning the judgment of an officer of this House. I think it is fundamentally immoral to do so.

[*Translation*]

RESULT OF INQUIRY—REINSTATEMENT OF MINISTER IN CABINET—POSITION OF PRIME MINISTER

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I find it incredible that the Deputy Prime Minister did not find time in the last two days to speak to the Prime Minister and find out whether he was aware of the results of the investigation when he recalled his Minister to Cabinet. Canadians expected

the Prime Minister to consider the results of the investigation before making that decision.

I want to ask the Deputy Prime Minister to explain to the House how the Prime Minister could decide to recall his Minister to Cabinet without first checking the results of the investigation. And if the Prime Minister did have time to check the results, how could he reappoint to Cabinet a Minister who was found violating the law of this country?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, it is really amazing how the Hon. Members try to involve the Prime Minister—

**Mr. Guilbault (Saint-Jacques):** He appoints Ministers, as far as I know.

**Mr. Mazankowski:** —in an issue which was dealt with by an officer of this institution, namely, the Commissioner of Elections. The Chief Electoral Officer has indicated in *The Globe and Mail* that he would be prepared to come before any parliamentary committee and explain this whole issue. If Hon. Members want to take issue with the verdict or decision that was rendered, let them take issue with the officers of this House who rendered such a decision.

**Mr. Guilbault (Saint-Jacques):** Mr. Speaker, let me remind the Deputy Prime Minister that it is the Prime Minister who appoints Ministers and who has the responsibility to make sure that they are clean.

**Mr. Gauthier:** Absolutely.

QUERY WHY CHARGES NOT LAID

**Mr. Jacques Guilbault (Saint-Jacques):** The Election Commissioner has determined that there is proof in the dossier that the Minister has participated in an infraction against Section 62 of the Canada Elections Act. Yet no charge has been laid. On the other hand, three ordinary people have been charged in connection with this election expenses violation.

Would the Deputy Prime Minister tell us how come there are two standards of justice in this country under this Government? There is one special standard for Tory Ministers and there is another standard of justice for ordinary people. Why do you accept the double standard? Why didn't you inquire as to why the charges were not laid?

**Mr. Speaker:** The Hon. Member will, of course, put his questions in the appropriate way.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if the Hon. Member wants to smear everybody, including the Commissioner of Elections, he can choose to do so. If the Hon. Member takes issue with the decision he rendered it is certainly his prerogative under the rules of the House to call him before a committee to explain his judgment. There is no question about it. That is not a decision, it is not a judgment that was rendered by this Government.

**Mr. Gauthier:** Will the Prime Minister appear, too?

**Mr. Mazankowski:** This Government was not even responsible for the appointment of the Commissioner.

**Ms. Copps:** What about Masse?

**Mr. Mazankowski:** This is a parliamentary issue.

**Ms. Copps:** Who appointed the Minister?

**Mr. Gauthier:** Will the Prime Minister appear?

**Mr. Mazankowski:** It is a parliamentary issue inasmuch as the officers of this House are charged with the responsibility of determining the facts and then rendering a judgment. That is what is done. If Hon. Members opposite want to take issue with that, they can certainly do so. If they want to call the individual before a committee of the House to respond, they can do that as well.

COMMISSIONER'S FINDINGS—PRIME MINISTER'S KNOWLEDGE

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is also directed to the Deputy Prime Minister. The cabinet Minister in question, the Minister of Energy, Mines and Resources, was found by the Commissioner of Canada Elections to have participated in an infraction of the Canada Elections Act. Other people were prosecuted for that same participation. Did the Prime Minister know that the Commissioner had found that the Minister of Energy, Mines and Resources had also participated in this infraction? And if the Prime Minister did know this, when did he find it out?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, Hon. Members insist on prosecuting the individual when there were not grounds for prosecution. Again, I am quoting from a background document which was provided by Elections Canada.

**An Hon. Member:** Oh, oh!

**Mr. Mazankowski:** If the Hon. Member who wants to ask a question would stand up, he may be recognized, rather than talking from his seat.

The backgrounder document has an item in here that explains when a prosecution is authorized, and I quote:

> The Commissioner consents to prosecution only when he is satisfied that he has all the necessary facts and only in those cases where he believes that it would be in the interest of justice to do so and where there is every likelihood that the prosecution will succeed.

That is the power and authority he has, and he rendered that discretion and that judgment in accordance with the provisions of the Act.

INFRACTION OF ACT—GOVERNMENT POSITION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, time after time the Deputy Prime Minister has risen and quoted from the press release. Why does the Deputy Prime Minister pretend that the letter written to the Minister of Energy, Mines and Resources does not exist? Why will he not deal with the fact that the Minister of Energy, Mines and Resources was found by the Commissioner to have participated in an infraction of the Canada Elections Act, an infraction for which others were prosecuted? Why does the Deputy Prime Minister not answer the question as to when the Prime Minister found this out and whether or not the Minister of Energy, Mines and Resources told the Prime Minister this? And why has the Government not acted on this very important issue? Why the stonewalling? Does he have a log cabin in Vegreville he wants to go back to?

**Some Hon. Members:** Order.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member takes issue with me quoting from the background document that is provided by Elections Canada. Perhaps, then, to edify his mind just a wee bit, I might quote from Section 70(8) of the Canada Elections Act which again puts into perspective the discretion and power the Commissioner has. It states as follows:

> Where the Chief Electoral Officer has reasonable cause to believe that an election officer may have committed an offence against this Act, the Chief Electoral Officer shall—

The word is "shall",

> —direct the Commissioner to make such inquiry as appears to be called for in the circumstances and, if after making such inquiry, it appears to the Commissioner that a prosecution for the offence should be taken, he shall—

• (1140)

It goes on to outline the steps that he should take, such as institute and carry on such a prosecution or cause it to be instituted and carried on. It is solely the Commissioner's judgment in this case. It is clearly specified in the Act.

Why will Hon. Members not follow an Act which this House passed and which had the endorsement and agreement of all Parties?

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## HUMAN RIGHTS

ISRAEL—TREATMENT OF PALESTINIANS

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, my question is for the Secretary of State for External Affairs. The Minister will know that in recent weeks Israeli troops in the West Bank and Gaza Strip have killed 36 Palestinian demonstrators, including women and children. He will also know that Israeli troops have indulged in beatings, the use of food as a weapon, and violated fundamental human rights of Palestinians.

Will the Minister advise the House what specific action the Government of Canada is taking to protest Israel's excessive measures?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I must say that I am pleased to know that some Members of the House are interested in questions of this importance. I met yesterday with Israel's Ambassador to Canada. I expressed to him Canada's deep and growing concern about developments in the occupied territories and about actions of the Government of Israel. I was able to speak as strongly to the Ambassador because of Canada's historic and continuing close friendship with Israel.

Later today I will be meeting with Ambassadors to Canada of various Arab countries. In all of those conversations I am making known not only our deep concern about developments there but I am asking that all parties with influence on events in that region use their influence to try, in the first instance, to bring about some reduction in the atmosphere of violence and, in the second instance, to look for any ways that might provide a more durable solution to the problems there, including conditions that would allow an international peace conference to be effective.

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## REVENUE CANADA

SEIZURE OF MOTOR HOME

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, Canadians are wondering about justice in Canada. My question is for the Minister of National Revenue.

Last night Canadians were outraged to learn of the case of an elderly couple in Eganville who were wrongfully accused of a criminal act and subsequently acquitted. They had their $62,000 motor home seized three years ago. The Government and the Minister of National Revenue refuse to release the $62,000 motor home to this elderly couple.

Canadians are wondering where is the justice. They are wondering where is the fairness. Why has the Minister not taken action before now? I ask him not to give us any excuses. Will he tell us today whether he has given the order to release the motor home immediately?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, the Hon. Member opposite comes a bit late to this case. Some of his colleagues have been making very effective representations for a long time.

This matter came officially to the attention of our Department about a year and a half after the difficulty occurred. Had Mr. and Mrs. Buelow been able to avail themselves of the regular appeal procedures there would have been a much

easier resolution to the problem. However, I am glad to inform the House that, after some difficulty in finding an appropriate mechanism to do the proper thing, it appears that a solution has been found. I will be glad to report to the House very shortly on the matter.

REQUEST FOR INTRODUCTION OF AMENDING LEGISLATION

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, it is kind of strange that it takes the news media to bring some sense of justice to the Government. Had it not been for the report last night the Minister would not have taken action.

**Some Hon. Members:** Oh, oh!

**Mr. Nunziata:** Could we have some silence from the other side?

**Mr. Charest:** We are sorry, we will not do it again.

**Mr. Speaker:** The Hon. Member will put his question.

**Mr. Nunziata:** The Minister has admitted that he has known about this case for about a year and a half. Notwithstanding the fact that he has known about it, his official on national television last night said that there was no answer. I would like to propose an answer to the Minister today.

Will the Minister introduce immediately in the House a Bill—and I give my consent on behalf of the Official Opposition to allow it to go through all three stages—to allow the release of the motor home to the Buelows? Further, will he extend an apology on behalf of the Government of Canada to the Buelows and pay them the necessary compensation?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, if I may say so, it appears that it was the media who brought the attention of the matter to the Hon. Member. As I stated, our Department has known about this matter for some time.

We will do whatever is necessary to provide some equity in this situation. The solution my colleague has offered may be feasible, but there is probably a more expedient way to deal with the matter.

* * *

[*Translation*]

## NATIONAL SECURITY

MARC BOIVIN AFFAIR—QUERY WHETHER CSIS CONTINUED TO PAY AGENT AFTER BEING INFORMED OF HIS ACTIVITIES

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, my question is directed to the Solicitor General. Yesterday we learned that when CSIS agent Marc Boivin worked at the CNTU he incited others to engage in such criminal activities as arson, kidnapping, dynamiting, and even murder. On Tuesday the Minister said that CSIS did not exceed its mandate. Here is my question: Can the Minister tell us whether CSIS was aware of Boivin's activities and why it kept such a dangerous *agent provocateur* on its payroll?

[*English*]

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, first, I believe that the Hon. Member is referring to some allegations made yesterday in a press conference by a certain individual of the CNTU. I suggest, if he is making allegations of that kind and, given the serious nature of these allegations, he should certainly go to the police with them. I am surprised that he has not done that.

Second, with respect to the activities of Mr. Boivin, I have advised the House on a number of occasions that I asked the Inspector General to investigate this matter thoroughly. He has completed his investigation in that regard. I am advised by the Inspector General that Marc Boivin was not directed or encouraged by CSIS to commit any illegal acts, nor was Boivin targeted against the CNTU or any union in Quebec or elsewhere in Canada by CSIS.

ALLEGED EMPLOYMENT BY CSIS OF POLISH HIJACKER

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, the Minister did not answer the fundamental question. Did CSIS in fact know that Boivin was encouraging these criminal and illegal acts while he was being paid by CSIS? If CSIS does not know what its own agents are up to it is no wonder that it does not have a clue as to what its real targets are doing.

In light of this latest revelation of Boivin's activity and the Minister's blindness to it, and after learning that CSIS apparently got a committed Polish hijacker and prison escapee into Canada with fake I.D., how much more will it take before the Minister finally recognizes that he has no control whatsoever over CSIS, and does the honourable thing and resigns?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I have already answered the allegations with respect to Mr. Boivin.

With respect to the Hon. Member's allegations about the Polish individual, I advise the Hon. Member and the House that the individual entered Canada illegally in December, 1984. I am advised that some months after and only after he arrived in Canada he volunteered his services to CSIS. I have been advised that prior to his voluntary departure in August of 1986 from Canada the Service severed its relationship with him.

Finally, I can advise the Hon. Member and the House that there is an outstanding warrant for this individual. If he attempts to re-enter Canada he will be arrested and subsequently deported.

*Oral Questions*

## EXTERNAL AFFAIRS

INDIA—ACCESS TO DETAINED CANADIAN CITIZEN

**Mr. W. Paul McCrossan (York-Scarborough):** Mr. Speaker, my question is for the Secretary of State for External Affairs. It again concerns Balkar Singh, a Canadian citizen under arrest in India.

• (1150)

Can the Minister confirm that several weeks ago Mr. Singh's lawyer requested a further consular visit from our High Commission in New Delhi citing allegations of torture, that the Canadian High Commission has been attempting to secure access to Mr. Singh, and that the Indian Government is refusing to allow a consular visit? If so, what formal action is the Minister prepared to take?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we were requested to seek a second consular visit. We have sought a second consular visit. I have not yet received a response. I expect to receive that response soon, and I expect it to be positive.

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## PHARMACEUTICAL INDUSTRY

DRUG PRICE INCREASES

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs, or his spokesperson. It deals with the outrageous revelations in today's paper that multinational drug companies have succeeded in ripping off Canadian taxpayers by putting in increases which the Minister claimed would never occur.

I would like to ask the Minister's spokesperson, given that he made this commitment, does he realize that this juicy little increase that has been implemented by the multinational drug companies will result in an extra billion dollars in compounded profit over the next 10 years? Because of this outrageous rip-off by the multinationals, will he not now revoke this unfair law which will raise drug prices for senior citizens?

**Mr. Clark (Yellowhead):** Tell the Liberal Senators.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Minister of Consumer and Corporate Affairs was in the House earlier, and he answered that question. He gave that answer to the House, and that answer stands.

**Mr. Gauthier:** He did not answer that question.

COST TO CONSUMERS

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, the fact is that the Minister's promise on no higher drug prices is about the same as the Prime Minister's promise on no cuts on senior citizens' pensions.

I wish to ask the Minister if he will answer the specific question, that as a result of this deliberate move by the drug companies to sabotage a price system in Canada, they have moved in and jacked up prices because they know that this will be compounded over the next 10 years. Does he realize that Canadians will be paying an extra billion dollars to the multinational drug companies? Is that what we can expect from the benefits of free trade?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, experience has taught me not to accept anything as factual from that Member.

**Some Hon. Members:** Oh, oh!

**Ms. Copps:** I don't tell lies. I don't tell lies to the people of Canada.

**Mr. Epp (Provencher):** What I say to the Hon. Member is that they delayed Bill C-22. They are now delaying Bill C-84. Whenever something happens to the public then they want to blame somebody else for not having taken the action.

They set up the Eastman Commission. They knew there were going to be changes. Now they want it both ways. It is about time that they decide which way they want to go—

**Ms. Copps:** We want that Bill removed.

**Mr. Epp (Provencher):** —rather than coming here every day and creating issues when they know in the Senate that they have been blocking those Bills, and this commission would have been in place even when they themselves had appointed the commission. It is just that the Member loves much more to make some political mileage than to get back to the truth.

REQUEST THAT INCREASES BE ROLLED BACK

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is also directed to the Minister of Health.

When Bill C-22 was introduced the Minister of Consumer and Corporate Affairs and the Minister of Health were repeatedly questioned on the effect on drug prices. The Minister of Consumer and Corporate Affairs stated on November 18, 1986, "The price of drugs will not increase by one cent, not those now on the market, not those coming on the market".

Since the Government gave the drug companies 10-year patent protection retroactive to June 27, 1986, and the drug companies promised no increases above the CPI, and now on more than 1,000 drugs they have broken that promise, will the Minister of Health tell the House and the people of Canada whether the Government is going to live up to its word and roll those price increases back?

**Hon. Jake Epp (Minister of National Health and Welfare):** Yes, Mr. Speaker, the Government will live up to its word. With the passage of Bill C-22 it is setting up a commission along the lines of the Bill for exactly the purpose relative to the CPI and the pricing policy related to that Bill.

I wish that the Hon. Member had thought of this a little sooner and supported it a little earlier.

SENIOR CITIZENS—PRESCRIPTION DRUG PROGRAMS

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my supplementary question is directed to the same Minister.

This obviously intentional blink will cost the consumers of Canada a couple of hundred million bucks, but I guess that those kind of blinks are okay for the Conservatives.

Late last year the Government sent to households across Canada a leaflet about the drug Bill C-22. In the publication it states, "All senior citizens are covered by prescription drug programs". The Minister of Health knows that to be categorically false. What steps does he intend to take to at least set the record straight for seniors in Canada?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the NDP Party opposed the establishment of a price review board under Bill C-22. They did not want a price review board and opposed it day in and day out. Now, after that long delay, we can finally shut it up because it is going to work—

**An Hon. Member:** Answer the question.

**Mr. Epp (Provencher):** —I say to the Hon. Member that they should have supported a price review board rather than coming here and asking what we have done about it. We have done something about it, and they have not as yet.

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## ENVIRONMENTAL AFFAIRS

REQUEST THAT MINISTER BE RELIEVED OF DUTIES

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, my question is directed to the Deputy Prime Minister. He probably knows that Canadians are stunned to learn that the Minister of the Environment wants to make his position in Cabinet weaker by relinquishing part of his environmental duties in favour of the fixed link from P.E.I. to the mainland. The Minister of the Environment proposes to reduce the heart and soul of his environmental mandate.

Does the Deputy Prime Minister agree that, in light of the Minister's support for the fixed link and his concern about possible conflict of interest, he should be relieved of his environmental duties altogether in order that he will be free to pursue his involvement in the link?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Minister of the Environment has written to the Prime Minister expressing his concern about the perceived conflict that could arise in the consideration of this very important matter. The letter is in the Prime Minister's hands and it is being considered, but it by no means has been accepted at this time.

REQUEST FOR APPOINTMENT OF NEW MINISTER

**Hon. Chas. L. Caccia (Davenport):** My supplementary question to the Deputy Prime Minister is the following. If the Minister of the Environment is unwilling to carry out his full duties, why does the Deputy Prime Minister not appoint a real Minister of the Environment in order that we have the environmental concerns of Islanders, New Brunswickers, and Canadians at large fully addressed by one and not by two Ministers?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I do not think that anyone in this House, or anyone in the country, would wish to criticize the distinguished service that the present Minister of the Environment has provided to Canadians, and particularly on environmental concerns.

It is simply because of his high standard of integrity that he wanted to draw this to the attention of the Prime Minister. I certainly believe that, in fairness, the Minister will be able to carry out this duty and all his other responsibilities pertaining to the environment in an effective fashion.

It clearly demonstrates to the House and to the country the fact that he, as a Minister, wants to be seen and perceived as being a man of integrity, and a man who is primarily concerned about the environmental interests of this great nation.

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## CANADA PENSION PLAN

INCREASED BENEFITS FOR THE DISABLED—POSITION OF ONTARIO GOVERNMENT

**Mr. Jim Jepson (London East):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Last year the Minister and his Department gave a very needed $140 to $150 increase to the disabled and disadvantaged in this country only to see this very generous sum taken back by the Peterson Government in Ontario. I find it rather hypocritical when the Liberals talk about drug price increases—

**Mr. Gauthier:** The Tories did it for 40 years.

**Mr. Jepson:** —that we would see this type of uncaring attitude from the province.

We now see a further increase of 4.4 per cent for the disabled pensioners. Does the Minister foresee the same callous act being perpetrated by the Peterson Government in Ontario taking back this very much needed increase to the disabled pensioners in this country?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Hon. Member is correct in what changes were made to the Canada Pension Plan, and specifically disability benefits to those on social assistance. The Ontario Government chose not to pass on that benefit to those who were on social assistance.

**An Hon. Member:** Shame!

**Mr. Epp (Provencher):** I wrote to all the provinces, keeping in mind the jurisdiction in the social welfare field, stating that it was the Government of Canada's position that that money should be passed on to the recipients, that it was a contributory pension, and additionally that our interpretation of the Canada Assistance Plan was such that the provinces would not be in violation.

• (1200)

To my understanding the former Liberal Government never did that, so we brought in that change. While we now have an increase of 4.4 per cent, the principle of the past remains. I say to the Hon. Member that it would be my hope that Ontario and the other provinces would pass it on, because one of the positions we have taken is that, if people on welfare can get additional money through contributory pensions, part-time work, or training programs, they should not lose their social benefits immediately but rather have the opportunity to get out of welfare. Obviously the Liberals opposite do not agree.

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[*Translation*]

## LABOUR

REQUEST FOR CLARIFICATION OF RETRAINING PROVISIONS FOR WORKERS

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, my question is for the Minister of Finance.

This week the Minister of Labour released the report on labour adjustment benefit programs. According to this document one-third of claims filed under such programs have been rejected. Only 719 workers throughout Canada have been declared eligible for these benefits.

At the same time as ever more older workers find themselves excluded from the labour market, the federal Government gradually eliminates adjustment benefit programs. In addition, the Government has yet to make a move in connection with the retraining program for laid-off older workers.

In February the Minister had promised—

**Mr. Speaker:** Order! I regret to interrupt the Hon. Member, but could she, please, ask her question?

**Mrs. Dewar:** Mr. Speaker, I already raised that question with the Minister. When is he going to make sure that older workers, both male and female, have access to adjustment benefits?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, the Minister of Employment and Immigration is out of town. He is on Government business outside of the capital, but I will pass the question on to him and I am sure he will answer it as soon as he comes back to Ottawa.

**Mr. Speaker:** The Hon. Member for Hamilton-Mountain has the floor for a short supplementary question.

[*English*]

REQUEST FOR IMPLEMENTATION OF PROGRAM

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, I have a supplementary question. In the February, 1986, Budget the Minister of Finance announced that there would be a program for the people. Some 1,300 people have been laid off at Firestone, as well as many other older workers across the country. When will the Government make use of this program?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the question is probably more appropriately directed to the Minister of Labour. As I am sure the Hon. Member is very much aware, the Minister of Labour has had negotiations with the provinces to try to involve them to the maximum extent possible in this program.

There have been changes of government in some provinces since the time the program was announced, which has resulted in some delays. I think there are three or four provinces which are on side, but the Minister is working to ensure that we can get all provinces committed to this program so that we can move ahead and deal with the problem the Hon. Member has addressed.

**Mr. Speaker:** Given the time, and given the fact that we started just a little late for legitimate reasons, the Hon. Member for Algoma has indicated that he will ask a single question, and that will be the last question of Question Period.

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## REGIONAL DEVELOPMENT

FEDNOR PROGRAM—REQUEST FOR ELIGIBILITY CRITERIA AND APPLICATION FORMS

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is for the Deputy Prime Minister. In the fall of 1986 he promised a Northern Ontario Recovery Program to try to cope with the serious economic difficulties faced by that region of the

country. He announced that a six-point program was being considered. In fact only one of them was announced with great flourish last July, the FEDNOR Program. After more than six months no criteria are available, no application forms are available, and things continue to worsen.

When will the application forms and the criteria for the program be made available? All we have heard about so far are the blatant political patronage appointments to the board of directors. We want the application forms and the criteria so that people can apply and make use of the program. When will they be made available?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am not sure of the precise details. My colleague, the Solicitor General, has taken a very active interest in this issue. He had to leave early to pursue some activities with respect to northern economic development, and as a matter of fact I think some announcements are being made.

Quite frankly I find it rather strange that the Hon. Member is taking issue with it, because as we travel the northern Ontario region the people out there are very happy with the performance of the Government and with the initiatives we have taken.

**Mr. Speaker:** Before recognizing the Hon. Member for Kamloops—Shuswap on a point of order, I think I should advise him and other Hon. Members that I received a question of privilege during Question Period which must take precedence. I will come back to the Hon. Member in a moment.

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## PRIVILEGE

### CANADA ELECTIONS ACT—ALLEGED INSINUATION OF WRONGDOING

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question of privilege arises from comments made during Question Period which follow on the comments made yesterday by the Deputy Prime Minister (Mr. Mazankowski). I understand that in my absence the Deputy Prime Minister had tried to associate my name, among others, with the investigations that have taken place in the case of the Minister of Energy, and that the Deputy Prime Minister had withdrawn those comments yesterday.

However, today in the course of Question Period I distinctly heard the Minister of State for Grains and Oilseeds (Mr. Mayer), the Hon. Member for Portage—Marquette, and the Hon. Member for Mackenzie (Mr. Scowen) make specific references to myself again in relation to the events surrounding the Minister of Energy.

I would like to make very clear to the House that at no time was I ever investigated for any under-the-table overspending under the Canada Elections Act. At no time did I ever receive a letter in which it was indicated that I was in fact violating sections of the Canada Elections Act. At no time did I allow workers or friends to proceed with charges in court and keeping my silence knowing in fact the situation.

I resent very directly the association made between my name and the name of the Minister who has allowed his workers to take a fall for him, and I would like to have the Members withdraw that statement.

**Mr. Speaker:** I am sure the Hon. Member will also allow me to suggest that she withdraw the statement she just made about the Minister. That would be appropriate, and I would ask the Hon. Member to do that.

In the meantime let me say that I will look at the "blues" to see whether anything is recorded there. However, I think it is appropriate for the House to know that yesterday the Deputy Prime Minister (Mr. Mazankowski) most clearly made an unequivocal withdrawal of any suggestion of any wrongdoing on the part of the Hon. Member for Broadview—Greenwood (Ms. McDonald) and also the Hon. Member for Hamilton East (Ms. Copps).

If any Hon. Members have said anything that suggests that they do not agree with that unequivocal withdrawal, then of course the Hon. Member for Hamilton East has a complaint which I will have to take into consideration.

I will look at the "blues" and I will talk to the Hon. Member, but I want all Hon. Members to know exactly what is the situation and that there was absolutely no equivocation in the withdrawal of the Deputy Prime Minister.

I would like the Hon. Member for Hamilton East to put on record that she withdraws the last couple of remarks in her submission.

**Ms. Copps:** Yes, Mr. Speaker. The only reason I even raised the issue of the Deputy Prime Minister was because, of course, yesterday he unequivocally withdrew and I accepted that. I was not here at the time of the interchange, and I would hope that that type of statement would not continue.

Certainly, in the interest of respect for the Chair, I will withdraw any section of my remarks that the Chair finds offensive.

**Mr. Speaker:** I thank the Hon. Member for her statements.

*Point of Order—Mr. Riis*

## POINT OF ORDER

PROPOSED REFERENCE OF ALLEGED WRONGDOING TO STANDING COMMITTEE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I rise on a point of order. Perhaps I will make a suggestion. In a number of exchanges during Question Period today the Deputy Prime Minister (Mr. Mazankowski) indicated that perhaps the matter regarding the questions surrounding the Minister of Energy ought to be referred to the Standing Committee on Elections, Privileges and Procedure.

Since both Mr. Gorman and Mr. Hamel have indicated a willingness to appear before that committee, and to show leadership and perhaps to clear the air so that these exchanges will not need to take place in the future, I wonder whether the Minister of State (Mr. Lewis) will indicate that the Government is prepared to take the leadership and refer the matter to the appropriate committee for consideration.

• (1210)

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, once again, we seem to be bringing up committee business on the floor of the House. It seems to me that if any committee which has jurisdiction in this matter wishes to hold a committee meeting and discuss the matter it would be within the purview of that committee's agenda to do so.

**Mr. Speaker:** I would like to make one thing clear to Hon. Members. I indicated that the Question Period, for legitimate reasons, had started late today. In the event that there are any Hon. Members wondering why that was, Members will remember that we were in Committee of the Whole and in order to complete that work we extended past the usual time for starting statements by Members. As a consequence, the Chair allowed the procedure to go on for a little longer.

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# ROUTINE PROCEEDINGS

[*Translation*]

## PETITIONS

GOVERNMENT RESPONSE

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to seven petitions, being Petitions Nos. 332-3470, 332-3471, 332-3476 to 332-3478 inclusive, 332-3502 and 332-3503.

[*English*]

## PRIVATE MEMBERS' BUSINESS

PRESENTATION OF ELEVENTH REPORT OF STANDING COMMITTEE

**Mr. John Reimer (Kitchener):** Mr. Speaker, I have the honour to present the eleventh report of the Standing Committee on Private Members' Business in both official languages.

The eleventh report deals with the selection of votable items pertaining to the ninth draw which took place on December 17, 1987. May I note that pursuant to Standing Order 36(1)(b) that this eleventh report is deemed adopted when laid upon the Table.

[*Editor's Note: See today's Votes and Proceedings*]

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[*Translation*]

## PETITIONS

PROPOSED FREE TRADE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, today it is my duty and my privilege to table in the House four petitions dealing with a very important matter, in which the undersigned object to, and ask Parliament to take a firm stand on, the Mulroney-Reagan trade agreement.

Mr. Speaker, the petition reads as follows: Whereas the Mulroney Government has sold Canada without obtaining anything in return:

**Mr. Charest:** Who signed those petitions?

**Mr. Gauthier:** Whereas Canadian industries still have no protection against U.S. trade laws;—

**Mr. Charest:** Members of the Macdonald Commission!

**Mr. Gauthier:** If the Minister would keep quiet, I could read the petition and he can make his comments later on.

Whereas Canadian industries still have no protection against U.S. trade laws;

Whereas the United States obtained everything it wanted in major sectors, including agriculture, energy, the automobile industry, financial services and investment;

Whereas the jobs of thousands of Canadians are threatened; and

Whereas the Conservative Government has no plans for manpower adjustment assistance to help Canadian workers.

Wherefore your petitioners humbly pray Parliament to condemn the Conservative Government for signing the Mulroney-Reagan trade deal. As for the Minister, I can

inform him, that the undersigned are probably all from Quebec.

**Mr. Charest:** Mr. Speaker, on a point of order.

**Mr. Deputy Speaker:** The Minister of State for Youth (Mr. Charest), on a point of order.

**Mr. Charest:** Mr. Speaker, the Hon. Member for Ottawa—Vanier has just informed me that the petition in question came from the Province of Quebec. Perhaps the Hon. Member could inform the House whether one of the persons who signed the petition also signed the Macdonald Commission's Report which recommended a free trade agreement, and I am referring to Michel Robert, President of the federal Liberal Party of Canada.

**Mr. Deputy Speaker:** I do not consider that a point of order.

Perhaps we could discuss this some other day. Meanwhile, the House will revert to petitions. The Hon. Member for Regina West (Mr. Benjamin).

[*English*]

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have the honour and duty to present a petition to you and to the House signed by many residents of southern Ontario in which they petition this House that the Government had no mandate from the people of Canada to conclude a trade agreement with the United States. They petition that the proposed agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the U.S.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, pursuant to Standing Order 106 I have a petition, and it is my responsibility to present it to the House, signed by many citizens from Hamilton Mountain. These petitioners say that whereas the Conservative Government has no mandate from the Canadian people to conclude a free trade agreement with the United States; whereas a trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership and to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions, the undersigned, the petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, pursuant to Standing Order 106, it is my pleasure and, indeed, honour to present a petition on behalf of a number of constituents who indicate that the Conservative Government has no mandate from the Canadian people to conclude this trade deal with the United States. They believe that the trade deal would deny Canada the policy freedom to determine its own economic future and undermine Canada's ability to build a society distinct from that of the United States of America.

Because they feel the agreement denies Canadians secure access to the United States market, which was in fact the key objective in the negotiations leading up to the trade deal, they are asking Parliament to dissolve in order to allow the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I have a petition from a number of citizens of Canada who are very concerned about the Mulroney-Reagan trade deal and the threat—

**Some Hon. Members:** Order.

**Ms. Mitchell:** —it brings to Canadian sovereignty, as well as the fact that this Government has no mandate to negotiate such a trade deal with the United States. They ask the House of Commons to ensure that a national debate take place on the Mulroney-Reagan trade deal—

**Some Hon. Members:** Order.

**Ms. Mitchell:** —and that this debate result in a national general election before any agreement is signed.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I have the honour and pleasure to present a petition from a number of residents of Toronto, and St. John's, Newfoundland, who say that because the fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal—

**Mr. Deputy Speaker:** I know that Members are all aware that they should not use the family name of the Prime Minister (Mr. Mulroney). I ask Members to do that also when they are presenting petitions. The Hon. Member for Spadina (Mr. Heap) has the floor on petitions.

**Mr. Heap:** Mr. Speaker, I thank you for your advice. I would ask you given that I am reading from the wording of the petition, could you, instruct me as to whether I should follow the wording of the petition or not.

**Mr. Deputy Speaker:** No. The rule would apply for instance if the Hon. Member would be reading from a newspaper. One could not use the family name of the Prime Minister in the House.

**Mr. Benjamin:** The petition was approved by the Clerk.

**Mr. Heap:** Mr. Speaker, because the Government with the unmentionable name has no mandate to negotiate a free trade deal with the United States—

**Some Hon. Members:** Oh, oh!

**Mr. Heap:** —and because this unmentionable person negotiated with the President of the United States a deal which would reduce Canada's ability to plan the economic, social and cultural programs of Canada—

**Mrs. Mailly:** You have no respect for the House.

**Mr. Heap:** —and because this deal with the unmentionable name would integrate Canada further into the North American defence industrial base, for these reasons they ask Parliament to ensure that a national debate take place on this deal and that the debate result in a national general election before such an agreement is signed.

[*Translation*]

**Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue):** Mr. Speaker, I raise a point of order.

**Mr. Deputy Speaker:** The Hon. Member for Gatineau (Mrs. Mailly) raises a point of order.

**Mrs. Mailly:** Mr. Speaker, I seek your guidance. First of all, I understand that the Standing Orders require a petition to be summarized. Also, our Standing Orders forbid Members of this House to refer to their colleagues by their family names; this is not a weird or whimsical requirement, but the very tradition of this House, and by refusing to abide by our rules, the Hon. Member shows complete disrespect for the House. And I suggest that this disrespect should not be taken lightly. Heaven knows just how difficult it is for our institutions to command respect.

• (1220)

[*English*]

**Mr. Deputy Speaker:** If the Hon. Member wants to reply to the point of order, I would like to tell the Hon. Member that the Chair welcomes the intervention of the Hon. Member for Gatineau (Mrs. Mailly) but does not find that it is a point of order.

OPPOSITION TO PLUTONIUM FLIGHTS OVER NORTHERN CANADA

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty to present petitions containing over 200 names of residents of Teslin, Mayo, Pelly Crossing, Whitehorse, Yukon, and Edmonton, Alberta, who are calling on the Canadian Government to say no to plutonium flights over northern Canada proposed in the pending United States and Japan agreement.

PROPOSED FREE TRADE

**Mr. Jack Harris (St. John's East):** Mr. Speaker, I have the honour and duty to present a petition from citizens of Canada. The petition is certified correct as to form pursuant to Standing Order 106.

These petitioners say that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised and they further state that the trade agreement negotiated by the Prime Minister's Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions.

They further state that the proposed trade agreement would deny Canada policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States.

The undersigned petitioners humbly pray and call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed trade agreement in a national General Election.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I have a petition signed by persons from my constituency and adjoining constituencies. It contains approximately 300 names. It has been certified correct as to form and content pursuant to Standing Order 106.

The petition indicates the feelings of the petitioners with respect to the trade agreement with the United States. The petition first suggests that the Government has received no mandate to proceed with such an agreement. It points out some of the problems that would exist with the agreement, in particular, the loss of policy freedom on the part of Canada to determine its own economic future. It also indicates the feelings of the petitioners that there would be a loss of thousands of jobs as a consequence of the trade agreement.

Given these various factors, the petitioners call very strongly on the Government to permit the people of Canada to have a final say before this agreement goes forward through a General Election.

I would wish at this time to move:

That this House adjourn.

**Mr. Deputy Speaker:** The Chair has received a motion which is the following one: moved by Mr. Langdon, seconded by Mr. Benjamin:

That this House adjourn.

The Chair finds the motion to be in order.

Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** All those in favour please say yea.

**Some Hon. Members:** Yea.

**Mr. Deputy Speaker:** All those opposed please say nay.

**Some Hon. Members:** Nay.

**Mr. Deputy Speaker:** In my opinion the nays have it. I declare the motion defeated. Resuming petitions.

PROPOSED FREE TRADE

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, I have a petition from residents of Canada who point out that the present Government has no mandate from the Canadian people to conclude a free trade agreement with the United States and that the proposal removes the power of the Canadian Government to effectively control foreign ownership and removes the power to develop the Canadian energy resources in the best interests of Canadians and to equalize opportunities between regions.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, pursuant to Standing Order 106, I have the honour and privilege to present a petition signed by residents of the City of Windsor. These petitioners humbly call upon Parliament to dissolve in order to allow a national general election to be held on the matter of the trade deal the Government purports to have signed between this country and the Reagan administration of the United States of America.

* * *

## POINT OF ORDER

USE OF MEMBERS' NAMES IN PETITIONS

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I would like to raise a point of order with the Chair regarding the assertion of the Chair that the name of the Prime Minister of Canada (Mr. Mulroney) should not be mentioned in the House, particularly in the context of a preamble to a petition. Since the petition has been approved by the Clerk of the House as to form, and I presume that also means content, I do not see how the Chair can rule that that name should not be mentioned.

Does the Clerk or an Hon. Member of the House have any authority or right to change or amend the wording of a petition signed by Canadian citizens outside this Chamber? I do not know if we have any right to change the words of the petitioners.

The form of the petition, as I understand it, is in proper historical and traditional form, and the Clerk has so said. I think it is just a case of a petition being presented with a brief explanation, no matter what its content is, as long as the Clerk has okayed it.

• (1230)

**Mr. Deputy Speaker:** At this time I will make a preliminary ruling to the effect that the first ruling I made still stands. I would like to remind all Members that they must not read the petition but rather make a summary of it. The Chair holds the view that in that summary the family name of the Prime Minister (Mr. Mulroney) should not be used. However, the Chair will look into the matter and make a formal ruling as soon as it can and report back to the House.

**Mr. Benjamin:** Mr. Speaker, I would also like to draw to the attention of the Chair that there are some 10 paragraphs, I believe, in the preamble to those particular petitions. Members have presented only one or at most two of those paragraphs. They have not read the whole thing, which I believe would be proper, if they chose to do so.

**Mr. Deputy Speaker:** I thank the Hon. Member and I will get back to the House on this point.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, the following questions will be answered today: Nos. 221, 228, 231 and 236 through 239 inclusive.

[*Text*]

NON-SMOKING AREAS IN AIRPORT TERMINAL BUILDINGS

Question No. 221—**Ms. McDonald:**

Do Transport Canada's practices with respect to the provision of non-smoking areas in airport terminal buildings ensure the provision of smoke-free air to those employees and passengers using the buildings and facilities who wish to avoid exposure to second-hand smoke?

**Hon. John C. Crosbie (Minister of Transport):** During the past four months, Transport Canada has taken several steps towards ensuring the provision of smoke-free air to those employees and passengers using airport buildings.

In late August, 1987, all airport staff were advised of the Treasury Board ban on smoking by public service employees at all service counters, waiting rooms, desks or wickets where the public is served. Employees were also advised that, as of October 1, 1987, smoking was prohibited, except for designated smoking areas, in all Public Service work places in accordance with the Treasury Board policy to phase in a total ban on smoking in all Government of Canada buildings by January 1, 1989.

Since the Treasury Board directive pertains only to government employees, Transport Canada took the initiative of issuing a directive to all its airports to restrict smoking in most areas of the air terminal buildings for the travelling public as well.

Specifically, the directive bans smoking in all free circulation areas, ticket locations, baggage claim areas and washrooms. A minimum of 60 per cent of the seating locations in holdrooms and food and beverage outlets is designated as no smoking, and a maximum of 40 per cent of the seats in these locations can be designated as smoking. All these smoking areas are wherever possible located well away from service counters and aircraft boarding exits where passengers congregate.

In areas where there is insufficient space to properly delineate smoking and non-smoking areas, then the whole area is designated as no smoking. The only areas where smoking is freely permitted are in the bars.

To indicate smoking and no smoking areas, pictographic signs are being posted in conspicuous places inside all air terminal buildings (ATBs). Additional signs are also being posted at the main entrances of these buildings to inform the public, in both official languages, that such accommodation is provided.

Enforcement of these regulations is in accordance with the airport traffic regulations, and nay applicable municipal by-law in cases where the airport is within the boundaries of a particular municipality.

Although public co-operation is required in order to respect the provisions outlined above, we feel that these measures will significantly improve the level of safety, comfort and health of both passengers and Transport Canada employees.

USE OF PETRO-CANADA JET

Question No. 228—**Mr. Boudria:**

On or about November 21, 1987, was the Petro-Canada jet utilized for the purpose of transporting Maurice "Mad Dog" Vachon from the United States to Canada and, if so (*a*) who were the passengers on this flight (*b*) what was the role or purpose of each person for being on the flight (*c*) what was the total distance travelled for this purpose by the plane in question (*d*) what was the total cost of the trip?

**Hon. Marcel Masse (Minister of Energy, Mines and Resources):** In so far as the Department of Energy, Mines and Resources is concerned:

1. Yes. (a), (b), (c) and (d) This information is proprietary to Petro-Canada and therefore cannot be released.

GRANT TO JULAC INC.

Question No. 231—**Mr. Althouse:**

1. (*a*) Did the Department of Agriculture recently grant $500,000 to Julac Inc. in the Lac St-Jean area of Quebec to assist in reviving the blueberry processing industry (*b*) did the shareholders provide any new funding and, if so, in what amount?

2. (*a*) How long has the company been in business (*b*) what is the company's experience in the processing of blueberries (*c*) what is the name of each shareholder?

3. Has any other government department granted monies to the company and, if so, in each case (*a*) in what amount (*b*) from which departments?

4. What form of processing is to be developed from the use of these funds?

**Hon. John Wise (Minister of Agriculture):** 1. (a) Yes. (b) Yes. The shareholders have contributed $347,140.

2. (a) The company has been in business for 15 years. (b) The company has been processing blueberries since it was founded and, at the time of closing, it was selling two blueberry aperitives and one digestive. (c) The shareholders are: Evans Laberge, Philibert Simard, Maurice Darveau, André Bussières, Gaston Perron, Jacques Madgin, Lise Audet, Claire Denano, Ls-Henri Frigon, André Tremblay, Mario Naud.

3. In so far as the Departments of Employment and Immigration and Regional Industrial Expansion are concerned; no.

4. No new form of processing will be undertaken as a result of the grant. The grant will be used primarily to reimburse the creditors and to reinstate production. The company intends, however, to undertake research on new products made from blueberries such as fillings, jams and syrups.

USE OF DRUG BENDECTIN

Question No. 236—**Mr. Young:**

1. Have cases been reported in Canada of birth defects associated with the use of the drug Bendectin and, if so (*a*) how many (*b*) for what reason does the Department of National Health and Welfare allow the continued use of this drug, by prescription, under the name of Diclectin?

2. Was Bendectin tested by the Department and, if so (*a*) how extensively (*b*) for how long before the drug was originally approved?

3. Have there been adverse reports on this drug and, if so (*a*) how extensive are they (*b*) on what date did they first appear (*c*) does the Department keep records of women who use Bendectin during pregnancy for the purpose of tracking possible birth defects?

**Hon. Jake Epp (Minister of National Health and Welfare):** 1. Yes.

(a) Worldwide approximately 30 million women have taken Bendectin. The Canadian market is about 2 per cent of this, thus, approximately 600,000 Canadian women were exposed to the drug between its marketing in 1957 and 1983 when the drug was withdrawn by the manufacturer, Merrel Dow. there were 40 reported cases of birth defects in Canada associated with the use of Bendectin. This corresponds to about one child born with birth defects, out of every 10,000 children born to women exposed to the drug. Since 2 or 3 out of every 100 children born have a major birth defect, the available data indicate that fewer children were born with birth defects to Bendectin-treated mothers than to untreated mothers.

(b) The Department of National Health and Welfare allows the continued use of Diclectin, a generic product, because careful review of a large number of epidemiologic studies have provided no evidence that Bendectin causes congenital malformation.

Similar conclusions were reached in the United States and by health authorities in most countries. Therefore, there is no reason to ban this drug.

2. (a) & (b) No. The testing of drugs is the responsibility of the manufacturer; the Health Protection Branch carries out only an evaluation of the data provided by the manufacturer.

3. Yes.

(a) The Drug Adverse Reaction Program, a voluntary reporting program has received the following reports; five affecting the mother alleged to cause rash, dry mouth and unsteadiness, 32 affecting the baby with signs and symptoms ranging from various limb and other deformities in no specific pattern, to convulsions and death. In most reports the mother had been taking a number of other drug products concomitantly.

(b) First report of suspected drug adverse reaction was in November, 1965.

(c) No.

BIRTH DEFECTS—AID TO FAMILIES

Question No. 237—**Mr. Young:**

1. Has the government or any government agency taken any measures to aid the families of children with birth defects associated with a drug taken during pregnancy and, if so, what are such measures and do they include maintaining a fund that can be drawn on for the purpose of pursuing legal action?

2. To the knowledge of the government, is there an association of parents of children with such defects caused by drugs taken during pregnancy?

**Hon. Jake Epp (Minister of National Health and Welfare):** 1. The Health Protection Branch has taken steps to assist in the prevention of future birth defects, including those which may be associated with drugs.

Health Protection Branch maintains a congenital anomalies surveillance system, which provides data for studies to identify factors which contribute to birth defects. This system also provides early notice of unusual occurrences of birth defects.

Second, drug manufacturers are required to submit to Health Protection Branch the results of tests of new drugs in animal models. Such tests are designed for a number of purposes, including to identify the potential of a drug to cause birth defects.

2. DES ACTION/Canada, Snowdon, P.O. Box 233, Montreal, Quebec H3X 3T4.

THOMAS R. BERGER

Question No. 238—**Mr. Kaplan:**

When Thomas R. Berger retired from the bench, was he eligible for a pension and, if so, is the government paying or planning to pay him one and, if so, what was or will be the date on which the payments begin?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** No. In order to qualify for a judicial pension, a judge who has not reached the age of retirement must have served at least 15 years in office and have attained the age of 65 years, unless retirement is due to ill health. Mr. Berger did not seek retirement on the grounds of ill health, and did not meet either the age or service requirements of the Judges Act.

MARCHETTI SF-260 AIRCRAFT

Question No. 239—**Mr. Friesen:**

Did Transport Canada send an official from its Airworthiness Branch to Italy, in order to make inquiries about the SIAI Marchetti SF 260 aircraft and, if so, what was the cost to the Department for travel and expenses for this official?

**Hon. John C. Crosbie (Minister of Transport):** The Transport Canada Airworthiness Branch did not send an official to Italy, in order to make inquiries about SIAI Marchetti SF260 aircraft, but took the opportunity of having one of its officials, who was in Italy on other business, to discuss with SIAI Marchetti and the Italian airworthiness authorities the eligibility of the SF260 aircraft in the military and civil roles.

[*English*]

**Mr. Lewis:** I ask that the remaining questions be allowed to stand.

[*Translation*]

**Mr. Gauthier:** Madam Speaker, I rise on a point of order concerning the answers to the questions on the Order Paper. I must congratulate the minister for answering this week at least a good many questions. However, Question No. 209 listed in my name has been on the Order Paper since October 15 of last year and it should have been answered within 45 days which so far has not been the case. That is why I ask the Minister of State to urge the people in charge of answering questions to answer this one concerning the National Arts Centre, a matter of some interest, if only to Ottawa residents.

**Mr. Boudria:** Mr. Speaker, I rise also on a point of order. I call the Minister's attention on Question No. 235. It is a question dealing with the operation of the Canada Lands Corporation in Mirabel, and as the House is aware, all questions concerning this Crown corporation raise considerable interests. The Canadian people want answers to these questions. I should like to remind the minister that the 45 day delay is now over concerning this question and I urge him to press his colleagues for an answer as soon as possible.

I take this opportunity to thank the Minister for having finally answered Question No. 228. I dare hope, however, that most questions may be answered within the 45 day limit, and not after the 45 day period has expired, sometime even months and months later.

[*English*]

**Mr. Lewis:** Mr. Speaker, I thank my hon. colleagues for their inquiries. As they know, we have made every effort to answer as many questions as possible prior to the time required. I think the record is pretty good in that respect. I appreciate the questions they have raised and I will make inquiries to see whether we can get these answers to the House.

**Mr. Deputy Speaker:** The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

*Question Passed as Order for Return*

## QUESTION PASSED AS ORDER FOR RETURN

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, if Question No. 230 could be made an Order for Return, the return would be tabled immediately.

**Mr. Deputy Speaker:** Is it the pleasure of the House that Question No. 230 be deemed to have been made an Order for Return?

**Some Hon. Members:** Agreed.

[*Text*]

GRANTS TO CORPORATIONS IN METROPOLITAN TORONTO AREA

Question No. 230—**Mr. Redway:**

Since September 4, 1984, did the Department of National Health and Welfare make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

Return tabled.

# GOVERNMENT ORDERS

[*English*]

## CURRENCY ACT

MEASURE TO AMEND

The House resumed consideration in committee of Bill C-99, an Act to amend the Currency Act—Mr. Hockin—Mr. Danis in the chair.

**Mr. Chairman:** Order. House in Committee of the Whole on Bill C-99, an Act to amend the Currency Act.

Shall Clause 1 carry?

On Clause 1—*Net income credited to C.R.F.*

**Miss Nicholson (Trinity):** Mr. Chairman, before the House went into Question Period I asked the Minister of State for Finance if he was in a position to explain the delay in producing this Bill which, as he himself said, is a simple technical Bill. Just to repeat my question, since it was asked some hours ago, in February, 1986, the Minister of Finance agreed to move on a number of recommendations made over the years by the Auditor General, supported by the Standing Committee on Public Accounts, with respect to changes in accounting policy. These changes in essence made for a faster reporting in the Public Accounts of Canada of some items which in the past were averaged out over three years.

These changes were partly made, but the exchange fund, which is the subject of this Bill, is a special account of the Minister of Finance and serves as the main repository of Canada's official international reserves. It is governed by the Currency Act and that Act contains a provision which differs from the accounting principles followed in the Public Accounts. Namely, in determining net income the Currency Act requires gains or losses from exchange rate changes to be averaged over three years, while such losses are recognized immediately in the Public Accounts of Canada. This amendment simply repeals the three-year averaging provision. That means the accounting principles of the exchange fund conform with those of the Public Accounts of Canada.

This was announced in February, 1986, and the Bill is coming before the House only now, two years later. It is a very simple Bill. It has just one clause to give effect to that recommendation. Therefore, I would appreciate knowing from the Minister why the delay; why did it take almost two years to implement?

**Mr. Hockin:** Mr. Chairman, I have made some further inquiries as a follow-up to the answer I gave the Hon. Member before Question Period. A number of accounts are going to be brought into conformity with the accounting treatment given them in the Public Accounts of Canada. As well, if you look at what was announced in 1986, this affects the 1987 accounts, so this is relatively rapid.

The Hon. Member is probably aware as well that it has been necessary for all of us to find a time convenient for the House to introduce this Bill, which is basically a housekeeping Bill. There just did not seem to be a propitious time in the House schedule for it. I think that is a large part of the answer as well.

Clause 1 agreed to.

Title agreed to.

Bill reported.

**Mr. Deputy Speaker:** When shall the Bill be read the third time? By leave, now?

**Some Hon. Members:** Agreed.

**Mr. Hockin** moved that Bill C-99, an Act to amend the Currency Act, be read the third time and passed.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I wanted to add a brief tail to the excellent speech by my colleague from Ottawa Centre on second reading with respect to interest rates, unemployment, and the interaction of those two factors with the level of the Canadian dollar.

• (1240)

Even within the Province of Ontario itself there are tremendous variations in economic circumstance. For instance, the most recent statistics available from the labour force in the City of Windsor for December, 1987, indicate that the unemployment rate for the City of Windsor district is 11.3 per cent. This suggests that there are parts of the province, even in areas which are relatively close to other centres of prosperity, which suffer from considerable unemployment rates. If one considers northern Ontario, the difficulty is even greater.

The fact is that we are talking about the golden horseshoe when discussing the tremendous strength of economic growth that has taken place. It is perhaps historically the least widely shared process of economic growth has taken place in any business cycle which I have looked at as an economist. For that reason I would urge the Minister of State for Finance (Mr. Hockin) to spend some more time dealing with this question to see if the department itself is prepared to give it more consideration. It makes a very strong case for an attempt at differentiating both fiscal and monetary policy to a much greater degree than before.

I am not certain that it is possible to go that far with respect to monetary policy, but I believe the examination must be made. I believe it is certainly possible to make such differentiation with respect to fiscal policy. We try to do so through regional development policy, but that regional development policy itself is very often caught up on statistics which are very much out of date. For instance, despite the very heavy level of unemployment in Windsor at this stage, we are still classified as tier 1 for the Industrial and Regional Development Program, which means that virtually all modernization and expansion projects in our industrial sector cannot be supported.

I believe this caveat to the points made by my hon. colleague is very much worth considering. I hope the Minister will be spurred by this debate and take some of those questions to the department to see if it will be persuaded to look more closely at ways to differentiate the levers of government with respect to fiscal and monetary policy.

**Mr. Deputy Speaker:** Is the House ready for the Question?

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the third time and passed.

* * *

## FRUIT AND VEGETABLE CUSTOMS ORDERS VALIDATION ACT

MEASURE TO ENACT

**Hon. Doug Lewis (for the Minister of National Revenue)** moved that Bill C-96, an Act to validate certain customs duty orders relating to fresh fruits and vegetables, be read a second time and referred to a legislative committee.

He said: Mr. Speaker, I think you will find unanimous consent to move this Bill to the Committee of the Whole.

**Mr. Foster:** Mr. Speaker, is the Minister asking to move to Committee of the Whole?



**Mr. Lewis:** Mr. Speaker, obviously I am prepared to make a few preliminary remarks at second reading, if my colleague wishes to do the same. We would be pleased to do it that way. We could then move to Committee of the Whole.

**Mr. Gauthier:** Mr. Speaker, that is with the understanding that once we are finished in Committee of the Whole we will proceed directly to third reading today.

**Mr. Lewis:** Yes.

**Mr. Deputy Speaker:** There is unanimous consent, therefore, that the Bill be sent to Committee of the Whole instead of a legislative committee.

**Mr. Lewis:** I appreciate the co-operation of the Opposition Parties with respect to this and other Bills today.

This particular Bill is an Act to validate certain customs duty orders relating to fresh fruits and vegetables. We are essentially cleaning up a technicality. Between January 1, 1972, and January 10, 1985, there have been collections of tariffs and customs duties on fruits and vegetables pursuant to certain orders made. I believe it was found that there was some technical difficulty with them. This Bill simply corrects that technical difficulty and declares that all customs duties which were collected to be validly collected.

I have no further remarks to make on the Bill. I commend it to the House for second reading and reference to Committee of the Whole House.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, it is my understanding as well that Bill C-96 is designed to validate the collection of certain tariffs which were collected between 1972 and 1985 but not properly registered as a statutory instrument. This was observed by the Standing Committee on Regulations and Other Statutory Instruments in its report to the House in 1987. We support this legislation because we believe the work of the committee is very important in order that the House or the Government does not take action which may go beyond the rule of law.

The third element of the legislation, as I understand it, also provides for the validation of certain tariffs which were imposed between 1984 and 1985, and provides for the remittance of certain tariffs which have not been collected during that period.

I wish to raise a couple of other issues with the Minister when the Bill goes to Committee of the Whole. However, we support the Bill as it is put before the House.

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, we have no objection to this Bill. It simply clears up a technicality. Apparently the Minister's signature did not appear on many of the orders that had allegedly occurred under the Bill. It was only recently discovered that his signature rather than that of officials had to appear before those orders became

operative at the border. This amendment is expected to clear that up.

I want to say a few words about the question of fruit and vegetable imports and exports, given the fact that we do not have much opportunity to discuss the need for and efficacy of these temporary duties. I would like to bring to the attention of the House the importance of these duties in the past and how they will be gradually done away with under the proposed trade agreement with the United States. I would like to read into the record a couple of briefs and letters which have come to my attention from the Province of British Columbia. I could do so for other regions of the country but these are the shortest and most concise.

• (1250)

I think the House should be aware that the use of seasonal import duties has in fact created an industry in this country. I think we sometimes tend to think that fruit and vegetable production is not a terribly important part of agriculture, but I want to point out some information I received from the British Columbia Vegetable Marketing Commission. It tells us that in 1987 there were 34,000 tonnes of speciality crops that will be affected by these changes proposed in the Trade Act. That includes sweet corn, beans, peas, cauliflower, broccoli and brussel sprouts.

I think the important thing to note here is the great amount of value added that occurs. It points out that the farm value of these crops is only some $9 million, yet through the processing, sale and distribution of these vegetables, between $85 million and $90 million of gross value added is attached to the British Columbia economy.

Removal of the ability to provide these duties is going to mean that fewer producers will survive. As a result, the jobs that go with the distribution and processing of these vegetables and small fruits will disappear as well. Therefore, it is a very important part of the economy, particularly in the lower Fraser Valley.

Some of the other valleys have also concerns. I have a letter from a resident of Summerland, British Columbia, who points out the importance of keeping the seasonal tariffs alive and well. She states this year our markets were flooded with North Carolina and California clean up, last of the season and small fruit, which ruined our markets before we were even ready to ship. Our apples are traded in the States now on a fairly free basis but we only export because the States floods our markets before our apples are ready to be shipped. In order for British Columbians to get rid of their crops they are forced to go to the United States.

I just wanted to bring that to your attention very briefly, Mr. Speaker, to point out the kinds of concerns people have that these temporary seasonal tariffs are to be lifted. I think it makes very good sense that in the period of time they are still permitted to exist, officials of the Ministry may provide their signatures to the necessary documents at the border. I do not know how we managed to make this error back years ago when Parliament passed the Act originally, but I hope we will now correct it very quickly.

**Mr. Deputy Speaker:** Is the house ready for the question.

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the Chair.

**Mr. Chairman:** Shall Clause 2 carry?

On Clause 2:—*Validation of Orders.*

**Mr. Maurice Foster (Algoma):** Mr. Chairman, I have a couple of questions for the Minister because I know he is an expert on the whole question of fruits and vegetables and the tariffs which have been forgone in this case.

Is it clear now that the Standing Committee on Regulations and Other Statutory Instruments has recommended that in fact when an order or seasonal tariff is being ordered on the seasonal tariff list it is being ordered on the day on which it is imposed? For instance, the Standing Committee on Regulations and Other Statutory Instruments found that an order was being executed on February 5 in one of the years under consideration in this Act, but imposing the seasonal tariff five or six days previously. Of course, that rendered the whole exercise illegal. I wonder if the Parliamentary Secretary or the Minister can assure the House that in fact the procedure which was recommended by the Standing Committee on Regulations and other Statutory Instruments is being followed at this time?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Chairman, since my hon. colleague has asked a detailed question—and I am pleased to have the assistance of the Parliamentary Secretary—I would like to ask for a moment's recess and we will bring in an official to assist on some of these detailed questions.

[*Translation*]

**Mrs. Mailly:** I might begin by answering this question, Mr. Chairman.

[*English*]

It is precisely because there were some delays in the signing of some of these orders. First, there was an error in having them signed by officials other than the Ministers and that started back in 1972, in fact. That was founded on the fact that the officials who were dealing with that matter were following a legal order that was out in 1973. It was their interpretation that they could sign these orders. When it was discovered in mid-1984 that perhaps that was not according to

the regulation, it was decided to suspend some of these signings by officials and to have the Minister sign them all. Indeed, there were some delays in some of the signings. So that was part of the problem that we are trying to deal with today.

I would just like to ask my official about the matter that was brought up by the Hon. Member whereby there were some delays in the signing of some of those orders and whether they come into effect, I believe, on the same date as the order is issued. Was that the question asked by the Hon. Member?

**Mr. Foster:** Yes.

**Mrs. Mailly:** Yes, it has just been confirmed. Actually, those orders come into effect the same day, and there were these delays, and this particular housekeeping Bill will also solve those problems, as well as ensure that all those orders that were signed and all the moneys that were brought into the Canadian Treasury from that order since 1972 can remain with the Canadian Treasury. In other words, it makes them all valid.

Those orders which were not carried out during the short period where the regulation was in suspension will also be made valid and the moneys that were not received at that moment will be brought into the Treasury. I believe it is a very small amount of money that was not received, but all will now be in order. All this was done because of the—

[*Translation*]

—recommendation of the secretary of the Standing Joint Committee on Regulations and other Statutory Instruments, namely that the Department ought to draft corrective legislation to validate the remittance collection orders which I have just mentioned.

That is precisely the purpose of this measure. We want to make sure there is no mistake and that everything is very clear.

• (1300)

[*English*]

**Mr. Foster:** Will the Parliamentary Secretary outline exactly how many dollars of tariffs are being legitimized by this measure, both those in the period from 1972 to 1985 and the period from 1984 to 1985? As well, can the Parliamentary Secretary outline which funds are being forgiven or remitted to those who have not paid the tariffs that were due in the period 1984-85?

**Mrs. Mailly:** In the first case, the figure amounts to millions of dollars. This is why this is a very important piece of housekeeping legislation.

In the case of sums which were not remitted for a short period of time, I believe the figure is just a few thousand dollars. There is really not very much involved in that case.

**Mr. Foster:** Since the Parliamentary Secretary has an official with her, can she advise whether or not the Government is enforcing Sections 58 and 59 of the fruit, vegetable and honey regulations? This whole issue has been before the Standing Joint Committee on Regulations and Other Statutory Instruments which seemed to rule that it was *ultra vires* and was brought into the House to strike down those regulations. However, after due consideration and negotiation between House Leaders it was decided to refer the report of the Regulations and Other Statutory Instruments Committee back to the committee.

Will the Parliamentary Secretary indicate whether those regulations relating to container size in the fruit and vegetable industry for imports are being enforced?

[*Translation*]

**Mrs. Mailly:** No, Mr. Chairman, the Bill has nothing to do with those sections. Still I should like to tell the Hon. Member that with the advent of tariff harmonization in January 1988 the question has become irrelevant because these are no longer non-statutory regulations and so we do not deal with these regulations any more.

[*English*]

**Mr. Foster:** Does that mean that with the harmonization of those container sizes between Canada and the United States there will be complete harmonization and in fact the Government will not be able to maintain separate regulations in Canada different from the United States?

**Mrs. Mailly:** Perhaps my colleague did not understand what I said in my previous response to him. This has nothing to do with containers. The harmonization has to do with tariffs, the way they are listed and the way to which they are referred. It has nothing to do with the actual content of those regulations.

The two sections to which the Hon. Member referred, Section 57 and Section 58, will not be in force any longer. Under the harmonization there is a different system and the question will not pose itself. The matter of containers is another question which is not dealt with in this Bill and about which I am not ready to talk today.

**Mr. Foster:** The reason I raise the matter is that the industry is suffering tremendously without the enforcement of these sections of the fruit, vegetable and honey regulations. It has been promised by the Minister of Agriculture (Mr. Wise) that he will bring in new regulations under the agricultural standards legislation. I am not sure whether or not amendments to that legislation are required! However, I thought that, since we were dealing with it, since it is intimately tied up with the whole trade negotiation arrangements with the United States and is of tremendous value and since we have a Parliamentary Secretary to a Minister of the Crown before us dealing with the question of tariffs and import duties in regard to fruit and vegetables, she might be able to comment.

I have a copy of a directive from Agriculture Canada, from the Food Production and Inspection Branch, which advises that these regulations are not to be enforced, although it is suggested that it should be indicated to exporters from the

U.S. and importers to Canada that this should not be made public. In fact, the whole matter should be left in doubt. It seems to me that when the Minister is running around the country promising to do something about this in order to preserve our fruit and vegetable industry it would be useful to have a straight answer from the Parliamentary Secretary.

Since these sections of the legislation dealing with fruit, vegetables and honey cannot be legally enforced, many people would like to know whether the Government will bring in amendments to the agricultural standards legislation to do the same thing as these sections have been doing in the past. That is to say, they have been providing the standards with regard to container size and other issues. This will ensure the integrity of the fruit and vegetable industry. This is an industry which will be under tremendous attack, especially in light of the type of seasonal tariff which we are legitimizing.

These are tariffs that have been collected for the last 16 years which are being legitimized as a result of Bill C-96. Under the free trade deal such seasonal tariffs which have allowed the fresh fruit and vegetable industry to continue in the Okanagan Valley and the Niagara Escarpment will be done away with. There is a new mechanism called the snap-back mechanism which most observers feel will not be very effective because injury has to be shown. The processing procedure will be so long and so cumbersome that it will not be effective. Once the price breaks on a fresh fruit or vegetable it is very difficult to reinstate it, even with the proposed snap-back mechanism. Of course, that is being completely done away with for an industry which is expanding and growing. It is only available if that sector of the agricultural community is in entrenchment or not growing at all.

It would be useful if the Parliamentary Secretary could give us an indication that the equivalent regulations to the fruit, vegetable and honey legislation will be brought in under the guise of the agricultural standards legislation.

**Mrs. Mailly:** I would like to assure my colleague that those regulations exist but that they are not under the purview of Revenue Canada. They are under another Department. This particular Bill has nothing to do with containers or with the agricultural parts of these items. It has to do with process and with housekeeping matters. It has to do with the money that this Bill permits and validates.

• (1310)

In terms of the harmonization of tariffs, the United States is not part of that, so we are not dealing here with U.S.-Canada. As a matter of fact, in Revenue Canada we have a joke that we do not want to be the fifty-second country, we want to be thirty-third, because we are now the thirty-third country that has gone into this harmonization of tariffs, and the United States is not one of them.

This Bill has really only to do with validating practices or decisions that were made where millions and millions of dollars of taxpayers' money was involved. The money was brought into the Treasury, and it was found in mid-1984 that perhaps the practices were not in conformity with the law, and that these instruments were signed by officials rather than by the Minister. We want to ensure that this money stays with the Canadian Treasury and get those few thousand dollars that were not received.

I would like the Bill to go through very quickly, unless the Member has something to discuss about the process. I would be delighted to answer his questions, but it has nothing to do with the agricultural aspect of this item.

Clauses 2 and 3 agreed to.

Clause 1 agreed to.

**The Chairman:** Shall the title carry?

**Mr. Gauthier:** I am not a specialist in linguistics or in the English language, but today I have had some communications from persons who state that the title, "An Act to validate certain customs duty orders relating to fresh fruits and vegetables", is utilizing an "s" at the end of "fruits" which is an American usage and in Canadian usage the "s" should not be on "fruits". I wonder if the Chairman would advise the drafters of our Bills that Canadian usage does not have an "s" after "fresh fruits". In other words, it should read "fresh fruit".

[*Translation*]

**Mr. Chairman:** I thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his comments, and I am sure the people who draft bills will make a note of this.

[*English*]

Title agreed to.

Bill reported concurred in, read the third time and passed.

**Mrs. Mailly:** I would like to thank my colleagues in the House for having dealt with this Bill rapidly. We are very thankful. I wish that this spirit were dominant here all the time.

* * *

[*Translation*]

## CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

The House proceeded with consideration of Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act, as reported (without amendment) from a legislative committee.

**Hon. Douglas Lewis (for Mr. Côté (Langelier))** moved that Bill C-91 be concurred in.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

[*English*]

**Mr. Lewis (for the Minister of Supply and Services)** moved that Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act, be now read the third time and passed.

He said: Mr. Speaker, on third reading of this Bill, I would like to thank the members of both the liberal and the New Democratic Parties for their co-operation in ensuring the speedy passage of this legislation.

These amendments reduce the paper burden of corporations by bringing the reporting period under the Act in line with the fiscal period of each corporation. At the same time, these amendments give assurances that sensitive data on finances and technology transfers will remain confidential to Statistics Canada.

Equally important to these changes is the fact that the original statistical program of CALURA will be unaffected by these changes. Such reports as those that I have recently tabled will continue to shed light on aspects of foreign control and corporate concentration that are fundamental to the examination of Canadian economic issues.

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, I am glad to rise on Bill C-91 and indicate my Party's consent to the provisions of the Bill. We certainly agree with the necessity, where possible, to save on the reporting burden of companies, corporations, and labour unions. We agree that there is little purpose served in reporting periods that do not coincide with the fiscal period of the company or union to which the financial reporting cycle is directed.

We are glad to see the flexibility retained in the Act for the deeming powers granted the Minister in order to cope with special situations such as those where corporate mergers or reorganizations take place which may result in changes to the fiscal year. We believe that the Bill will constitute a significant measure of administrative convenience for a number of the corporations and unions, particularly the smaller ones which are reporting under the Act at present.

We are entirely in agreement with the need for Statistics Canada through the CALURA process to continue collecting information on corporate control and particularly the degree of foreign ownership within the Canadian economy. That is something that definitely has to be continued, and we are glad that there is no erosion of this objective of CALURA.

We are in broad agreement with the provision that confidential data provided by corporations should not be made too readily available to analysts within the Government. Similarly to many corporations we are concerned that they not be inadvertently granted opportunities for the use of government programs to accomplish corporate data collection objectives on their competitors which, of course, are generally available through the disclosure provisions of the Securities and Exchange Commission in the United States.

The distinction between public and private corporations is one that is very germane to this Bill. We trust that the Government will continue to monitor closely any process by which public corporations are converted into private corporations, and determine the relationship between any such movement and the reporting provisions of CALURA.

I would like to thank you, Mr. Speaker, for the opportunity to record my Party's support of this Bill on third reading.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I have some very brief comments to make in support of Bill C-91, and on third reading I would like to say that my Party has seen fit to support this measure.

Information collected annually by the authorities will now be produced according to returns based on the fiscal instead of the calendar year. I understand that businesses are in favour of the new system, which requires an amendment to the definition of reporting periods. This has been done in the Bill.

A second and vital amendment repeals all provisions relating to access to privileged information. My colleagues explained that this amendment responds to a need for giving our statutes some flexibility and for preventing departments from gaining access to detailed business information for policy purposes. I believe this is a positive measure and we will support it without hesitation.

Mr. Speaker, speaking on behalf of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) who was our spokesman on the Bill in committee, we are very pleased to support the Bill on third reading.

[*English*]

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

• (1320)

## BUSINESS OF THE HOUSE

**Mr. Lewis:** Mr. Speaker, I rise on a point of order. I should like to begin my comments by thanking all Hon. Members of the House for their co-operation today in order to clean up these four housekeeping Bills.

There have been discussions among the Parties, and I think Your Honour would find unanimous consent to commence

Private Members' Business now with the consideration of Bill C-246 standing on the Order Paper in the name of the Hon. Member for Ottawa—Carleton (Mr. Turner). The Government has no intention of calling any more government business today, so we could commence Private Members' Business now with unanimous consent of the House.

**Mr. Deputy Speaker:** Is there unanimous consent that we commence Private Members' Business at this time?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

## PRIVATE MEMBERS' BUSINESS--BILLS

[*Translation*]

### CANADA ELECTIONS ACT

MEASURE TO AMEND

**Mr. Barry Turner (Ottawa—Carleton)** moved that Bill C-246, an Act to amend the Canada Elections Act (sale of liquor) be read the second time and referred to a legislative committee.

He said: Mr. Speaker, today it is my privilege to say a few words about this Bill, whose purpose is to remove the ban on the sale of liquor in a public place during polling hours.

[*English*]

I first introduced this Bill on March 5, 1986. The House prorogued and the Bill subsequently died on the Order Paper. I reintroduced essentially the same Bill on January 26, 1987. That was almost a year ago, and here we are now finally getting a chance to address it.

A Federal Court Justice referred to this continual national frustration of the Chief Electoral Officer about a year and a half ago in the Federal Court of Canada. He said that the community should look to Parliament, not the courts, to find relief from this archaic law. This is one of the reasons I brought the matter before Parliament.

It is not new to Parliament. It has been introduced before by other Hon. Members of the House. In October 1978 the late Tom Cossitt referred to it as an archaic, Victorian anachronism and asked the House to strike out this part of the Canada Elections Act. The Hon. Member for South Shore (Mr. Crouse) referred to it in May, 1982 in the same vein, as did the Hon. Member for Halton, now the Minister of State for Fitness and Amateur Sport (Mr. Jelinek). They asked the House to consider removing it from the law.

Here we go again. Finally there is a serious new twist to this archaic law, as it has been described, in that the Government of Canada in its wisdom saw fit to incorporate this particular Private Member's Bill, word for word, into a piece of proposed government legislation, Bill C-79, which received first reading in June, 1987. Bill C-79, which I have here, incorporates word for word the two suggested sections I want to have repealed.

The prohibition can be found in Canadian legislation since shortly after Confederation. In 1970, the House amended the Canada Elections Act to restrict the prohibition to polling hours only, whereas before that 1970 date prohibition applied to the entire election day.

In the last few years some provinces have abolished the legislation within the context of provincial election campaigns. Ontario was one of them that in 1975 completely abolished the legislation at the provincial level. British Columbia did it in 1978. Manitoba did it in 1985. Quebec now permits the sale of liquor during by-elections.

There is a certain amount of inconsistency on two counts at the national level. First, there is confusion between national and provincial responsibilities during election periods and, second, there is no prohibition at the national level during the days of advanced polling, which seems to be somewhat an anomaly as well. As we know, extensive votes are cast during advance polling hours, but anyone can have the enjoyment of imbibing if one so wishes anywhere in the country.

Confusion also exists during by-elections where an establishment on one side of the street just outside the riding within which the by-election is taking place can sell alcoholic beverages. However, an establishment inside the riding cannot do so. Obviously that confuses the public and is discriminatory in a sense.

In his last three reports following the federal elections of 1979, 1980, and 1984, the Chief Electoral Officer asked Parliament to repeal those sections of the law in order to make it clear and consistent and to bring us into the 20th century.

Some of the organizations from which I have heard recently which are very much in favour are: Red Lobster of Canada in Toronto; the Tourism Industry Association of Canada; Pacific Western Airlines, which is now part of Canadian Airlines International; the Tourism Industry Association of Alberta; Tourism Ontario Incorporated; CN Hotels; Molson Breweries; and the Ontario Motel and Hotel Association which represents 1,600 members. As we can see there is a fair amount of broad support for the proposal.

Because I have a considerable amount of faith in the process in this House, I believe that Bill C-79, which the Government introduced in June of last year, will come forth and become the new law of the land. I am not advocating any mad, passionate plea to repeal the Act. I am trying to make a rational request to bring that part of the Act into the 20th century. In the best spirit of Parliament, and so as not to use unnecessarily the resources and finances of Parliament by having the piece of legislation I have introduced go to a legislative committee, and recognizing that the Government intends to move fairly soon to see that Bill C-79 comes back to Parliament and becomes

law before the next federal election, I seek unanimous consent of the House to have my particular Bill withdrawn.

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. I would not want to refuse the unanimous consent for which the Hon. Member has just asked. However, perhaps we could agree informally among ourselves to proceed with the deliberations, and a few minutes before the appointed hour of adjournment, we could then proceed with giving unanimous consent. Notwithstanding the fact that the Hon. Member wants the item removed, I believe a number of Members would nevertheless like to speak on this very important issue.

**Mr. Deputy Speaker:** The Chair has no objection to that. Is that suggestion agreeable to the House? The Hon. Member for Ottawa—Carleton (Mr. Turner) has asked for unanimous consent to withdraw his Bill, but one or two Members would like to say a few words. May I gather from that that after a few Members have spoken the House will give unanimous consent to the Hon. Member for Ottawa—Carleton?

[*Translation*]

**Mr. Gauthier:** Mr. Speaker, I believe there has already been some debate on this matter, and there are a number of Members who would like to comment on the subject, but it will not take long, and we agree with the Hon. Member for Ottawa—Carleton (Mr. Turner) to have the Bill withdrawn—always, of course, with the consent of the seconder of the motion.

[*English*]

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I congratulate the Hon. Member for Ottawa—Carleton (Mr. Turner) for having brought the matter to the attention of the House. As all Hon. Members will know, the present law is one that has certainly long outlived its effectiveness. We could go further and say that it has outlived its usefulness and in fact has created harm to our tourism and hospitality industries.

• (1330)

Prior to being in elected office I had the opportunity to work in the tourism and hospitality industry for a number of years and I can tell you, Mr. Speaker, that people in that industry are of the opinion that an Act of this Parliament which precludes the sale of any alcoholic beverages on the day of an election is somewhat antique in 1988. It is fine that elections are important and have to be treated seriously. Obviously any elected person in this Chamber or elsewhere is aware of that. That being said, elections are no less serious if there is a convention going on in this city where alcoholic beverages cannot be sold, which has created tremendous harm. We have within a stone's throw of this building one of the largest and most beautiful convention centres of Canada. Imagine having 1,000 delegates to a meeting there, some of whom may not even be Canadians—I am told by the Hon. Member for Ottawa—Carleton that that has happened—at the same time as a general election is taking place and the whole place virtually shuts down from an entertainment standpoint because of the election. I do not think that makes the electoral process any better. Frankly, I think it makes us look stupid and archaic.

The other proposition is one of by-elections which the Member from Ottawa—Carleton raised. If liquor were an influence on the electoral process at one time, I would suggest that in 1988 one could hardly buy someone's vote for a bottle of beer. Even if you could, the arbitrary line in the case of a by-election is what would make it legitimate to buy that bottle of beer on the north side of the street but not on the south side of the same street?

We have established, in my opinion, that this law is outdated. It is so outdated that it is nothing short of a joke. We know that around Confederation there was a period when we did not have formal ballots the way we have now. The process was far less rigorous than the one we know today. It could have been that, at the time when we were choosing people to represent us in Parliament and the process was less formal, you did not want that type of meetings totally permeated by alcoholic beverages. That does not enhance the debate in any way nor does it provide for effective representation afterwards.

At one time I suppose the availability of liquor was synonomous or was influenced by candidates who had the wherewithal to provide it, namely, candidates with money to buy liquor for people who did not. Again, that is hardly applicable in 1988, nor do I believe that it would be meaningful in the years to come.

The law needs to be revamped. There are other sections of our election law which probably have ridiculous kinks in them as well.

To come back to the last point which the Member for Ottawa—Carleton raised in his presentation today, I would hope that our agreement as a House to withdraw this Bill later today will indicate to the Government, not that we are disinterested in the subject and, therefore, are willing to stand aside, I think it will be a unanimous demonstration instead of our willingness to have Bill C-79 enacted in the very near future. I want the Government to understand that that is at least my position. From what I see of the interest of other Members, I am sure that that would be the position of all Members of the House of Commons.

[*Translation*]

Mr. Speaker, I wholeheartedly support the proposal by the Hon. Member for Ottawa—Carleton (Mr. Turner) to bring this outdated and Victorian piece of legislation into the 20th century.

[*English*]

Just to make one point in closing on the availability of liquor in the unlikely event that someone is not convinced that the law ought to be modernized, our electoral process, as you know, has evolved into a two-tier affair, one being the nomination or the investiture by a political Party and the other one

the election. Some nominations will have four or five thousand people attending a very large convention type of affair in order to choose a candidate. We all know that liquor is not restricted in that kind of process. While there is this two-step affair, with the first step having no restrictions at all, one could argue that in some cases there should be a little more restriction in that regard. On the other hand we have this second level, the formal electoral process. Once the candidates have been invested, the laws governing the process are, shall we say, at best useless and are at worst the laughing stock of the country. In order for any law to be effective, it should reflect the contempory view and it should have a purpose. I believe that the present Act as it pertains to liquor distribution on election day does not serve either of those two purposes and, therefore, should be altered.

Having said that, I want to offer my support for the initiative of the Hon. Member for Ottawa—Carleton and also my support for that portion of Bill C-79 which will modernize our Elections Act.

**Mr. Deputy Speaker:** The Hon. Member for Ottawa—Carleton (Mr. Turner) has asked for the unanimous consent of the House to withdraw his Bill. Is there unanimous consent?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The Bill is, therefore, withdrawn.

Bill withdrawn.

**Mr. Deputy Speaker:** Is there unanimous consent to call it three o'clock?

**Some Hon. Members:** Agreed.

[*Translation*]

**Mr. Deputy Speaker:** It being three o'clock, this House stands adjourned until Monday morning at 11 a.m.

The House adjourned at 1.38 p.m.

# HOUSE OF COMMONS

**Monday, January 25, 1988**

The House met at 11 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

PROPOSED FREE TRADE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, it is my duty to table four petitions which concern the Mulroney-Reagan trade deal and explain that whereas the Mulroney Government has sold out Canada and received nothing in return, whereas Canadian industries are still not protected from U.S. trade laws, whereas the United States obtained everything it wanted in all key sectors, especially agriculture, energy, auto trade, financial services and investment, whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers, wherefore the understand, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan trade agreement.

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty to present petitions from Hamilton, Ontario. The petitioners are objecting to the Government's trade deal in that this trade agreement would deny Canada the policy freedom to determine its own economic future.

In view of that, these petitioners call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject this proposed free trade agreement.

OPPOSITION TO IRRADIATION IN FOOD PROCESSING

**Mr. Elliott Hardey (Kent):** Mr. Speaker, I have four petitions containing some 250 names of constituents from the riding of Kent. The petitioners humbly pray that food irradiation not become part of home food processing in this country.

They ask Parliament that further independent agencies and scientists do more complete study on the safety in this area and also ask that in the event any food irradiation is allowed it be clearly labelled "treated with ionizing radiation".

PROPOSED FREE TRADE

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I also have a petition signed by Canadians expressing their concern with the Government's trade agreement.

They believe the agreement negotiated by the Government threatens the very fabric of Canadian political economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership and develop Canadian resources in the best interest of Canadians, or to equalize opportunity between the regions.

• (1110)

They also believe that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States.

Therefore the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

PORNOGRAPHY—SUPPORT FOR BILL C-54

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have the honour to present a petition from a number of residents of Frontier, Saskatchewan who wish to express concerns regarding all aspects of pornography. They believe it is time for the Government of Canada to stop listening to dissenting voices and to take specific action to put laws into effect that will curb the spread of pornography and, in particular, to put in place laws that will protect children from the abuses that often result from exposure to explicit and sexually deviant materials.

The petitioners humbly pray and call upon Parliament to take a stand on this issue and to pass Bill-C-54 intact which they view as absolutely crucial to the future welfare of children, families and the nation.

PROPOSED FREE TRADE

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the honour and responsibility to present a petition signed by residents of Chelmsford, Cartier, Dowling, Hanmer, Levack, Azilda, Val Thérèse and Garson, all in Ontario in the riding of Nickel Belt.

The petitioners point out that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. Furthermore, they

point out that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised.

They also state that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions.

In light of all that, the petitioners call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the—

**Mr. Hawkes:** Mr. Speaker, I rise on a point of order. I think there was some discussion last week about the Standing Orders in relation to petitions. There was a fairly clear statement from the Chair that petitions are not to be read. I would bring that to the attention of my hon. friend.

**Mr. Prud'homme:** Mr. Speaker, I rise on the same point of order. We have had this debate before. We agree that even though we may not read entirely a petition, Canadians who are listening would like to know what we are talking about when we table a petition. It would be too easy, Your Honour, to say, "A few people in Canada have asked me to put forward this petition concerning one problem. Thank you". I do not think that is the intent of a petition.

I may be tempted to agree with the Hon. Member that to read all of a petition is not necessary. If Your Honour consults the record he will see that to go along with what the Hon. Member is suggesting is to agree that it would be foolish to have any petition presented in the House.

I do not have any petitions to present today. However, I would not do honour or show respect for the people who give me petitions to be put to the House if I do not say in the House what they are all about. Perhaps some Members exaggerate by reading a whole petition. If we wanted to just table a petition then we could do that with the office of the Clerk.

**Mr. Rodriguez:** Mr. Speaker, I rise on the same point of order. I know that we have had this debate before. I want to point out that I named the communities of the individuals who signed the petition. Since people at home are listening and want to be sure that what they have signed is in fact what I am tabling in the House, then it would be remiss of me not to do what I have done. That is why I picked two or three paragraphs from the petition. In this way the folks who have gone to the trouble of signing the petition know exactly that what they have signed is what I have tabled in the House and that I did not make up something else when I got to my feet.

**Mr. Speaker:** The Hon. Member for Nickel Belt (Mr. Rodriguez) who has a proven reputation here for expressing vigilantly the views of his constituents and others who have sought his services would want the public and the people who signed the petition and all Members of the House to know what is the subject matter. The Parliamentary Secretary raises a legitimate point of order in that a petition itself ought not to be read. I am cognizant of the remarks of the Hon. Member for Saint-Denis (Mr. Prud'homme) who is often of great help to the Chair. There has to be some balance in this matter and the Chair tries to achieve that.

However, if the statement that goes with a petition goes on overly long or is thought to be going on overly long then naturally someone will rise and raise a point of order. I think that the Hon. Member for Nickel Belt has made it clear to his constituents that indeed he has presented his petition today.

I should also point out for the information of all Hon. Members and for the public that petitions are not necessarily always spoken to. Many petitions are just filed with the Table, which is a proper recourse under the rules.

It is understandable why Hon. Members would want to stand and put on the record the fact that they have indeed presented petitions on behalf of those who signed them.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, question No. 235 will be answered today.

[*Text*]

CANADA LANDS COMPANY (MIRABEL) LTD.

Question No. 235—**Mr. Boudria:**

During the fiscal years ended March 31 (*a*) 1985 (*b*) 1986 (*c*) 1987 did the Canada Lands Company (Mirabel) Ltd. make any expenditure on foreign travel and, if so, for each period, in what amounts and, for each trip, what were the (i) names of the participants (ii) purpose (iii) cost?

**Hon. Stewart McInnes (Minister of Public Works):** In so far as Public Works Canada is concerned:

(a) 1985—none. (i) none, (ii) none, (iii) none.

(b) 1986—Togo. (i) Mr. Richard Bergeron, Director, Finance and Administration (CLCML). (ii) At the invitation of Québec's Department of Agriculture, Fisheries and Food, and of the *Union des producteurs agricoles du Québec*, the Corporation was asked to send a participant to help develop a market in Togo. For businesses in the Mirabel region, this trip resulted in orders for farming equipment, tractors and a sales contract of mineral water export, the largest to date in Canada, i.e., 1,500,000 1.5-litre bottles from Nora Company. (iii) $7,000.

(c) 1987—Israel. (i) Mr. Pierre Hardy, President and Chief Executive Officer (CLCML), Mr. Roger Gosselin, Director of

Communications. (ii) At the invitation of Québec's Department of International Trade, the Corporation sent two official delegates to a world-wide agricultural exhibition in Israel. Following this trip, a $13 million contract was awarded to a Canadian firm specializing in agriculture, to provide expertise for the expansion of the dairy industry. There will be a $2.5 million impact for the Mirabel region essentially through the sale of farm equipment, and livestock and the provision of services. (iii) $12,051.

[*Translation*]

**Mr. Hawkes:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

## GOVERNMENT ORDERS

[*Translation*]

### BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—THE STATUS AND USE OF OFFICIAL LANGUAGES

**Mr. Jean-Robert Gauthier (Ottawa—Vanier)** moved:

That this House condemns the government for its inaction, its lack of political will and its hesitation to accept debate in the House of Commons, at the second reading stage, on Bill C-72 respecting the status and use of the official languages, thus causing a clear setback in the application of the Act by federal departments and agencies, in addition to having detrimental effects on national unity.

He said: Mr. Speaker, this motion moved by the Official Opposition condemns the Government for its procrastination, its inaction and its hesitation to accept serious debate, at the second reading stage, on Bill C-72 respecting the status and use of the official languages.

• (1120)

[*English*]

Bill C-72 does not propose amendments to the existing official languages legislation. It is a completely new law replacing, after 19 years, the original statute, and incorporating important changes which must be explained to Canadians.

That is why we want a serious debate. We want it to start and to finish soon. That is why we fear that the Government does not have the political courage to bring it in for debate before the next election. Some of us believe that the Government has cold feet on this issue.

Since its election in 1984 the Tory Government has promised meaningful changes to the Official Languages Act; two Throne Speeches, many statements of impending reform, and Minister after Minister promised in this House that the Government would pursue with vigour the work already undertaken by the former Liberal Government of the Right Hon. Pierre Elliott Trudeau.

[*Translation*]

The Government could draw encouragement and inspiration from the many contributions made to this cause. There were the proposals made by the Standing Joint Committee of the Senate and the House of Commons on Official Languages, inspired by the content of seventeen annual reports published by three successive Commissioners for Official Languages, namely, Keith Spicer, Maxwell Yalden and the present incumbent, d'Iberville Fortier, and supported by many national and provincial associations, including the *Fédération des francophones hors Québec*, Alliance Quebec, the *Association canadienne-française de l'Ontario*, and similar groups in the various provinces, such as Parents for French, and many others, Mr. Speaker. All seemed to be going well for the Government. At least, that was the general impression. In 1984, the Conservatives inherited a thoroughly researched and well prepared dossier, and it was now up to them to provide the requisite leadership and have the courage of their convictions. We waited three and a half years for Bill C-72, which is intended to fully replace the Official Languages Act of 1969.

On June 25, 1987, three Ministers—the Minister of Justice, the President of the Treasury Board and the Secretary of State—held a joint press conference to formally present Bill C-72. When I saw the Government bring in its big guns, like so many others I was delighted because I thought the Government had finally decided to act without delay. The Minister of Justice who was responsible for the dossier stated last June, when the Bill was tabled, and I quote:

[*English*]

"We are putting our money where our mouth is".

[*Translation*]

That, Mr. Speaker, is a firm commitment.

In June the Official Opposition was delighted because we take official languages seriously. The Commissioner of Official Languages was also delighted, stating that the Bill was a step in the right direction. Most of the recommendations made by the Committee on Official Languages in its many reports to the House were incorporated in Bill C-72. However, the Bill was tabled in the House on June 25 printed and we have all had a chance to read it, and subsequently nothing has happened. Total Tory silence. Not a ripple. Complete inertia. Nothing.

According to a rumour confirmed recently by Conservative Members, the Tory Caucus is so divided on the Bill that they will bury it in style, in other words, drop the whole thing until after the election expected to be called this year. Some Tories would prefer cremation, Mr. Speaker.

On December 12, the Hon. Member for Simcoe South (Mr. Stewart) openly demonstrated his opposition by resigning his post as parliamentary secretary here in the House. That takes a lot of courage, and I want to say this publicly, because he

could have done what so many others did and hide behind the confidentiality and anonymity of the Tory Caucus. He did not. He had the courage to express his convictions and defend them. The Hon. Member of Simcoe South, at least, cannot be accused of being a wet hen, and, we are looking forward to the debate and to hearing his views and his case against Bill C-72 That is the whole purpose of debate, Mr. Speaker.

We want to hear the arguments for and against this Bill; we want to have a real debate on this serious issue. If some Conservatives are against this Bill, let them rise in this House and let the Government give them an opportunity to express their fears, their objections and their uncertainties. A debate will give us an opportunity to find solutions to their resistance, and it will also provide the best opportunity for them to make their feelings understood and for us to make our our own views clear.

I would not want such an important piece of legislation to be sneaked through the House. The Government must not ask us to adopt the Bill on the sly on a Friday afternoon as it suggested before the holidays. Let there be a debate so that everybody can express their views. That is democracy, Mr. Speaker.

Some will say that, in 1969, there were only three speeches by then party leaders at the second reading stage. That is true. However, I would remind them that second reading gives all Members of Parliament an opportunity to discuss the principles of a Bill, and that it would be at the very least strange if this Government refused to let those who wish to do so express themselves freely and clearly on this issue. We should not forget that, in 1969, 19 Conservative Members voted against the principle of the Official Languages Act at second reading stage without even having an opportunity to explain to the House why they were against the legislation. Mr. Speaker, we have just adopted the Meech Lake Agreement. There is already a basis, an official statement by all Conservative Members, in support of linguistic duality. Bill C-72 gives more strength and momentum to the Meech Lake Agreement and contributes much to its implementation. Those who are against recognition of our official languages should therefore rise and explain their views, because recognizing this principle would support the Meech Lake Agreement. It is therefore important for the Government to allow a serious debate on this Bill.

• (1130)

I shall not dwell on the details today, Mr. Speaker, as I hope that there will be other opportunities to do so. I want to speak about a historic cultural, social and political trend, that of federal administrative bilingualism which, as we know, is an aspect of institutional bilingualism, the others being parliamentary bilingualism with which we are familiar, judiciary bilingualism which we often hear mentioned, and educational bilingualism which we are still trying to implement in our provinces. Well, I distinguish between this administrative bilingualism and individual bilingualism. But I should like to deal with the historical trend which is trying to establish a federal administration with a view to meeting the hopes and expectations of Canadians. This administrative bilingualism is a vehicle to the promotion of which, I confess, I devote a considerable part of my energy.

It is the justification of my presence here as representative of a riding in the national capital, a national capital which should reflect what is best in this country. And finally my personal commitment for more than 30 years to the social, educational and political areas has had a profound influence on me. I strongly believe in a Canada which is both respectful and generous, and which is essentially characterized by its French-English or, if you prefer, English-French duality. I am one of those who believe that our country is stronger and richer because of its linguistic duality, that it will live on forever, whatever the resistance.

I prompted this emergency debate today because of the sadness and anger I felt upon realizing that the Government was having cold feet on the issue of administrative bilingualism, that it was not pursuing it with enough vigour and that it was weakening in its determination. I felt the need to strengthen its political will and re-inforce its commitment to bring this Bill before the House, so that we may discuss it freely and clearly, and finally adopt it because it is a good Bill.

My feeling about the Government's procrastination in presenting Bill C-72 is shared by a great many people, Madam Speaker, not only the members of my caucus, but also the provincial associations, the Official Languages Commissioner, as well, I suggest, as many other members of this House who do not always see eye to eye with me, including many Tory members who would like this Bill to be read a second time and finally passed on third reading.

Madam Speaker, from a Government that is preaching top priority enshrinement of Canada's basic duality, the French and English duality, that delay is totally illogical. Would it be that the Mulroney Government is only interested in elections ratings, short-term electoral points? Must I remind them that we in the Liberal Party supported by a huge majority the Meech Lake Agreement, although we had some reservations? Why? Because we felt it was important to recognize this country's fundamental, basic feature—French and English duality. This being so, should we not also recognize the immediate consequence of Meech Lake? Should we not also accept the consequences of that duality?

If this country is dualistic, French and English, by reason of language, culture and civil law, can it not prove that duality by giving itself a Public Service that reflects such a nature? Is the Government not bound to practice what it preaches?

After promising heaven to the supporters and hell to the opponents of Meech Lake, will this Government remain in limbo, especially in view of the fact that so much time was needed to get started on bilingualism at the Government level? Are we aware for instance that this Hon. Chamber only got simultaneous Translation in 1959? Are we aware that in the early 60's, when I first took an active interest in politics, the talk was of bilingual cheques and bilingual menus at the parliament's restaurant?

We have gone a long way since then, Madam Speaker. As we know, the Pearson-Lamontagne mandate and the Laurendeau-Dunton recommendations opened the door, followed of course by the Official Languages Act passed by this House in 1969. But there were shortcomings, loopholes in that great statute that have too often been pointed out by the Standing Committee, the Cabinet, the Public Service, the Official Languages Commissioner, and interested groups such as the FFHQ, Alliance Quebec and Parents for French. What are those loopholes? The 1982 Constitutional Act plugged a few, as we know, by enshrining, for instance, Government bilingualism along with parliamentary, judicial and school bilingualism. We now have that in our Constitution. Those provisions in the 1982 Act can no longer be changed by way of ordinary legislation. A constitutional amendment will be needed.

We know that significant progress has been made in the Public Service in the areas of services to the public, equitable representation, working language, all this is included in Bill C-72.

We are aware of the progress made in the use of official languages by provincial governments, especially in my own province of Ontario, whose Premier recognized during the election campaign the need to legislate bilingualism as soon as the situation would allow, and we all know that Bill 8 has been passed in Ontario and that it extends services in French to a greater number of people. This is why we must not stop there; we have to help move matters along. Now, a number of improvements suggested since 1969 have with much difficulty been put together in the new Official Languages Bill which is now before us, or which would be if the Government had the courage to call a debate. How is this Bill different from the 1969 legislation? What has been added? Why is the Government reluctant to try to have this Bill approved? Having proclaimed the principle of English and French duality, why is the Government reluctant to proclaim the consequences of this principle?

Let the dinosaurs rise; let those who are against the legislation explain their position, but let us see some action, Madam Speaker! Let those who are against the main provisions of this Bill rise, and I shall now list those main points. Let those who are against them rise and tell us if they are against improved access to justice in the two official languages of this country. Does anyone oppose recognition of the right of Canadians to work in the language of their choice in federal institutions? Let him rise and say so. Is anyone against full participation of French and English speaking Canadians in the Canadian public service? Let him rise and say so. Is anyone against the commitment to promote the development of official language minorities in Canada? Let him rise and say so. Is anyone against the principle of a court challenge when the linguistic rights of Canadians are denied? Let him rise and explain his position. Is anyone against recognizing the supremacy of this Act, which defines the terms of application of what the Meech Lake Agreement defines as being the basic characteristic of Canada? Let him rise and speak!

• (1140)

Madam Speaker, those who are against these principles should rise, explain their views and stop hiding. These principles must be publicly stated. That is why the Official Opposition demands a debate on this Bill, and hopes and prays that the Government will have the courage to call this debate within the next few days so that we may finally take action to deal with this major issue.

Mr. Speaker, I am glad that Bill C-72 on Official Languages has been introduced. We need this Bill. The 1969 legislation was getting old and had been found deficient in a number of areas. Among other things, a number of rulings cast doubt on its precedence over other legislation; it became imperative for the Public Service to clarify the notions of language of work and, first and foremost, the law had to reflect Canada's new constitutional and social reality. There can be no denying that mentalities have evolved and that the Act of 1969 has indeed been one of the factors behind this evolution. There have been others, Madam Speaker, but the Act of 1969 was the starting point of a number of measures and changes.

This new Bill C-72 is essential because the time has come for the Canadian Government to openly reassert its political will with respect to the official languages. The Meech Lake Accord, whose legal text was voted upon by the House on October 26, did acknowledge that linguistic duality is one of Canada's basic feature. All provincial premiers agreed with and endorsed this idea. My personal view is that it would have been better had the accord acknowledged Ottawa's constitutional obligation to promote the rights of linguistic minorities, the precedence of the official languages. This was not to be, and the Government explained that it had made an attempt but had felt resistance from some provinces. We accepted that. We will again try to convince these provinces that it is advisable, sound and essential that the central Government not only guarantee the protection but also the promotion of minority groups, fundamental as they are to the future of our country.

We simply cannot do without the Official Languages Act of 1987, precisely because it will reaffirm our constitutional progress and help obviate such resistance. The linguistic minorities must be given the means to fulfil their aspirations despite occasional resistance on the part of provincial, regional or other government levels.

Although mentalities have rapidly evolved, as demonstrated by the recognition by all the provinces of our linguistic duality, the fact remains that it did not occur everywhere at the same pace.

I refer here to the Piquette case of last Spring, where a Francophone member was prevented from using French in the Legislative Assembly of Alberta. Yet, that province had signed the Meech Lake Accord. We could have reasonably expected the Alberta Government to be more openminded and in a demonstration of generosity towards its minority, to have taken this opportunity to generalize the use of French in the Alberta Legislature, which it did not.

This Bill, therefore, becomes necessary to promote both official languages in this country by weakening the resistance to them.

From the brief historical background which I have given at the beginning of my remarks, it is clear that Provincial Legislatures often take unfortunate steps, either by statute, administrative acts or regulations, which result in a reduction of minority rights.

Bill C-72 will provide Canadians with important tools and will make it possible for these minority groups to show what they are capable of. I suggest some people are wrong to fear that administrative bilingualism will threaten their future and that of their children if they remain unilingual. We will have to re-assure these people and continue to work towards mutual understanding. Together with the Constitution, this Bill will become an indispensable tool towards this goal.

Madam Speaker, you are indicating to me that my time has expired. I wish I could go on, but I will conclude by saying: we are urging the Government to bring Bill C-72 before the House, so that we may have a democratic debate where, hopefully, justice and fairness will prevail while being both generous and fair to all.

**Mr. Grisé:** Madam Speaker, I was listening to the remarks of the Hon. Member for Ottawa—Vanier (Mr. Gauthier), in which he eulogized the contents of Bill C-72, a Bill that, I may add, was tabled by this Government. The Hon. Member for Ottawa—Vanier set himself up as the defender of Bill C-72, and I think there is something wrong here. Bill C-72 as it stands today an excellent Bill as the Hon. Member for Ottawa—Vanier said—was tabled by this Government. It was drafted by this Government. Bill C-72 was instigated by the Joint Committee, first under the joint chairmanship of the Hon. Member for Charlevoix (Mr. Hamelin), succeeded by the Hon. Member for Témiscamingue (Mr. Desjardins), both excellent, and as far as I know, both Members on the Government side.

I have a short question for the Hon. Member for Ottawa—Vanier. He was of course referring to the Meech Lake Accord which recognizes linguistic duality, and the Hon. Member would like to take advantage of any disagreement that may exist in this respect in the Conservative Caucus. Madam Speaker, I think that during the last three and a half years this Government has done an excellent job on Bill C-72 with respect to official languages and on the Meech Lake Accord where Canada's linguistic duality is recognized. I think there is absolutely no doubt about the Conservative Government's outstanding record on these issues.

**Mr. Prud'homme:** What was the question?

**Mr. Grisé:** I would like to ask my question, if the Hon. Member for Saint-Denis (Mr. Prud'homme) would give me a chance, Madam Speaker.

**Mr. Prud'homme:** I can't wait!

**Mr. Grisé:** Madam Speaker, the Hon. Member for Ottawa—Vanier said that our Government lost interest and that we failed to make any progress. Where was the Hon. Member for Ottawa—Vanier when the Liberals were in power from 1969 to 1984? What did the Hon. Member for Ottawa—Vanier do between 1980 and 1984 to improve the Official Languages Act?

**Mr. Gauthier:** Madam Speaker, how much time do I have left? Three or four minutes?

**Mr. Prud'homme:** Four minutes.

**Mr. Gauthier:** Where was I? Here in the House, and I have been since 1972. Before that, I was in this province, fighting for French in our schools, so that my children could go to French schools paid for with public funds. I did that for twelve years. Before that, I was active in community service through the Richelieu Club and that sort of thing. I tried to set up mechanisms and institutions that would be useful to my community, to my particular group. I wanted to give my community a chance to succeed. The Hon. Member may not be aware of the fact that in 1968 in Ontario, only 14 per cent of my fellow Franco-Ontarians finished high school. There were no schools for the rest. On both the social and the educational fronts, I fought battles whenever I felt I had to.

I came here in 1972, and in June 1973, we had to vote on this Parliamentary resolution calling for the implementation of an adminsitrative bilingualism which would make it possible for civil servants to be promoted to positions where they could use their own language, a resolution which would promote equal opportunities. Well, you need only look at the figures to realize the enormous improvements made since then. There were clearly short comings, something we realized later. In 1979, the Committee on Official Languages was established by Joe Clark, a former Tory Prime Minister, and under his direction. I paid him a visit with Mr. De Bané and Mr. Joyal in 1979. You need to know that when we asked him for a Parliamentary Committee to deal with this problem, he granted us our request. His Government was defeated. What can I say? The Committee under Mr. Clark never met, but as soon as Mr. Trudeau came to power in 1980, he established a Standing Committee which I had the honour to chair. I think all Members of this House, including the Hon. Member's own colleagues, are aware that I still sit on the Standing Committee on Official Languages. We try, but it is not easy. Today, I have not mentioned a single violation by the Federal administration, I did not blame the RCMP, I did not allude to the problems we experience every day in the administration of the Act, but I can say to the Hon. Members that I was here and doing the utmost to make the majority move.

**Mr. Prud'homme:** It did.

**Mr. Gauthier:** It is not always easy, but things did move. Finally, after many years and many committee meetings, the Government has brought forth a bill which I feel is good, because it reflects what we have been seeking for quite a long time, and I now ask the Government to make a special effort to bring this bill to the House, a bill which we will adopt quickly because it is good.

**M. Boudria:** Madam Speaker, I would also like to contribute to the discussion and put a question to my Hon. colleague for Ottawa—Vanier (Mr. Gauthier) while commending him for his excellent speech. Certainly, Madam Speaker, all Members in this House would like the Hon. Member for Ottawa—Vanier to be commended not only for his speech but also for his great commitment to the area of official languages.

Here is my question to Hon. Member. Does he believe it is by coincidence that in June 1987 a bill was tabled in this House and immediately thereafter there was a provincial election in Ontario; that during that election the Conservative party fought bilingualism, and that just after the election and the situation in which the Ontario Conservatives found themselves with the support, dare I say, of some federal Conservative MPs, this Conservative Government chose to shelve, for all practical purposes, its good piece of a legislation, and I recognize it was good. And may I recall that some Conservative MPs from Ontario also made representations against Bill C-72. Does the Hon. Member for Ottawa—Vanier feel that series of events was pure coincidence, remembering the position taken by Mr. Grossman during the provincial elections in Ontario?

**Mr. Gauthier:** Very briefly, Madam Speaker, I have no crystal ball. I could not say what went through the heads of those politicians, both federal and provincial, but it was passing strange that the legislation we had been expecting last winter, that was promised in 1986, was tabled on June 25, just before the summer recess, and since that time there has been no mention of it. Did that contribute to the election of a Liberal Government in Ontario? This I do not know, but I would hope so, because it has shown the Liberals, as straight-thinking people, want to support that cause and are ready to do so with all their hearts and energies.

**Mr. Prud'homme:** Madam Speaker, in answer to the Hon. Member for Chambly (Mr. Grisé), I would like to suggest that during my 25 years in political life here in Ottawa and as a student at the University of Ottawa, since credit must be given where credit is due, I never met a greater champion of Francophones outside Quebec than the Hon. Member for Ottawa—Vanier (Mr. Gauthier). I would like to point out that I got to know the Hon. Member for Ottawa—Vanier when I received from the *Association canadienne-française d'éducation* . . . I know that the Hon. Member represents a Quebec constituency, but I am speaking about a champion of francophones outside Quebec. I got to know him in 1957 when I was given some award—I do not really want to speak about myself, but about the Hon. Member—at Ottawa University by the *Association canadienne-française d'éducation de l'Ontario*. At the time, the Hon. Member for Ottawa—Vanier was already known in francophone circles outside Quebec as the great champion and defender of francophones. I say this with a lot of friendship for my English-speaking friends. There are great defenders of Quebec anglophones in Quebec. That is quite normal. However, if someone is going to ask where we were when things were not going well, I shall have to attest to the extraordinary efforts made by the Hon. Member, to his tenacity and his loyalty to his own culture, and to the the fact that he never tried to take anything away from the culture and pride of others. This is the important point. This has always been the motivation of the Hon. Member for Ottawa—Vanier, and I would be remiss in my duty if I did not take this opportunity to reflect upon the history of francophones outside Quebec and pay the Hon. Member a very simple and humble hommage by saying that he has no lesson to receive from anyone when it comes to his determination to promote the rights of francophones.

• (1150)

[*English*]

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Madam Speaker, I feel some ambivalence about entering into this debate on this particular motion. I say that because the motion indicates the desire of the Official Opposition to proceed with the discussion of a Government Bill. The fact is that we are in the unusual situation today of having the Opposition say that this Bill finally achieves a proper legislative approach to official languages in Canada, something the Liberal Party failed to do in 19 years. This Bill really is a testament to the failure of the leadership of the Liberal Party in matters of language in Canada.

This is one of those Opposition motions which ostensibly is critical of the Government but, after reading it, is found to be an absolute condemnation of the Liberal Party's position and the lack of present leadership on this issue.

Before I get into the text of my speech, I would like to point out why we are now debating this matter today on an Opposition motion. I heard the speech by the Hon. Member, for whom I have the greatest of respect. I do not say these things to cast any reflections on his motives, and the Hon. Member knows that. However, I ask the Hon. Member and members of the Liberal Party of Canada why, if in fact this is a matter of such great urgency for them, their House Leader has never, as I understand it, asked that this matter be brought forward. Is this some sort of conversion or has the Hon. Member for Ottawa Vanier (Mr. Gauthier) now assumed the role of the House Leader of the Liberal Party?

When I discussed the matter of dealing with this Bill on the agenda we had this fall, although the Hon. Member tells me that he wanted to get this Bill through, he said that he thought he would be able to get by with 25 speakers from his Party.

Does this sound like a Party that wants to get this matter through with great dispatch as the Hon. Member has said?

We talk about delays, filibusters and not getting on with the agenda, but we all understand the parliamentary system. It is very simple. The Government brought forward a Bill which received universal approval from all critics and all persons who were interested in the matter, including the Hon. Member who has presented this motion today. But what was on the agenda when we came back last fall? We came back to deal with the refugee determination Bills, Bill C-84 and Bill C-55, and we were faced with a constant and ongoing filibuster by the Opposition. The Meech Lake Accord, an important constitutional resolution, was brought forward. Opposition Members spoke and spoke on that matter. I am not being critical, I am simply talking about the agenda. Bill C-22 has still not gone through. The Opposition and the Liberal Party in particular were involved in a day-to-day delay of all legislative matters so that it was virtually impossible for us to bring forward this very important piece of legislation. The record shows that the fault for that lies across the aisle with the Liberal Party which delayed our legislation.

I have said those few introductory words without casting reflections on the motives of this motion. I know the Hon. Member is very interested in the matter. Of course, I understand that he is a Franco-Ontarian. I think his time would be better spent in going to his political ally, the Premier of the Province of Ontario, to talk about the rights of Francophones in the Province of Ontario. If he spent more time doing that rather than moving this unhelpful and unnecessary motion on the first Opposition day of this year, he would be doing a far greater service for his constituents.

When this Bill received first reading in June, it represented the culmination of a great deal of intensive and sustained work and consultation on the part of the President of the Treasury Board, (Mr. Mazankowski) the Secretary of State (Mr. Crombie) and I. We were mandated by the Prime Minister (Mr. Mulroney) to review all aspects of the law, policies and programs relating to official languages and to develop a plan for a comprehensive review of this crucial area of our national life.

Soon after I accepted the responsibilities of Minister of Justice and Attorney General of Canada in the summer of 1986, I spoke to the Canadian Bar Association of my intention to promote the Government's official languages policy actively in regard to the reform of the Official Languages Act and related amendments to the language of trial provisions in Part 14(1) of the Criminal Code. The re-enactment of the Official Languages Act to ensure conformity with both the letter and spirit of the Constitution and the implementation of the right of accused persons to be tried in their official languages under the Criminal Code would be, I stated, areas of primary importance to me as Minister of Justice and important elements in the advancement of the Government's policies of social justice and national reconciliation.

It took 10 more months for us to perfect the work on those initiatives and to develop improved policies and programs relating to the use of official languages not only within federal institutions but also throughout Canadian society as a whole. We were subject to criticism during that period by the Hon. Member for Ottawa—Vanier for the delay in reforming the Act and renewing the policy. The strength of our commitment was put into question. Yet it was the seriousness with which we undertook this endeavour that required us to review, study and consult in order to ensure that the reforms the Government would be proposing would be balanced, reforms designed to move official languages policy forward into the year 2000 and beyond, yet ones that would be fair to all Canadians and could be implemented in a reasonable, effective and practical manner.

To paraphrase the Supreme Court of Canada in one of its more celebrated language rights decisions, language reform combines legal and constitutional questions of the utmost subtlety and complexity with political questions of great sensitivity. I say unabashedly that this Government, under the leadership of the Prime Minister, finds the matter of official languages one which goes to the unity of Canada. Unlike the Liberal Party, we use it as a unifying force and not for political division. The historical record of that party is blatant and unfortunate.

• (1200)

What was the result of this painstaking process? On June 25 the official languages Bill was introduced and related policy and program initiatives of Treasury Board and the Secretary of State were announced. I want Hon. Members and the people of Canada to understand the reaction to this legislation when we introduced it at the end of last June. I suggest that the headlines summarize the reaction rather succinctly. "Bilingualism Bill Wins Nothing But Praise", *Ottawa Citizen*, June 26, 1987. "All Parties Back New Languages Bill", *The Toronto Star* of June 26. "Minority Language Rights Get Boost", Winnipeg *Free Press*, June 26.

[*Translation*]

"Tabling of Bill in Commons receives unanimous approval", *La Presse*, Montreal, June 26.

[*English*]

"Language Bill Would Promote Life of Minority", the Montreal *Gazette*, June 2.

[*Translation*]

"The Language Act gets more teeth—Unanimity on reform proposal", *Le Devoir*, Montreal, June 26.

[*English*]

Here is a sampling from the articles that followed those headlines:

> Opposition MPs and minority official language groups couldn't find a bad word—in English or in French—to say about the government's new bilingualism legislation.

That is from the *Citizen*. Another one:

> The Progressive Conservative Government has introduced a new Official Languages Act to near-universal acclaim.
>
> Official Languages Commissioner D'Iberville Fortier, Ottawa's independent bilingualism watchdog, called the changes "magnificent" and said the great majority of his recommendations had been included.
>
> Liberal spokesperson Jean-Robert Gauthier said the Act appears to be thorough, solid and carefully crafted.

I take that from that great journal, *The Toronto Star*.

[*Translation*]

The new text, which replaces the 1969 Official Languages Act, was applauded by all major groups and individuals directly affected.

The Liberal and NDP opposition parties, the Official Languages Commissioner, the *Fédération des francophones hors Québec*, Alliance Québec, as well as the co-chairman of the Joint Committee of the House of Commons and the Senate on Official Languages have stated that they agree to a large extent with the Bill—

The Liberal spokesman, Mr. Jean-Robert Gauthier (Ottawa—Vanier), stated that the Bill represents a new step forward, that it has "more theeth" than the previous legislation and that it meets most of his expectations. (*La Presse*)

[*English*]

To continue:

> A new Official Languages Act that requires the federal government not just to protect official language minorities but to promote the vitality of their community life was met yesterday with a hallelujah chorus of approval . . . Commissioner Fortier's assessment—"A very fine piece of work—a major step forward"—captured the gist of the comments.

That is from *The Gazette*. I could go on and on about the kind of response we have had to this legislation.

Of course it is our intention, in conjunction with the House's agenda, to bring this matter forward so the Hon. Member will have an opportunity to praise the Government for at last coming to terms with official languages in a fair and equitable way, unlike the way it has been dealt with by previous Liberal Governments. I understand the Hon. Member will be doing that because I am sure he cannot in all conscience change his position from that which I quoted in the newspapers.

**Mr. Gauthier:** Did you hear me this morning? I said bring it on.

**Mr. Hnatyshyn:** The fact is this debate is a reflection of the lack of leadership in the Liberal Party. Given the pressing issues facing us, which obviously cause some discomfort to the Liberal Party, they bring forward this rather silly motion. The point is there is a proper way to bring these matters forward. It is traditionally a matter of negotiation between the House Leaders to determine an appropriate time. The opposition Parties have to give some consideration to co-operating with the Government rather than constantly delay and filibuster. They have done that not only with respect to the legislation I have mentioned, they did it over the Christmas recess to make sure no legislation got through, because of their curious opposition to things such as free trade and Bill C-22 and the refugee legislation, which is much overdue.

As I said, the commentary I read aptly demonstrates the fact that the official languages Bill respects the Constitution, and renews the Government's commitment to this policy by providing a legislative framework which is as fair, reasoned and balanced as it is forward-looking. It reflects both Canada's linguistic reality and its aspirations. It also complements the commitment to Canada's linguistic duality intrinsic to the Meech Lake constitutional Accord. I firmly believe that Bill C-72 will ensure greater linguistic justice, equity and opportunity for all Canadians.

I continue to prepare the ground for the next steps in the process of enactment of this legislation. Officials in my department have been active in explaining a number of essentially technical points, pursuing concerns that came up during the general reaction following the introduction of a Bill, or that have been raised in further consultation and information sessions with the office of the Commissioner of Official Languages, the Canadian Judicial Council, the Conference of Canadian Court Administrators, and various minority language organizations. We have reviewed matters raised in correspondence with provincial attorneys-general. We are continuing discussions with the two territorial Governments with a view to the best means of assuring the advancement of Canada's official languages.

As I noted in reply to previous questions from the Hon. Member for Ottawa—Vanier, this is a Government that believes in communication, consultation and co-operation. We believe these things are essential to ensuring the continued progress, understanding, acceptance and development of official languages policy in this country. This is particularly true in the important field of the administration of justice for which I have responsibility under the Act.

[*Translation*]

When I undertook to continue the consultation process with the provinces to achieve the Canada-wide proclamation of Criminal Code Part XIV.1 on the language of the accused, I was aware that it would not be easy to guarantee not only the co-operation of the various jurisdictions involved but also the availability of the technical, human and other resosurces required to reach that objective. Still, with the support of my colleague the Secretary of State and the interest shown by most of the provinces concerned we were able to report significant progress in that field.

Right from the day I was appointed Minister of Justice I thought that equity made it imperative for any person accused of a crime in Canada to be able to claim the linguistic rights guaranteed under the Criminal Code. As a matter of fact, pursuant to the Charter of Rights, Parliament and the provincial legislatures may take measures to advance the

equality of status or use of the official languages in their respective fields of jurisdiction.

The provincial governments had agreed to open discussions designed to make sure that Part XIV.1 would apply from coast to coast. At the October 1986 conference of attorneys general and provincial justice ministers my colleagues agreed to exchange information and help one another with a view to ensuring that trials might be conducted in both English and French in all jurisdictions. I expressed my appreciation to my provincial colleagues for their precious support and went on to say that I would do everything in my power so that we might reach our goal.

[*English*]

The happy result of these consultations and this co-operation was the proclamation and coming into force last September of Part 14.1 of the Criminal Code in Saskatchewan, and with regard to summary conviction offences in Nova Scotia and Prince Edward Island.

[*Translation*]

So these provinces have just joined with the provinces of Ontario, New Brunswick and Manitoba as well as the Yukon and Northwest Territories where the right of the accused to be tried in his or her own language has now been a fact of life for a number of years. Through his official languages promotion program the Secretary of State provides financial assistance for linguistic training courses as well as translation and interpretation services. Consultation has not ended, far from it, and I am still convinced that it will soon lead to the implementation of Part XIV.1 elsewhere in Canada.

Better still, Bill C-72 prescribes a deadline for implementing that part of the Criminal Code. These provisions will become operative on January 1, 1990 in those provinces where they were not previously enforceable. At the same time, Bill C-72 makes a number of changes to the system under Part XIV.1 to better define and confirm the rights and obligations resulting from the right of the accused to have his trial before a judge or a judge and jury speaking the official language of the accused. There are, in the Official Languages Act as it exists now, a number of provisions concerning the Federal tribunals and the Courts dealing with criminal matters, but these provisions should be updated and improved. For instance, concerning the language used during the trial, the accused and his counsel will have the right to use either of the official languages during the arguments and for all purposes relating to them; the witnesses will have the right to testify in either of the official languages; the accused will have the right to have the plaintif use the same language as he does; the Courts will have to provide similtaneous interpretation services and the file will have to include a transcription of this interpretation. These rights exist also at the preliminary inquiry stage.

When these amendments come into force, a series of transitional provisions maintaining some rights and powers resulting from the 1969 legislation governing the use of both official languages in criminal proceedings will be repealed. As to the Federal Courts, the new provisions will go beyond the basic constitutional guarantees to ensure for both Francophone and Anglophone Canadians equal access to the legislative bodies, statutes and Courts of this country, as ruled by the Supreme Court of Canada in its reference to the linguistic rights in Manitoba.

As was the case under the 1969 legislation, the Federal Courts will have to hear the evidence in the official language requested by the witness, to provide similtaneous interpretation services and to make available to the public their decisions, as well as their grounds, in both official languages. These obligations have been extended, however, and the exceptions limited or eliminated altogether wherever the practice of the past 18 years has demonstrated that it was possible and reasonable to do so.

• (1210)

[*English*]

In addition, the Federal Court, the Tax Court of Canada and, within five years, various federal agencies will have to arrange their affairs so as to assign judges capable of understanding directly and without interpretation proceedings in English, in French, or in both languages as the case may be. Clearly it is not a duty of all judges to be bilingual. Rather, it is an institutional obligation to provide the services where required in either of the official languages.

I see that my time is up, Madam Speaker. I could go on and on in support of this Bill and the defrocking, if I can put it that way, of this rather specious, unworthy motion. If the Hon. Member is truly interested in making progress, I suggest that he communicate that fact to his House Leader so that there may be discussions with respect to the appropriate timing of this legislation. That would provide an opportunity for all of us to deal with the merits of the legislation in order to allow it to go to committee where there will be an opportunity for serious discussion on the provisions of this Bill and for full understanding. In that way we will be able to bring this legislation back to the House on the understanding that it is intended to make this country reach the potential which we all know it has.

**Mr. Gauthier:** Madam Speaker, I would like to ask a question or two of the Minister. Having been a House Leader in this he understands how this House operates, as does every one of us. He knows that the Government is in charge of proposing legislation. The House can dispose of the legislation once it is before the House. The only time the House Leaders discussed this legislation was on a Friday just before Christmas when the Government wanted to pass the Bill quickly on a Friday afternoon. I said no to that.

**Some Hon. Members:** Oh, oh!

**Mr. Gauthier:** I said no to that because the people in my caucus have a right to be heard in this debate. They have a right to hear the arguments of the Tories who oppose this Bill.

They have a right to be heard and we want to hear them because that is how the House operates—it debates.

**Mr. Charest:** Now we know the truth.

**Mr. Gauthier:** The Minister of State for small things—

**Mr. Charest:** Cheap, cheap.

**Mr. Gauthier:** Just as cheap as your remarks. You are an expert in cheapness and you should know that.

[*Translation*]

I say to the Minister who has the floor: Stand up, as a Quebecer, and tell this Government to get moving! Tell it to get moving on official languages as it should, instead of using delaying tactics as it has been doing for at least the past three and a half years!

**Mr. Charest:** Madam Speaker, I rise on a point of order.

**The Acting Speaker (Mrs. Champagne):** The Hon. Minister of State (Youth) (Mr. Charest) rises on a point of order.

**Mr. Charest:** Madam Speaker, like all other Members of this House, I can only observe that unfortunately the Hon. Member for Ottawa—Vanier (Mr. Gauthier) has—perhaps he got carried away and used terms he would not normally use but since he took it out on me, I seize this opportunity to point out that he had at least the courage to admit today that until now the Opposition has refused to debate and pass the Bill in the House, and in the same breath he can hardly criticize us as the Government for not introducing the Bill in the House. He can only blame himself and his colleagues—

**The Acting Speaker (Mrs. Champagne):** Unfortunately, when words are exchanged between Members from either side of the House without being addressed through the Chair incidents such as the one we are witnessing are a frequent occurrence. I know that both Hon. Members involved in this case are not in the habit of indulging in breaking the rules in this way. We will continue with the comments of the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

**Mr. Gauthier:** Madam Speaker, I am sorry—the Minister arrived a little late for the debate and did not hear what I said. I said during my speech that once, before Christmas, the Government rushed into the Opposition lobby and urged us to put the Bill through quickly, and I said no. It is fundamental legislation that must be debated thoroughly, in a democratic way. I make no apologies about that to anybody, not even the Minister. I think this Bill is very important and Members on both sides of the House want to debate it seriously. There is no question of having only one speaker, after which 19 Conservative Members will rise, as in 1969, to vote against the Bill without giving any explanation or reason why.

I ask the Minister who defended the Government . . . He did not tell the House that the Government would introduce the Bill in the next few days. He did not answer the fundamental issue raised in the motion, that is our condemnation of this Government which is unable to bring forward a Bill we consider serious and important. I ask the Minister this: When will the Government bring this legislation forward?

• (1220)

[*English*]

**Mr. Hnatyshyn:** Madam Speaker, I think I should correct some of the allegations that have been made with respect to what has transpired to this point. At the request of my House Leader, I discussed with the Hon. Member the time which might be involved in discussing this matter and the timing of the presentation of the legislation.

**Mr. Gauthier:** Never.

**Mr. Hnatyshyn:** Perhaps if I refresh the memory of the Hon. Member, at that time he indicated to me—my recollection is subject to his correction—that he thought this would take quite some time. He thought there were at least 25 people in his caucus who were interested in speaking. He thought he could bring that down to perhaps 18 or 17 people. As I recall, he was sitting in the Chamber next to me and I said, as the Hon. Member will recall, that we were interested in proceeding with this legislation because it is an important Bill, but I wanted to find a time.

The Hon Member said that he felt it would not be appropriate for us to call it at the end of the week because many of his Members might be interested in speaking but would be absent. Therefore, he suggested, it might be better for the House Leaders to determine a time at which we could have this debate take place at the beginning of the week and carry on into the week. I have conveyed this information to my House Leader, as I always do, with the idea that he would be in a position to discuss the business of the House.

The whole point I want to make in response to the question is that this is trivial pursuit. This motion is trivial pursuit on the part of the Opposition because they do not have anything serious to talk about.

This is an important issue. For them to trivialize it on the basis of saying, first, that this is the best legislation they could imagine, and second, that they want this to go through quickly, and third, to condemn the Government for not bringing it forward sooner, and then to say that they are going to spend an inordinate period of time discussing this matter and holding it up is hard to believe, and I know the Canadian public will find it hard to believe.

**Mr. Riis:** Madam Speaker, I am encouraged to make a comment at this point, recognizing that what happens at House Leaders' discussions and meetings is not to be necessarily discussed on the floor of the House of Commons. While I do not think that is appropriate, perhaps I could simply say to the Hon. Member, who indicated an interest in proceeding with this legislation, that I believe there is a feeling on all sides that it would be appropriate to take all steps necessary as soon as

possible to impress with House Leaders that this legislation ought to be expedited.

I can assure him that as far as New Democrats are concerned we will do everything we can to co-operate.

We also recognize that it is important legislation because there are divergent views represented in the House of Commons as to the appropriateness of certain clauses. I know there are Members on all sides who have very important questions they want to pose, presumably at the appropriate stage of the debate, particularly at committee. I encourage the Hon. Minister to approach his House Leader to see if we cannot proceed with this expeditiously.

**Mr. Hnatyshyn:** Madam Speaker, I appreciate that offer on the part of the New Democratic Party. I am very interested in having this matter dealt with because I think it is a fair Bill. It is a Bill that addresses this matter in a fair and consultative way. It certainly bears scrutiny, but when I hear—not from the Hon. Member's Party—that we are going to spend a very long period of time, by the Liberal Party in filibustering this Bill at second reading—

**Mr. Gauthier:** You are being dishonest when you say that and you know it.

**Mr. Hnatyshyn:** —when we are dealing with the principle of the legislation, I agree that—

**Mr. Prud'homme:** A point of order, Madam Speaker. I usually do not disagree fundamentally with the Hon. Minister of Justice (Mr. Hnatyshyn), but unless the Hon. Minister can prove that the Liberal Party intends to filibuster, because he said that the Liberal Party intends to filibuster, unless he can prove—

**The Acting Speaker (Mrs. Champagne):** Order, please.

**Mr. Prud'homme:** This is a point of order.

**The Acting Speaker (Mrs. Champagne):** Order. I think the Hon. Member knows very well that it is not really a point of order but more a point of debate.

**Mr. Prud'homme:** Certainly not. Therefore it is a question of privilege.

**Mr. Hnatyshyn:** Madam Speaker, I will try to address it. I do not want to alarm the Chairman of the Liberal Caucus—

**Mr. Prud'homme:** Madam Speaker, I rise on a question of privilege. I would hope that we can discuss the language issue in this country without being passionate, because that is always the danger.

**Mr. Charest:** Why the motion, then?

**Mr. Prud'homme:** You will see later on. I will participate in the debate. I am a Member of this Party. I do not intend to filibuster. If the Minister of Justice can prove that we said that we would filibuster, I would disagree with my Party because I do not intend to filibuster.

**Mr. Charest:** Hear, hear!

**Mr. Prud'homme:** The Hon. Minister of State for Youth (Mr. Charest), is very enthusiastic. As Minister of Youth, I hope he is more enthusiastic when looking at the projects for youth next summer.

**Mr. Rossi:** You know what filibuster means, Ray.

**The Acting Speaker (Mrs. Champagne):** It seems obvious that the Hon. Minister is making a general statement.

**Mr. Rossi:** She does not know what filibuster is, but you do.

**The Acting Speaker (Mrs. Champagne):** I am sure the Hon. Member for Bourassa (Mr. Rossi) may want to participate in the debate right now, but it is becoming very difficult to answer the query by the Member for Saint Denis (Mr. Prud'homme) when the Speaker can hardly hear herself speak in the House.

[*Translation*]

I think the Hon. Member knows very well that so far at least his privileges as Member have not been questioned, that the Minister made a general remark which, as he said himself, he will undoubtedly want to qualify at the earliest opportunity. The Hon. the Minister of Justice (Mr. Hnatyshyn).

[*English*]

**Mr. Hnatyshyn:** Madam Speaker, before I was interrupted I was saying to my distinguished friend, who is Chairman of the Liberal Caucus and speaks on behalf of the Liberal Caucus on all matters, that what I am talking about in terms of filibuster is that I think the most appropriate place for us to look at this legislation is in committee where we can go through it clause by clause and have the people who are involved in this examine these matters. There is no provision on the floor of the House for us to look at the matter clause by clause. We are constrained by the rules to deal with principles.

The Liberal Party has spoken by its *porte-parole*. They have already spoken with respect to the fact that they think this is the best Bill they have ever seen in terms of official languages. Why would they suggest to me that they will have practically three-quarters of their caucus rising to spend an inordinate period of time on the Bill if they are really interested in making progress?

**Mr. Penner:** It is called democracy. That is what we do. We debate the Bill in the House of Commons.

**Mr. Hnatyshyn:** I do not want to patronize the Hon. Member, but the fact is that we have an agenda in the House. If the Opposition is really interested in passing the Bill, it will get together with the House Leader and propose a reasonable amount of time that will allow it to put forward the cogent argument on the principle of the matter but will also allow a

good and thorough examination of the Bill when it gets to committee.

**Mr. Gauthier:** You are scared of the Bill.

**Mr. Hnatyshyn:** That would be a rational way of proceeding. Unfortunately the Liberal Party still has a trace of that tendency under Mr. Trudeau to use language as a divisive force in our country. We are not going to deal with this kind—

• (1230)

**Mr. Prud'homme:** Madam Speaker, I rise on a question of privilege.

**Mr. Gauthier:** That is a cheap shot and you know it. That is the cheapest shot I have heard come out of you.

**The Acting Speaker (Mrs. Champagne):** Order, please. The Chair recognizes the Hon. Member for Saint-Denis (Mr. Prud'homme).

**Mr. Prud'homme:** Madam Speaker, if the comments which were made were made by a less senior Member of the House I might not have been so insulted. But coming as they do from the Minister of Justice I want to ask him to withdraw. I am a Member of the Liberal Party. I have always said that if there is any issue that is the most explosive for our country it is the issue of the relationship between the French and the English. To say to us that, intentionally, Mr. Trudeau or any one of the Members of his Party at that time was using the language issue to divide is not worthy of a Minister of Justice of Canada.

I hope that we can discuss this Bill. I see a lot of good in it. I have only a very few comments to make on certain chapters of it when it is referred to committee. It is the Minister of Justice who should set the tone for debate. What he has just said is extremely divisive. If the Minister cannot back up what he has said with proof then I hope that he will set another tone for a debate of this type. There are enough problems in Canada and enough misunderstandings. There are many problems in Manitoba at the moment in every village. I hope that the Minister will be more careful.

**The Acting Speaker (Mrs. Champagne):** It would be easier for everyone as we are discussing this very important issue if Members would be more careful with off-the-cuff comments and for Members on the other side not to be so thin-skinned in terms of remarks which are made off-the-cuff.

I would now like to inform the House that the time for questions and comments has expired.

**Mr. Hnatyshyn:** Madam Speaker, I rise on a question of privilege. Because my colleague for whom I have great respect has raised this matter I do not want there to be any misunderstanding about it. I share with the Hon. Member as fervently as any Member of the House the belief that this matter should be dealt with in a responsible and unifying manner. It is an issue fundamental to our country. I make no apology for that. As a western Canadian and as a member of a minority group I understand the rights of minorities. This Bill deals with minority rights.

If we are going to deal with it in the way in which the Hon. Member wants it to be dealt with, then I would ask him to reflect and to discuss in his caucus this Wednesday with his Party—

**Mr. Prud'homme:** That is not a question of privilege, Madam Speaker.

**Mr. Hnatyshyn:** —whether this type of motion is in fact legitimate or mischievous.

**The Acting Speaker (Mrs. Champagne):** Resuming debate. The Chair recognizes the Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Madam Speaker, we are debating this morning an Opposition motion which might be worth putting on the record again at this point. It states:

> That this House condemns the government for its inaction, its lack of political will and its hesitation to accept debate in the House of Commons, at the second reading stage, on Bill C-72 respecting the status and use of the official languages, thus causing a clear setback in the application of the Act by federal departments and agencies, in addition to having detrimental effects on national unit.

That is a powerful motion. I can understand some of the sensitivities being expressed this morning and early afternoon by Members of the Official Opposition as well as by Members of the Government. I must say that I came into the Chamber just before the Hon. Member for Chambly (Mr. Grisé) made his comments and asked his question of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) who moved this particular motion. He asked a question about the credentials of the Hon. Member. That struck me as one of the less informed, and I am tempted to use that good straightforward term "ignorant" questions that I have heard in the House. If a question could allow a speaker to lay his credentials out and impress others with what he has done then that particular question did so.

The Hon. Member for Ottawa—Vanier has clearly been working hard for years within the Government caucus, the Liberal caucus in the years past, and now in Opposition, in order to advance the cause of bilingualism in Canada. There is no point in raising any questions about his right to express concern about inaction and to press for action by the Government on Bill C-72.

I would like to say something about the context within which bilingualism developed in order to provide a basis for appreciating the importance of Bill C-72 as it comes before us for debate, presumably some time in 1988. Of course, the precise question is how soon it will come before us so that it can be advanced to committee for detailed consideration and for it to become law. The comments I want to address are the comments of the leading New Democratic Party Member of the Standing Joint Committee on Official Languages, as well

as those of the critic for multiculturalism. I want to interrelate these various aspects in appreciating the place that bilingualism has in our country in order to indicate why we are concerned to have the Bill come forward, as my colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis), has already indicated.

If we cast our minds back some 20 years and more in Canadian affairs we will remember that there was a very great struggle in the political life of the country, and in the politics of the Province of Quebec even more particularly, a struggle in politics, in society and in culture. It was a struggle between an English-speaking Canada expressed in so many ways, and encouraged as it had been from the late 1940s through the 1950s by the federal Government, a struggle against the assertion that Canada was simply an English-speaking country.

We can look back to various attempts to recognize what has often been called simply the French fact in Canada. We know that before the 1960s, as well as afterwards for that matter, it was always a struggle against a powerful reality, the nationalism of all of those who saw Canada as simply English-speaking and wanted to remove the diversity that existed.

The fact that the federal Government in the 1950s had become so active in cultural activity is a fact that is all too rarely remembered these days. That is surely the context into which we can place the Constitutional Accord of 1987. Looking back some 30 years to the work of the Tremblay Commission in Quebec we might remember the assertion of a primary responsibility in Quebec for cultural and social policy and the maintenance of a French-speaking community in the Province of Quebec, regardless of what might happen beyond its borders. Of course, the Hon. Member for Ottawa—Vanier as a Franco- Ontarian knows how much more difficult it has been outside the Province of Quebec to maintain the life of Franco-Ontarians.

• (1240)

In the 1960s the assertions in the Province of Quebec blew up quite clearly. I need only allude to that for all of us to appreciate that there was an enormous crisis. A Royal Commission that was appointed called this "the greatest crisis the Canadian nation had ever faced". When the Royal Commission on Bilingualism and Biculturalism recommended that the Canadian nation must become officially bilingual, that was a federal political response to this particular challenge to the Canadian nation.

Of course, it found expression in 1969 in the Official Languages Act which established principles of service to the public and employment opportunities for both language groups in Canada. In 1969 that achievement was only one of the very significant events that occurred about 1970 in the recognition of diversity as the reality of this country rather than simply an English-speaking country with a French fact that could not be successfully swamped.

I point out that even before it had completed its work, the Royal Commission on Bilingualism and Biculturalism had to recognize that one could not define the country as bicultural, even if one were going to establish English and French as the official languages. In 1971 the statement of a multicultural policy for Canada within a bilingual framework was an inevitable outgrowth of this turning away from an Anglo Canada to a Canada of diversity.

I would assert that during that same period when the newly formed Trudeau Government issued a White Paper on Indian Affairs which anticipated the destruction of aboriginal communities in Canada and the disappearance of native Canadians into the mainstream Canadian society only with rights that other Canadians have, that Government found itself under criticism and attack. It abandoned the policy and the aboriginal peoples found themselves gearing up to a higher level of political activity and eventually of legal work, judicial struggle and constitutional activity in the 1980s, a struggle against great difficulties and enormous barriers.

All of us who were critical of aspects of the Constitutional Accord of 1987 last summer and fall recognized that while it did justice to the demands of Quebec and the realities that official bilingualism deals with, it neglected those of the aboriginal peoples and the multicultural realities of the country. In that sense it was an incomplete accord as far as dealing with all of the shortcomings in Canadian national political life.

Sketching those aspects of Canadian diversities within which the Official Languages Act has a fundamental place, and recognizing that official bilingualism was the first victory won in this country for the diversity that we now celebrate in multiculturalism is to appreciate how important that Bill is. To recognize the need to consolidate, re-enact, and improve the language legislation of the country is a very important matter. Bill C-72 deserves the type of concern expressed by this motion and our desire that the policy be advanced. It is obvious that the work of ensuring that the federal Government operates on the basis of the Official Languages Act always involves a struggle.

I am sure that the Hon. Member for Ottawa—Vanier would be frank in saying that he struggled with Government, with departments, and with the institutional inertia that is so characteristic of Departments of Government and of the institutions of the country. He struggled with those just as much in the days of the successive Trudeau Governments as he has been doing now with the Conservatives pulling the reins of power in this country. Institutional inertia is the brutal fact.

It is always a struggle to advance the principle of service to the public in the language of choice across the country, to ensure that members of the official language minority have the opportunity to work in their own language wherever they are in the country, to achieve fair representation and equitable participation in the Public Service of Canada, and perhaps in

other areas, and to ensure that the principles of official bilingualism actually prevail.

I do not suppose there is much point in comparing Governments. The slanging that took place between the Minister of Justice (Mr. Hnatyshyn) and some of his colleagues and members of the Liberal caucus a few minutes ago represented aspersions on the other in each case and obvious attempts to elevate their own standing in this particular struggle.

What is surely significant to recognize in how the struggle can be advanced is the role of the Commissioner of Official Languages. That office observes the activities of the federal Government, receives complaints, investigates them, and so on. The office of the commissioner takes us back to the early 1970s and the existence of a Joint Standing Committee on Official Languages. There is a committee of parliamentarians from both Houses which works together with the commissioner and receives information on the activities of government departments, agencies, and Crown corporations, and focuses on the fact that there is still all too often justified criticisms of the extent to which official bilingualism is operative in those various departments, agencies, and Crown corporations.

In listening to testimony, participating in questioning and considering the evidence that exists on those various institutions of the federal Government over the last three years, I have learned an enormous amount about institutional inertia. Very often I have found myself joining with others in criticism of the departments, agencies, and corporations in dealing with the deputy ministers and others who come before us.

For example, I recognize the difficulties in any short period of time in changing the proportions of employees in a department. That is not something that can be done in a year or in a few years, although at the end of 15 or 20 years of a policy one might expect that significant progress would have been made. By now it is quite fair to focus on those areas where still there is little representation of the official language minority, whether it is French-Speaking Canadians in one part of Canada, for example Atlantic Canada, the Prairies, northern Ontario, or the whole Province of Ontario, or one may think of the English-speaking minority in the Province of Quebec and the representation of members of that minority in the Public Service in the Province of Quebec.

Whatever hesitation one might have on these proportions and representation in local offices, there seems to me to be no excuse for shortcomings in the way of signs. There is very little excuse in the area of materials made available. These days there is less and less reason to be unable to serve the public when they approach an office by telephone. Surely with the technology available to us, and with any type of determination at all, the federal Government should appear in the way of official bilingualism in English and French across the country. Yet at this very late point we still find shortcomings in these matters that need to be redressed.

When we come to the question of the proportions in Government and actual advance in service we find reason to be quite concerned. It seems to me that two things have happened since the present Government took office in 1984. The decision to reduce the Public Service has made it very difficult to achieve real progress in improving the representation of the minorities in the Public Service of Canada in the various places. The administrative consolidation that has taken place also seems to raise questions, although in this area I would not be quite as assertive.

• (1250)

The attempt to increase responsibilities under the Official Languages Act of managers at lower levels in Departments and to phase out offices at the tops of Departments which are responsible for this makes it more difficult to be sure that that will mean setbacks in the actual development and maintenance of official bilingualism. However, I think there are dangers because managers at lower levels have a great many responsibilities. It is fairly clear, from some appearances before the Standing Joint Committee on Official Languages, that the attempts to advance the principle of official bilingualism have certainly collided with the constraints on employment, the need to cut back in numbers, and so on. Consequently there has been less advance in these areas than we would have wanted. Those realities in the Government concern members of the committee from all sides.

I want to recognize the activities and the present circumstances of members of the Conservative caucus, just as I recognized earlier the activities of the Hon. Member for Ottawa—Vanier in the days of the Liberal Government. In various ways we have all been trying to press for movement in institutions which can be so hard to move. We want a new Official Languages Act. We want the enactment of Bill C-72 to be moved forward and carried through as quickly as possible. I share the concern of the Hon. Member for Ottawa—Vanier who proposed the motion that it should be done.

In saying that, I want to make a couple of criticisms of the Bill which have not been given very much play by the press. The Minister of Justice for his part this morning in commenting on the motion suggested that the Bill had been received with universal approbation, although when one listened carefully to what he read it was clear that it was not quite perfect as a piece of legislation. As someone who attempted at the press conference on June 25, 1987 to focus a couple of critical comments on the Bill and found the press not picking them up, I should like to put them on record this morning and to provide the basis for saying that there needs to be some debate on the Bill, even though the principle is accepted by most of us and the Bill has been applauded in quarters all around. I recognize that most of the Bill is very good, but there are clauses which could do with strengthening, particularly Clause 21 and Clause 38.

Clause 21 of the Bill notes the following:

> Every federal institution has the duty to ensure that any member of the public can communicate with and obtain available services from its head or

central office in either official language, and has the same duty with respect to any of its other offices or facilities.

(a) within the National Capital Region; or

(b) in Canada or elsewhere, where there is significant demand for communications with and services from that office or facility in that language.

The "significant demand" provision puts the onus on members of the public. It creates the need to demonstrate that the federal Government should be responding. It is a weaker provision than we ought to have from a Government which is as committed to official languages as the Minister of Justice suggested earlier. Certainly it is a particular point on which debate needs to be focused.

In committee we may well want to come up with different provisions to ensure that the federal Government will actually recognize that the demand is not often very large and that if we believe in the official languages and the Official Languages Act, we must meet that demand without putting the onus on the public to keep pressing in that way.

Another clause of which I made even more at the press conference is found in Part VI entitled "Participation of English-Speaking and French-Speaking Canadians". Clause 38 of the Bill reads:

(1) The Government of Canada is committed to ensuring that

(a) English-speaking Canadians and French-speaking Canadians, without regard to their ethnic origin or first language learned, have equal access to appointment and advancement in federal institutions; and

(b) the composition of the work-force of federal institutions tends to reflect the presence of both the official language communities of Canada, taking into account the characteristics of individual institutions, including their mandates, the public they serve and their location.

The second paragraph dealing with the reflection of the presence of both official languages and its other lines really open the door to those Departments that do not want to move very far.

In these two specific clauses there is good reason to debate the Bill critically in the House in the way of advancing official bilingualism. I think that is what members of all Parties want to do. I call on the Government to respond to the particular motion and to get the Bill before us at an early date so that we can do it.

After all, at this point we are fearing the end of this Parliament at least in terms of the business before it. Of course all of us anticipate an election. Parliament may end all too soon and this enactment could well not pass, given that we are into 1988, that it needs to go through all stages, that it needs to go to the other House, and so on. There is need to get on with it if the Government is as committed to the principle as the Minister of Justice told us this morning.

**Mr. Gauthier:** Madam Speaker, I congratulate the Hon. Member on his speech, on his support, and on his devotion to the question of the official languages. He is one of the most assiduous members of the committee. I always enjoy hearing his comments, because I think he is one of the fairest and most interesting individuals.

I just want to bring two points to his attention. One reason the Bill must be passed quickly, as he and other Hon. Members know, is that there are federal-provincial agreements that will be terminated in March of this year, which agreements cover post-secondary and minority language education. If the agreements are to be renewed, in my view they must reflect the new reality of Canada. They must reflect the Meech Lake spirit. They must reflect not only the spirit of Bill C-72 but the fact that it contains a little more than Meech Lake. It proposes to enshrine in legislation the fact that the federal Government must promote minorities.

I would hope that the Hon. Member will be able to respond to my question. Given the fact that indeed the agreements terminate on March 31 and that we would all hope that the agreements would reflect for the next five years, because they are five-year agreements, the spirit and generosity of Bill C-72 and Meech Lake, would he not agree that it would be imperative or absolutely essential that we pass the legislation as soon as possible so that those who negotiate the agreements will have that as a bottom line from which to operate? That is my first question.

**Mr. Epp (Thunder Bay—Nipigon):** Madam Speaker, I thank the Hon. Member for his question. It certainly underscores the urgency of the matter.

One might assume and trust that the Secretary of State (Mr. Crombie) and others involved in the negotiation of these agreements would act in the spirit of something which the Government led in last spring in achieving the Constitutional Accord with the provincial Premiers, that that spirit would be respected, and that the agreements would be reworked in those terms.

However, in dealing with the Government let us ensure that we give the greatest encouragement to the Secretary of State to do that. Let us have the law as the law of the land. I agree with the Hon. Member.

**The Acting Speaker (Mrs. Champagne):** The Hon. Member will have an opportunity to continue his comments later today.

[*Translation*]

It being one o'clock I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

## SOCIAL SECURITY

SENIOR CITIZENS—ANNOUNCED CHANGES TO NEW HORIZONS PROGRAM—REQUEST THAT GOVERNMENT RETAIN STATUS QUO

**Mr. Gilles Grondin (Saint-Maurice):** Mr. Speaker, the Minister of National Health and Welfare (Mr. Epp) has sent to all Hon. Members last fall a notification of changes regarding the New Horizons Program for senior citizens.

I fail to understand how the Minister can conclude his message by indicating that these measures are intended to better recognize the senior citizens as full members of society, when he brings about changes restricting and limiting the scope of this program.

Indeed, these changes will have a very negative impact upon senior citizens groups. Their opportunities for recreational activities are being restricted because each group will now be limited to only one payment every five years in this regard. New membership conditions now stipulate that 70 per cent of the members must be retired for a group to be eligible to this program. Funds towards repairs and renovations are also being limited since, for instance, in order to have its expenses reimbursed a group must own the building.

After taking all this away from senior citizens, Mr. Speaker, the Minister dares claim that these changes are intended to help them.

That is unacceptable and that is why I call on the Minister to reinstate the *status quo* in this issue.

* * *

[*English*]

## WILDLIFE

WHOOPING CRANES—RESCUE FROM BRINK OF EXTINCTION

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, in 1941 the migratory flock of whooping cranes had declined to an all-time low of 15. They were all but extinct.

Since that time co-operative efforts of the Canadian and American Government and private organizations have brought the species back from the brink of extinction to where they now number about 140. These rare birds breed in Wood Buffalo National Park near the town of Fort Smith, Northwest Territories. Last year 25 chicks were successfully hatched.

Probably no one deserves more credit for this success story than Mr. Ernie Kuyt, long time employee of the Canadian Wildlife Service of the Department of the Environment. Mr. Kuyt has devoted a lifetime to the study and care of the whooping crane.

*S. O. 21*

## PHARMACEUTICAL INDUSTRY

INCREASED DRUG PRICES

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, the Government has once again betrayed the trust of the Canadian people.

Between the time the Government introduced Bill C-22 to the House of Commons and the day the Bill was passed, the Minister of Consumer and Corporate Affairs (Mr. Andre) said no less than eight times that drug prices would not increase. Now, less than three months later, we see that prices have drastically increased on 1,099 different drugs. The sad thing about the situation, besides the fact that our seniors and less fortunate Canadians have to pay this greed money out of the multinationals, is the fact that the Government will not do anything to accept responsibility for this affair.

The Mulroney Cabinet caters to the wishes of these big drug companies at the expense of average Canadians. I can assure you, Mr. Speaker, that come election time the Canadian population will not cater their vote to the Government. The Government argued that it would trust the big drug companies, but the drug companies are not good corporate citizens. They are all greed mongers out to rob Canadians, and they are getting lots of assistance from the Government, the Conservative Government of Brian Mulroney.

* * *

## FISHERIES

OVERFISHING BY FRENCH FLEET OFF NEWFOUNDLAND SOUTH COAST

**Mr. Jack Harris (St. John's East):** Mr. Speaker, the Government continues to show its weakness in failing to prevent the French from overfishing in the disputed 3PS fishing zone off the south coast of Newfoundland. The French have now announced that not only will they not negotiate on the boundary question or put the matter before a court like a civilized nation but they are going to send in their ships to catch four times their historic entitlement.

The most recent affront by the French is the snubbing of Governor General Jeanne Sauvé, now on an official visit to Paris, by the Premier of France and the French Minister of Fisheries. This repeats the action of last summer when the Lieutenant Governor of Newfoundland, the former Member of Parliament for St. John's East, was refused entry to St. Pierre for his annual visit.

The situation is very critical and the only solution the Government has offered is the same ineffective measures it took last year. When will the Government realize that the French are not taking the Government seriously? It is long past the point when the Government should have acted on behalf of the fishermen on the south coast of Newfoundland

and demonstrated to the French that other bilateral issues of concern to the French will have to be re-examined in view of their belligerent action on the issue of fishing in this disputed zone.

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## WINTER OLYMPIC GAMES

TORCH'S PASSAGE THROUGH MOOSE JAW CONSTITUENCY

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, I rise today to congratulate and pay tribute to the people of the great constituency of Moose Jaw.

Last weekend, as the Olympic Torch made its way through our constituency on the way to Calgary, the response was overwhelming. The excitement and the splendour of the Olympic Games were demonstrated not only by the local residents who carried the torch but by the spectators who participated in the official ceremonies which took place in the City of Moose Jaw and the Towns of Davidson and Kenaston. The fact that the ceremonies in Davidson took place in the evening, and those at Kenaston early in the morning before daylight, added greatly to the occasion.

• (1405)

I would like to acknowledge the volunteers who organized these events in each community and regret that time does not allow me to mention each individual by name. As a result of the unselfish work of these people, residents of the constituency of Moose Jaw can indeed say with justifiable pride that we have "shared the flame". The feeling of patriotism and unity across Canada will be a lasting legacy of the Olympic torch run.

* * *

## CANADIAN BROADCASTING CORPORATION

ALL-NEWS TELEVISION CHANNEL—SUPPORT FOR GRANTING OF LICENCE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I would like to continue speaking on the question of the CBC all-news channel. A decision was rendered by the CRTC some time ago awarding the CBC the licence for a continuous news channel on cable. I have been receiving a number of letters from people in my riding who would like to voice their opposition to any government interference in the decision taken by the CRTC.

I would like to read extracts from one letter written by Mr. Mark Stiles:

> My reasons are quite simple. First, the CBC application was far superior to Allarcom's. Practically, only the CBC could mount an effective service of this kind without importing large quantities of news produced by the American networks. Second, any tampering by Cabinet would make a mockery of the independence of the CRTC and like quasi-judicial bodies. There are no circumstances surrounding the CBC's application that would warrant Cabinet intervention.
>
> Let's give public broadcasting the opportunity to flourish in Canada. It is, I believe, critically important to our national identity.

I am getting all kinds of letters supporting the decision. I would hope that the Government would not meddle in, interfere with, or change that decision.

* * *

## TAX REFORM

FARMERS' INCOME—RETENTION OF FIVE-YEAR BLOCK AVERAGING URGED

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, five-year block averaging was provided to farmers back in 1947 in recognition of the uncertain conditions affecting them—the vagaries of weather, climate, marketing conditions and commodity prices—all of which lie beyond their control and yet can result in wildly fluctuating incomes. Block averaging provides a mechanism whereby farmers can average their fluctuating incomes over a specified five-year period, thereby benefiting as much as possible from the graduated marginal tax rate structure.

The Standing Committee on Finance, after comprehensive hearings on Phase I of tax reform, stated that the unique aspects of the farming industry justify the retention of five-year block averaging. The committee further recommended that block averaging be retained for farmers.

According to Finance Department information, block averaging is not a significant expenditure item. I therefore urge the Minister of Finance (Mr. Wilson) to reconsider his decision to eliminate block averaging for farmers.

* * *

## SCIENCE AND TECHNOLOGY

CRITICISM OF LEVEL OF GOVERNMENT EXPENDITURES

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, this week parliamentarians will once more be engaged in dialogue with the Nation Consortium of Scientific and Educational Societies. They will state the obvious: there is no prospect of an economically sound Canada unless there is a real commitment to producing a highly skilled, well-educated population, and the development of policies and the commitment of resources through which Canadians can create the technologically advanced and innovative economy necessary to produce new jobs.

The time is long past in which catchy slogans, advisory committees and forums can substitute for real action. Three years after the Government came to office, we were no closer

to the promised achievement of a rate of expenditure of 2.5 per cent of GNP for scientific research and development, nor have promises with respect to education and training been met. In fact, real expenditures by the Government for research, whether basic or industrial, have in real terms actually decreased.

Transfer payments for post-secondary education have been cut. Accessibility to colleges and universities has decreased. Training in community colleges has decreased. Real support for student summer employment has been cut back and support for industrial research and development has gone no farther than it was three years ago.

It is typical that the Prime Minister (Mr. Mulroney) recently and with ostentation announced $1.3 billion in new money spread over five years for research and development with the vaguest possible indication of how the money would be spent. Now we learn from the PMO that no specific decisions have yet been made.

I say to the Prime Minister that it is time for real commitment to the kind of support post-secondary education must have to stop its decay. It is time to state clearly his your Government's commitment to a rate of expenditure of 2.5 per cent of GNP for research and development by 1995. Only that will lift us beyond the confusion of policy heretofore obscured by forums and inflated rhetoric.

* * *

• (1410)

## PENSIONS

PROTECTION AGAINST INFLATION

**Mr. W. Paul McCrossan (York-Scarborough):** Mr. Speaker, last Thursday the Ontario Task Force on Inflation Protection for Employee Pension Plans released its recommendations with respect to pension indexing and surplus withdrawal regulations. The task force recommends that inflation protection be required using a minimum standard of 75 per cent of the increase in the cost of living minus 1 per cent. This was particularly pleasing for me since I developed this formula for the federal Government and it is already embedded in the federal Pension Benefits Standards Act.

The task force also recommends that employers be prohibited from withdrawing surpluses from pension plans unless they contractually index all pensions, past and future, to the minimum indexing standard, also as I suggested.

Hopefully both the Ontario Government and the federal Government will move quickly on these recommendations to co-ordinate their policies to ensure that Canadian workers receive appropriate inflation protection for their pension plans.

*S. O. 21*

## ROBERT BURNS DAY

CANADA-UNITED STATES FREE TRADE AGREEMENT

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, today is Robert Burns Day, and all over the world Scotland's immortal bard is being remembered, by Scots and non-Scots alike. Scots remember him for many things, his poems and songs in particular, but many also remember him as one who eloquently lamented the power which Scotland's more densely populated southern neighbour came to have over Scotland's destiny as the political and economic powers-that-be in the south co-opted the Scottish ruling class and enlisted it in the course of integration. Those of us who are Canadians of Scottish heritage are now to be placed in double jeopardy by the Canada-U.S. Free Trade Agreement.

**Some Hon. Members:** Oh, oh!

**Mr. Blaikie:** Canada, like Scotland, is to be given away without a fight, for American gold, instead of English gold as Burns put it. The war of 1812 was won, only to be lost in the negotiations of 1987. Or, as Burns put it:

What force or guile could not subdue,
Thro' many warlike ages,
Is wrought now by a coward few,
For hireling traitor's wages.
The English steel we could disdain,
Secure in valour's station;
But English gold has been our bane—
Such a parcel of rogues in a nation!
But pith and power, till my last hour,
I'll mak this declaration;
We're bought and sold for English gold—
Such a parcel of rogues in a nation!

**Mr. Speaker:** Burns also said:

O wad some Power the giftie gie us,
To see oursels as ithers see us!

**Some Hon. Members:** Oh, oh!

* * *

## ROYAL CANADIAN MOUNTED POLICE

TAMIL REFUGEE CLAIMANT—ALLEGATION CONTAINED IN NEWSPAPER REPORT

**Mr. Alan Redway (York East):** What is going on, Mr. Speaker?

**Mr. Blaikie:** Another Englishman.

**Mr. Redway:** And I do not mean Robert Burns. First it is the Canadian Security Intelligence Service goofing up the granting of landed immigrant status to a terrorist. Now *The*

*Globe and Mail* reports that the RCMP has been sitting for two months on a request to investigate a refugee claimant apparently wanted by West Germany for violating arms laws. All of this does not lend much credibility to the claim of CSIS and the RCMP that they are still actively and vigorously pursuing the investigation of the two and a half year old Air-India crash.

Let us get on top of these terrorists. If this latest story is not true, I hope *The Globe and Mail* will apologize. However, if it is true, it is time for the Solicitor General (Mr. Kelleher) to shake up both CSIS and the RCMP again. While he is at it, he should order a public inquiry into the CSIS and RCMP investigation of the Air-India crash.

* * *

## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—NEGOTIATOR'S REMUNERATION

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, you will probably recall that during the last year and a half I have criticized the Government for its free trade initiative. I have even gone so far as to say that no Canadian would benefit from free trade. Today I take that back. I apologize, because one Canadian has made this a very enriching experience. As a matter of fact, the media are stating that since November 8, 1985, Canada's free trade negotiator, Mr. Simon Reisman, will probably generate something in the order of $500,000. That is enough to make some of the Tory backbenchers wish that they were civil servants or, even better, trade negotiators eating chicken in Washington.

• (1415)

Five hundred thousand dollars is a lot more than my constituents make and is certainly a lot more than they will make after this free trade deal, given the negative effects it will have on my constituency. No matter how you look at it, $500,000 is not bad for taking potshots at *The Toronto Star*, even if you have to put up with the Minister for International Trade (Miss Carney).

* * *

## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—MEDIA COVERAGE OF DISSENTERS

**Mr. J. R. Ellis (Prince Edward—Hastings):** Mr. Speaker, last Friday the Prime Minister (Mr. Mulroney) briefly visited my riding as part of a swing through eastern Ontario. Some 500 men and women warmly greeted him and Mrs. Mulroney at CFB Trenton, as did over half of the 1,100 employees at Northern Telecom, and 300 of my friends at a reception in Belleville.

At the Northern Telecom plant four United Auto Worker members displayed anti-free trade T-shirts, which is certainly their right. Why is it, however, that the press, including Global TV, CTV, CBC, *The Globe and Mail*, the *Belleville Intelligencer*, and others gave coverage to these few dissenters out of all proportion to the activities of the day?

What warped sense of reporting allows these four, who stood silently until Mrs. Mulroney engaged one in conversation, to gain top level recognition over hundreds and hundreds of well-wishers, at least one of whom travelled thousands of kilometres just to be present?

Is there no fairness left at all in the press today? Is there no limit to their desire to downplay the excellent reception being enjoyed by the Prime Minister throughout Canada?

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# ORAL QUESTION PERIOD

[*English*]

## CANADA LANDS COMPANY

TRANSACTIONS INVOLVING GOVERNMENT SUPPORTERS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Prime Minister and concerns the Canada Lands Company at Mirabel, the mess that will not go away. First we had Gervais Desroches, friend of the Minister of Public Works, benefiting from a $13 million industrial park deal which he and others bought for $140,000. Then there was the Gérard Poirier case who says he was coerced into selling his farm to Mario Taddeo and was told to keep his mouth shut by the Member of Parliament for Argenteuil—Papineau. Third, a Tory organizer who owned a bar got a $42,000 contract for supervising vacant land. Now we have the overwhelming evidence of Tories making a killing out of land sales and one Tory alone making $252,000 in 24 hours.

Why did the Prime Minister allow this kind of thing to happen? Why does he permit this kind of outrageous waste of taxpayers' money to continue?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, let us put this all in perspective.

**Some Hon. Members:** Oh, oh!

**Mr. McInnes:** In 1969 the then Government expropriated 90,000 acres of land, 5,000 acres of which are now being used for the Mirabel Airport. They dispossessed 10,000 people who occupied and owned those lands. They spent $225 million from 1969 to 1984 and all they left was a social scar.

[*Translation*]

QUERY WHEN PRIME MINISTER WILL DEMAND MINISTER'S RESIGNATION

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my supplementary question is also directed to the Prime Minister. The Prime Minister just heard the reply of his Minister of Public Works. He knows also that the same minister said, as recorded on page 11808 of the official report of the *Debates*, December 15, 1987, that the taxpayers "got value for the money".

Considering what we know today, Mr. Speaker, that $100 million have been wasted, $100 million have been lost, that a Conservative made $252 000 in 24 hours, is it not time to take that Minister and send him back to the back benches? When will the Prime Minister demand the resignation of the Minister of Public Works?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, since 1984 we have been involved in a salvage operation. We have put in place a procedure to allow those people who had their lands expropriated unfairly to purchase their lands back on a fair and equitable basis. The procedures put in place were very much the same as those put in place by the previous Government, although we improved the justice, morality, and economics of the situation.

**Mr. Boudria:** Mr. Speaker, it has been an enriching experience for some, that is quite true.

• (1420)

LAND SALE PROGRAM—REQUEST FOR APPOINTMENT OF ROYAL COMMISSION

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my supplementary question is for the Prime Minister. The former Minister of Public Works, the Member for Joliette, said in an interview that the Prime Minister personally authorized him to overrule Treasury Board and Public Works staff to expedite phase 2 of the land sale program at Mirabel. Why did the Prime Minister overrule experts for political considerations? Will he now do the right thing and call a Royal Commission of Inquiry into the management, into the disposition of properties and the operations of the Canada Lands Company at Mirabel? If he does not want to do that, I will have to ask him what he has to hide.

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I ask the Member to produce proof that any member of that community received the kind of treatment that is not available to any other member of the community. Every transaction has received Treasury Board approval and every transaction over $70,000 has been audited and approved by the Comptroller General of Canada.

[*Translation*]

QUERY WHEN PRIME MINISTER TOOK COGNIZANCE OF RESULTS OF ELECTION COMMISSIONER'S INQUIRY INTO MATTER CONCERNING MEMBER FOR FRONTENAC

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I should like, first of all, to point out to the Prime Minister that last week, his Deputy Prime Minister has stonewalled and systematically refused to shed some light on the circumstances concerning the reinstatement in Cabinet of the Minister of Energy,Mines and Resources. Now that the Prime Minister is back in the House, he could perhaps tell us when he got acquainted with the conclusions of the investigation made by the Commissioner of Elections. When did he see the letter received by the Minister of Energy,Mines and Resources? And when did the latter discuss with him the contents of the letter,at which time they both concluded that he would be reinstated?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member asks when I learned about the decision. I was advised by the secretary of the Cabinet on November 28, following the publication of a statement issued by the Commissioner of Canada Elections, Mr. Joseph Gorman, on November 28 as follows:

"I have reviewed the results of the investigation which I received at 1300 hours on Thursday, November 21, 1985 as well as the recommendations of independent counsel which I received at 2030 hours on November 26, 1985 and I have decided that no charges will be laid against the Honourable Marcel Masse or his official agent, Jean Morissette."

The official responsible to Parliament issued a decision which was conveyed to me and we acted accordingly.

QUERY WHETHER PRIME MINISTER HAS SEEN CERTAIN PORTION OF FILE

**Mr. Jacques Guilbault (Saint-Jacques):** It seems to me, Mr. Speaker, that the Prime Minister has only taken a glance at those documents. If he had read them thoroughly, he would have seen that the Election Commissioner was saying:

"Proof in the dossier demonstrates that you participated in an infraction against Section 62 of the Elections Act."

I would like to ask the Prime Minister whether he has also read that part of the file and whether he thinks he has honorably fulfilled his responsibilities when reinstating in Cabinet a minister who had participated in an infraction, according to the same Commissionner who had conducted the investigation.

**The Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, as far as I know, it is not up to the Commissioner to decide whether a Member of Parliament is guilty or not. In our system, it is up to the courts to decide. According to the law, the officer of Parliament has the obligation to investigate and to decide whether charges are going to be laid or are not going to be laid against a Member of Parliament suspected of having

committed an infraction against the Canadian Elections Act. Therefore, the officer responsible, Mr. Gorman, has dutifully conducted an investigation. He has investigated into the Minister's behaviour and has rendered a public decision on November 28, 1985, saying:

"And I have decided that no charges are to be laid against the Hon. Marcel Masse."

That was his decision. That is the decision he has rendered. Accordingly, I have decided to invite the minister, the Hon. Mr. Masse, to come back to the federal Cabinet. And I was proud to do so at the time and I still am today.

• (1425)

QUERY WHETHER PRIME MINISTER WAS AWARE OF LETTER'S TENOR AT TIME OF REINSTATEMENT IN CABINET OF MEMBER FOR FRONTENAC

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Prime Minister. Commissioner Gorman wrote in the same letter that the Member for Frontenac had participated in the breaking of the Elections Act. My question to the Prime Minister is very simple: When he reinstated the Member as a Minister on November 29, was he aware of that letter's content?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, Mr. Gorman is an officer of Parliament. His duties are described in the Act. He has full discretionary power with regard to investigations and complaints. Having inquired on November 28, I was advised by the Secretary of the Cabinet of the investigator's decision not to lay charges against the Hon. Marcel Masse. In view of that decision obviously positive in which case fortunately the presumption of innocence is clearly established on behalf of all Canadians and all members of this House, and considering also that the Minister had decided to step aside as a Minister of the Crown during the inquiry, which is much to his credit and in keeping with the finest British parliamentary traditions I decided, in view of the report issued by the Commissioner, to invite Mr. Masse to rejoin Cabinet of Canada. I feel I acted consistently and in all fairness.

[*English*]

MINISTER'S REAPPOINTMENT TO CABINET

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I am sure that the House will have noted that the Prime Minister did not answer a very direct question. I want to ask him again.

When the Commissioner wrote the Hon. Member for Hamilton East and the Hon. Member for Broadview—Greenwood at the same time he made absolutely no reference to any possible infraction of the law. To the contrary, he made it quite clear that there had been no infraction, in his judgment, by either of these Members. In contrast, he said to the Hon. Member for Frontenac that in his judgment there was on his part a participation in the breaking of a law.

When the Prime Minister asked the Hon. Member for Frontenac to rejoin Cabinet did he ask him if there was any reason that he had to believe that would make him illegible for membership in Cabinet at that time? Did he receive any suggestion from the Hon. Member for Frontenac that he had obtained, the kind of information that he had by then in fact obtained to the effect that he had violated the law?

**Right Hon. Brian Mulroney (Prime Minister):** The Member for Frontenac, when he was advised that an inquiry might be initiated in respect of the election law, stepped aside as a Minister of the Crown to ensure that the inquiry could be conducted in complete freedom and impartiality. I think that all Members of the House would agree that that is very much to his credit and in keeping with the finest parliamentary traditions. This was in September of 1985.

On November 28, 1985, the Commissioner of Canada Elections, Joseph Gorman, issued a statement, having interrogated witnesses, I presume, and analysed the evidence, in which he stated, "I have decided that no charges will be laid against the Hon. Marcel Masse". It is his responsibility and his responsibility alone either to bring charges or not to lay charges. Having analysed the evidence, he decided not to lay charges, in which case the presumption of innocence is clearly established on behalf of all Canadians, and I presume all Members of Parliament.

When this information was conveyed to me by the Secretary of the Cabinet, I instructed the Secretary of the Cabinet to arrange for Mr. Masse to be reinvited to join the Cabinet of Canada, which took place. This seems to me consistent with all parliamentary traditions that my hon. friend would want me to uphold.

• (1430)

PROSECUTION OF MINISTER'S SUPPORTERS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, quite the contrary. I believe the Prime Minister of Canada has a responsibility to assure that the highest standards of moral rectitude are maintained by the Cabinet of Canada. That is the point.

Since the Prime Minister did not answer either the first or the second question, I wish to ask him the third question. Considering that there are three other ordinary citizens, who were not Ministers of the Crown, in the same constituency as the Minister who not only had charges laid against them for infraction, but were convicted, and the Minister who, according to the Commissioner, violated the Act, did not even have charges laid against him, does the Prime Minister accept this as an acceptable standard of justice, one standard for the ordinary people of Canada and another standard for a Minister of the Crown? Is that the Government's view?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think upon reflection my hon. friend will regret that prefatory remark which is fundamentally unfair in respect of a

colleague in the House of Commons, and which violates very strongly the presumption of innocence.

My hon. friend was a Member of the House of Commons—I was not, but he was—when this legislation was created in respect of the Canada Elections Act and the interrogation capacity that flowed therefrom, including the Office of Commissioner. The Commissioner was made an officer of Parliament to ensure his complete independence from the Government and from other Members of Parliament. His responsibility is to interrogate, as he did, allegations against, as I understand it, the Member for Hamilton East, and the Member for Broadview—Greenwood of the NDP. He pursued these investigations, and he concluded that charges ought not to be laid. He decided that charges should be laid against other people in the exercise of his independent judgment as a servant of Parliament. I accept the independence of the officer of Parliament.

If my hon. friend has reason to disagree with the integrity or the independence of an officer of Parliament, then perhaps he should call him before the Bar of the House and deal with that particular officer of Parliament. I have no reason to believe that the officer acted in anything other than an objective and fair manner.

REINSTATEMENT OF MINISTER

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is also directed to the Prime Minister. The fact is that the Minister, in the full knowledge that he participated in an infraction of the Canada Elections Act, as stated by the Elections Commissioner, sat by silently while two of his workers were convicted in court on the issue of the infractions in which he participated.

I wish to ask the Prime Minister whether he thinks it is suitable for his office to appoint as a Minister of the Crown, a Minister who has been shown to have sat by silently while two of his own workers went to court and were convicted, who sat by silently and said nothing publicly about an infraction that he knew had been cited by the Elections Commissioner in a secret letter to him in November, 1985?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Member suggests, and I think I am quoting her accurately, that the Minister "participated in an infraction". The Minister did no such thing. Under British common law, only a court is capable of making that adjudication. Pending a conviction everyone is entitled to the benefit of the doubt and the presumption of innocence.

The Member states that the Minister "participated in an infraction", thereby suggesting that the Minister violated the law. Someone is entitled to his or her opinion on the conduct of all of us. But no one, except the court system, is entitled to say, having heard the evidence, that a Member of Parliament is or is not guilty. Until such time as a court in Canada makes that adjudication, every Canadian citizen, including Members of Parliament, is presumed to be innocent.

[*Translation*]

STANDARD OF ETHICS APPLICABLE TO MINISTERS

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, the words are not those of the Member for Hamilton East, but those of the Elections Commissioner, an officer of the Crown, who has stated explicitly that the Minister participated in the violation of subsection 62.6 of the Canada Elections Act. I would like to remind the Prime Minister that, if the Minister had been charged and found guilty, he could have been forced to give up his seat in Parliament. This is not a minor administrative problem. We are talking about a violation which has already brought two members of the Minister's own group before the courts. Now that the Prime Minister is aware of the facts that the Minister kept hidden for two years, namely that he himself was a party to the same offences as his associates who were brought before the courts, does he believe that the Minister should remain in the cabinet? Is that the level or the standards which apply to ministers of the Crown in the Mulroney Government?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I am surprised to see the senior members of the Liberal Party remain silent in view of extraordinary slanders made by the Hon. Member. What a distortion of the legal system and process! "If he was guilty, if he had done such and such a thing." The fact is that only the courts can come to such a conclusion. The Hon. Member said that the Elections Commissioner is an officer of the Crown. He is not. He is an officer of Parliament with discretionary and completely independent powers. The Commissioner had the responsibility to make a value judgment based on facts. He concluded that there were no grounds to file a complaint against the Minister. In the same circumstances and quite democratically, he also concluded that there were no grounds to lay charges against the Hon. Member for Hamilton East. In both cases, the Hon. Members were properly given the benefit of the doubt. This is the basic presumption on which Canada operates, and I am extremely surprised to see that the Hon. Member disagrees with this most basic presumption of our legal system.

• (1440)

[*English*]

PRIME MINISTER'S POSITION

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, my question is also for the Right Hon. Prime Minister, recognizing that he did not respond to the questions put by my Hon. Leader. He is aware that the Commissioner of Canada Elections wrote a confidential letter which says the following: "Even though the evidence demonstrates that you"—that is the Hon. Member for Frontenac—"took part in an infraction of Section 62(6) of the Canada Elections Act". In other words, in the letter of which the Prime Minister is now aware the Commissioner indicates—

**Mr. Clark (Yellowhead):** Read it all.

**Mr. Mulroney:** Read.

**Mr. Riis:** All right. "By having Lavalin Incorporated pay the campaign expenses of $2,235 for the benefit of Marthe Lefebvre"—

**Mr. Mulroney:** Read, read.

**Mr. Riis:** The point is—

**Some Hon. Members:** Read more.

**Mr. Riis:** My question to the Prime Minister is that the Commissioner of Elections—

**Some Hon. Members:** Read the entire letter.

**Mr. Speaker:** The Hon. Member.

**Mr. Riis:** Thank you, Mr. Speaker. Again to the Right Hon. Prime Minister, since the Prime Minister is now aware that the Commissioner of Canada Elections indicated that the Minister in question actually did commit an infraction of the Act—there is no question; he was not ambivalent about it; he said that there was an infraction—does the Prime Minister, now that he is aware of this, believe that it is appropriate to have in his Cabinet as a Minister of the Crown someone that the Commissioner of Elections has indicated did commit an infraction?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I may have an opinion about the conduct of my hon. friend and vice versa but, fortunately I suppose for all of us in society, it is not up to individuals to make adjudications in respect of guilt or innocence. It is up to the independent judiciary that is very much a part of our citizenship. The responsibility of an officer—

**Ms. Copps:** Send it to court.

**Mr. Mulroney:** The Hon. Member says: "Send it to court". The Commissioner, in the exercise of his discretion, decided not to send it to court. That is precisely the point. He decided not to send it to court because—

**Mr. Broadbent:** Why?

**Mr. Mulroney:** —in the exercise of his judgment he concluded that it ought not to go to court. He exercised his judgment and decided that it ought not to be brought to court.

If my hon. friend and the Leader of the NDP, who is now counselling with his House Leader, are offended by the notion of the presumption of innocence or the independence of an officer of Parliament, perhaps they can say so. As far as I am concerned this same officer wrote—and I hope my hon. friend listens carefully— rendered a decision in which he said, and this is Mr. Gorman, "I have decided that no charges will be laid against the Hon. Marcel Masse". That is his decision.

Surely my hon. friend will agree, in light of that decision, that all the presumptions of innocence, all the presumptions of innocence in this country, ought to flow to everyone, including Members of Parliament.

## RETENTION OF MINISTER IN CABINET

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I have a supplementary question for the Prime Minister. In terms of what Commissioner Gorman advised the Prime Minister, we can set that aside for discussion at another time.

It is now clearly evident. The Prime Minister now has the appropriate letter, presumably that the Minister has provided him, where it says that the evidence put before the Commissioner indicated that an infraction of the law had taken place, that the Minister had broken the law, as had a number of his associates during his campaign. They were charged, charges were laid, including the Lavalin company. My question to the Prime Minister has nothing to do with Mr. Gorman or his advice.

Now that the Prime Minister knows that a Minister of his Cabinet in fact did commit a violation, does he feel that it is appropriate for that Member to sit in Cabinet until the whole matter is aired?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think my hon. friend is really showing a pretty fundamental disregard of the basics that have to govern conduct, both in the House and in respect of the rights of all Canadian citizens regarding litigation of any kind.

My hon. friend says that the infraction of law was concluded by Mr. Gorman. Mr. Gorman's responsibility, if he believes that there was an infraction, is to lay charges.

**Mr. Broadbent:** Yes.

**Mr. Mulroney:** The fact that he did not lay charges—

**Mr. Broadbent:** Why?

**Mr. Mulroney:** My hon. friend says "why". I presume that it is because of the independence of an officer of Parliament. Surely he should not be asking the questions of me. He should be asking the questions of the independent officer of Parliament who chose not to lay charges.

Surely if I asked the Commissioner, thereby violating his independence, the Leader of the NDP would be the first one to attack me for intruding on the independence of an officer of Parliament.

Make up your minds. You either agree with the presumption of innocence or you don't, and if you have got a problem with Mr. Gorman's decision, ask Mr. Gorman.

## EXTERNAL AFFAIRS

CENTRAL AMERICA—PEACEKEEPING PROCESS—POSSIBLE CANADIAN PARTICIPATION

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is for the Secretary of State for External Affairs. According to news reports Canada's peacekeeping assistance is desired in Central America. Has the Government received a formal request, supported by all five Governments in the region, for Canadian peacekeeping personnel? If so, for what period of time is Canada prepared to commit such personnel?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we have not received such a formal request. I had the opportunity last week to meet, at their invitation, with the five Ambassadors or heads of mission of the Central American countries involved in the Arias peace plan. I indicated to them again, as I had last year during my visit to Central America, that Canada is interested in doing what we can to move forward the peace process in that region, and that we would certainly be prepared, if requested, to help in the design of a peacekeeping arrangement that might advance that process.

That is where the matter stands as of today.

* * *

## ROYAL CANADIAN MOUNTED POLICE

TAMIL REFUGEE CLAIMANT—ALLEGATION CONTAINED IN NEWSPAPER REPORT

**Mr. Sergio Marchi (York West):** Mr. Speaker, my question is directed to the Solicitor General. Last week Canadians were treated to an alarming degree of government incompetence in the awarding of landed immigrant status to a convicted terrorist. Today another report in *The Globe and Mail* reveals that both RCMP and Immigration failed to act on another case involving a Tamil refugee living in our country who is wanted by the West German police and Interpol on charges of "preparing an explosive attack".

Therefore I would like to ask a question of the Minister. Given that a warrant for his arrest was issued by West Germany in 1986, and that Immigration officials discovered this fact through an Interpol alert last fall, at which time they alerted the RCMP, can the Minister explain to the House why, during a period of almost six months, the Government failed to take any meaningful action and why the Government did not even bother to contact and question the individual in order to respond to Interpol and to ensure that there was no breach of Canadian security?



**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I am glad to have the opportunity to clarify the story to which the Hon. Member is referring.

I can advise the Hon. Member that indeed the West Germans did contact the RCMP in the fall of 1987. We did give them the information which they requested, and they have not requested anything further of us since that time.

I can also advise the Hon. Member that at the time the West Germans did contact us they told us that there was a warrant out wishing his presence in Germany as a witness only. There were no charges whatsoever laid against him.

I can further advise the Hon. Member that as of this past Friday that warrant had been withdrawn, and there is absolutely nothing outstanding against this gentleman at this time.

GOVERNMENT ACTIONS

**Mr. Sergio Marchi (York West):** Mr. Speaker, I have a supplementary question. I think Canadians, and myself, are reassured to learn of that information. However, I should like to ask a question of the Minister.

If in fact Interpol requested assistance of our Government, if there were an arrest order by the West German Government, one would have thought that surely it would have been incumbent upon the Government at least to contact and question the individual in order to respond adequately and expeditiously. That was not done.

Why did the Government have to wait until last evening upon interviewing the individual? That only came after the individual volunteered information to the Government, as opposed to the Government of Canada trying to solicit the necessary information six months ago to make a determination that no Canadian lives were in danger because of the possibilities as communicated by Interpol then. I ask him to compare that with what he knows now.

• (1450)

**Hon. James Kelleher (Solicitor General of Canada):** With the greatest respect, Mr. Speaker, that is simply not accurate.

At the time the gentleman in question first arrived in Canada which was the summer, 1986, we inquired of the West German authorities if they had any charges or information on him and we were advised by them that they did not. When they requested information on him in the fall, 1987, we gave it immediately and expeditiously. They requested nothing further from us.

I can tell you that as of today, Mr. Speaker, there are no warrants outstanding against this gentleman. In any event he was only wanted as a witness, never as a participant in any crime.

*Oral Questions*

## CANADA LANDS COMPANY

SALE OF EXPROPRIATED MIRABEL LANDS

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Right Hon. Prime Minister. It has to do with Canada Lands Mirabel Limited. We have learned that expropriated land was resold at 30 per cent below market value against the advice of Public Works officials. In an article by Claude Arpin in *The Montreal Gazette* on Saturday, the former Public Works Minister is quoted as saying:

> I went to see Brian Mulroney, and in 30 minutes I convinced him to get those fuddie duddies off my back so I could deal with this problem in my own way.

Does the Prime Minister recall that question? Will he tell this House why he permitted the former Minister of Public Works to do it his way?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, we have to start with the knowledge that tremendous injustice was done to the people of that particular area. The price to be paid by the former owners or the tenants was the level established in 1982-84, even though they may have purchased the property in 1985, 1986 or 1987. This was to allow every single member of that community to participate and purchase at exactly the same level. The same procedures were followed and they have all been reviewed. Everything over $70,000 has been approved by the Comptroller General of Canada.

REQUEST FOR CLARIFICATION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my supplementary question is for the Prime Minister. I want to give him an opportunity to clear up the confusion which surrounds this very serious matter.

Did the Prime Minister get the fuddy-duddies off the former Minister's back so he could appoint his cousin to sell off Mirabel lands 30 per cent below market value to Tory supporters? That is the question, Mr. Speaker.

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, two out of every three people in that particular constituency happened to vote Tory in the last election. They did so for a very good reason, because of the tremendous injustice perpetrated by the previous Government. The Prime Minister said to the former Minister of Public Works: "Install a system of justice. They have been unfairly treated. That is the procedure I want you to follow".

[*Translation*]

MIRABEL ISSUE—REQUEST FOR CLARIFICATION OF SALE OF PROPERTIES AND LOTS

**Mr. Fernand Robichaud (Westmorland—Kent):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister, and it is also related to the Mirabel transactions.

It was reported that more than 1,000 properties and some 60,000 acres of land were sold at close to 30 percent below market value. Why did the Government allow the sale of those lots at 30 percent below market value? Who made those decisions—

**Mr. La Salle:** You do not know the case! You do not know anything about that! I could tell you something about it.

**Mr. Robichaud:** Do not get excited, Roch! Who made those decisions? Who determined the value of those properties—

**Mr. La Salle:** It's dreadful!

**Mr. Robichaud:** —especially the lands which were sold to supporters of the Party?

**Mr. La Salle:** It's dreadful! I would be ashamed to talk about Mirabel if I were a Liberal!

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, let me refresh the Hon. Member's memory. It was the previous Government which perpetrated this chaotic situation.

**Mr. La Salle:** Right.

**Mr. McInnes:** It was an injustice to the people of the area. The Member for Joliette who was the Minister at the time endeavoured to commence and, in fact, completed a system which has brought equity to all of the people of that particular area.

[*Translation*]

INQUIRY WHETHER THERE WILL BE A PHASE THREE IN MIRABEL MATTER

**Mr. Fernand Robichaud (Westmoreland—Kent):** Mr. Speaker, we have to ask questions of Ministers even if it irritates them. Are we going to see a third phase soon, that is the sale of some 60 farms and about 12,000 acres of land? Will this property be sold at market value or will it be given away to friends at special prices? How long will the Minister allow such a ridiculous behaviour in this matter?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, it is interesting to see that the Liberals who fathered the great Mirabel scandal—

**Some Hon. Members:** Hear, hear.

**Mr. Mulroney:** —where individuals, ordinary citizens and farmers were ridiculed and treated with contempt by the Liberal government.

**Mr. La Salle:** Shame!

**Mr. Mulroney:** When the Conservative governement was elected, the Hon. Member for Joliette, who was then Minister of Public Works, was instructed by Cabinet to implement a program that will bring justice to the taxpayers of Mirabel.

**Mr. La Salle:** Apologize!

**Mr. Mulroney:** Finally, after the Liberal terror, there is justice from the Conservatives—

**Mr. La Salle:** Right on!

**Mr. Mulroney:** —and now the Liberals dare raise this matter. The people of Mirabel and Saint-Hyacinthe will remember you at the next election.

**Some Hon. Members:** Hear, hear.

* * *

[*English*]

## CANADA ELECTIONS ACT

### NEW DEMOCRATIC PARTY TAX DEDUCTIONS—REQUEST FOR COMMITTEE INVESTIGATION

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Chairman of the Standing Committee on Elections and Privileges.

The Member is aware that NDP supporters are receiving federal tax deductions contrary to the spirit of the present legislation, by washing their contributions to municipal candidates through the federal New Democratic Party.

Will the chairman undertake to have his committee investigate this NDP tax rip-off? Will he also undertake to determine how it is possible for the NDP to condone this sort of activity by calling before the committee, as a witness, the Hon. Member for Oshawa?

**Mr. John A. MacDougall (Timiskaming):** Mr. Speaker, may I say that the Hon. Member for York East has had a long, distinguished career as a municipal politician.

I am sure that all individual Members in this House, including New Democrats, would like to see this item referred to the Standing Committee. I ask the Hon. Member to send his request in writing to the striking committee which will be pleased to review it.

* * *

## CONSUMER AFFAIRS

### DRUG PRICE INCREASES

**Ms. Margaret Mitchell (Vancouver East):** My question is for the Minister of Consumer and Corporate Affairs who is also responsible, supposedly, for consumers.

We have learned that the price of generic labelled drugs has dropped about 1 per cent in Manitoba while prices of many brand name drugs have increased over 100 per cent in some cases.

Will the Minister explain, especially to four million Canadians who have no drug plan at all, why his friends, the multinational corporations, are being so greedy? Will he also explain to consumers why he is doing nothing as Minister for Consumer Affairs to stop this price rip-off?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, as the Hon. Member will know or should know, if she were following the debate on Bill C-22, there was nothing in Bill C-22 which could in any way shape or form contribute to an increase in the price of existing drugs. Even the most severest critics of Bill C-22 acknowledge that fact.

She may also be aware that, for example, in 1983 the CPI went up 5.8 per cent while the price of drugs went up 12.8 per cent. In 1987 the price of drugs went up 8.9 per cent while the CPI went up only 4.4 per cent.

The Member will also be aware that Bill C-22 provided for the creation of a Patent Medicine Price Review Board which has the power to keep the price increases of drugs below the cost of living unless there is justification not to. In other words, it will exercise a downward pressure on prices. The reason the Board is not in place and working now is because of the delaying tactics of her colleagues and friends in the Liberal Party. If she wants to blame someone for current price increases, she should blame her colleagues sitting around her.

• (1500)

### REQUEST FOR REVIEW OF DRUG PRICES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I think the Minister should also explain why the price of generic drugs has gone down. Perhaps he could explain that to the Canadian people.

I would also like to remind the Minister that the Bill is not yet in place. However, the Drug Prices Review Board was ready go ahead in December. Under this new Act it will have a mandate to look at drug prices over the past five years, as I understand it.

Will the Minister ask this board to meet immediately to review drug prices and recommend action to protect consumers and the provinces whose health systems are being completely eroded by the very high price of prescription drugs?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I find it incredible that I am now hearing representations made by that Party which did everything it possibly could to prevent the creation of the Drug Prices Review Board. The Hon. Member is now asking why we did not have it in operation yesterday. This is just absurd.

The Hon. Member should also talk to the former Health Minister of the Province of Manitoba who said to some researchers at the St. Boniface Hospital in Winnipeg that Bill C-22 was a good Bill but they had to oppose it because it was

too much of a political opportunity. I think we have some political opportunism here in the House now.

**Mr. Speaker:** This will be the last question in Question Period.

MINISTER'S POSITION

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my question too is directed to the Minister of Consumer and Corporate Affairs. He will know that senior citizens, the poor, and working-class Canadians are appalled at the gouging that is taking place at the hands of multinational corporations. They are even more appalled by this in view of the Minister's statement of November 18, 1986, when he said that the price of drugs "will not increase by one cent, not those now on the market, not those coming onto the market".

What is the Minister of Consumer and Corporate Affairs prepared to do today, not next week, next month or next year, to protect Canadian consumers from an unprecedented rip-off by the multinational corporations? What will he do?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I would have hoped that the Hon. Member might have had the integrity to read the entire quote in its context. I said there was nothing in Bill C-22 that would cause the price of existing drugs to go up by one penny. That fact was even acknowledged by the most severe critics of Bill C-22 and the Hon. Member knows that. I wish he would stop misrepresenting my position in that regard.

Second and most important, Bill C-22 provides for the first time at the federal level an agency that looks at the price of all drugs, not only those that have generic competitors, and will be exercising a downward pressure. It is not in existence today or fully operational because of the delays of the Hon. Member and his colleagues in the other place. As I said the other day, if he wants to find a villain, he should look in the mirror.

REQUEST THAT PRICE INCREASES BE ROLLED BACK

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my supplementary question is directed to the same Minister. It is not I who have raised the issue of integrity, it is this Minister. It is not only an issue of the high cost of prescription drugs, it is an issue for the Prime Minister and the Government about the integrity of the Government and how it keeps it commitment—

**Mr. Speaker:** The Hon. Member will put his question.

**Mr. Dingwall:** Mr. Speaker, in view of the clear, unequivocal commitments the Minister of Consumer and Corporate Affairs made to the House and Canadians that there will be no increases in the cost of prescription drugs, will he rise in his place today and give a clear undertaking to those consumers, senior citizens and the poor, that he will roll back those prices and reimburse Canadian consumers? Will he do the honourable thing?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I do not know what one can do to prevent members of the Opposition from making those patently false statements the Hon. Member has just made. It was an absolutely false statement.

Perhaps the Hon. Member should also be a bit more responsible and cease trying to invoke the elderly and the poor, and recognize that in Canada all senior citizens are covered by drug plans. In Canada, no one goes without drugs for lack of money. Everyone on welfare receives drugs.

Finally, the Hon. Member should acknowledge that under Bill C-22 there is, for the first time at the federal level, an agency looking at the price of drugs and exercising a downward pressure. He should be applauding the Government, not invoking these false, phoney accusations of which he has just been guilty.

**Mr. Dingwall:** Supplementary—

**Mr. Speaker:** I know the Hon. Member would want to pursue this matter, but the time for Question Period has expired.

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## PRIVILEGE

CANADA ELECTIONS ACT—ACTIONS OF FORMER COMMISSIONER

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I rise on a Question of Privilege arising out of the actions of the former Commissioner of Canada Elections, Mr. John Gorman, in a decision he took during the investigation into the breaches of the Canada Elections Act of the Hon. Member for Frontenac (Mr. Masse) and several of his associates during the last federal election campaign.

I would like to begin by reviewing the mandate of the Commissioner of the Canada Elections as laid out in Section 70(3) of the Canada Elections Act which states as follows:

> The Chief Electoral Officer shall appoint a Commissioner of Canada Elections—

**Mr. Speaker:** I certainly have every intention of hearing the Hon. Member, but before the Hon. Member gets too deeply into his argument could he assist the Chair by setting out exactly what he feels is his point of privilege? That, I think, would give the Chair some assistance. If he could do that, then the Chair might be in a more comfortable position. At the moment, I am having a bit of difficulty understanding exactly where the argument may be leading.

**Mr. Riis:** Mr. Speaker, I appreciate the intervention and I will do just as you have requested. I believe that there is a case of privilege in that the actions of Mr. Gorman have diminished the public's respect for the House of Commons and for

Members of Parliament. The actions he took led to a view which would be that there are two standards of justice in Canada, one that applies to cabinet Ministers and the other that applies to every other ordinary Canadian citizen. For that reason, I believe that I do have a prima facie of privilege and would like to present support for my case. By and large, that is the essence of the question of privilege.

As I said earlier, I would like to begin by very briefly suggesting that the appropriate section of the Canada Elections Act states the following:

> The Chief Electoral Officer shall appoint a Commissioner of Canada Elections—whose duties, under the general supervision of the Chief Electoral Officer, shall be to ensure that the provisions of this Act are complied with and enforced.

In the case of the Minister of Energy, Mines and Resources, the Commissioner of Canada Elections inquired into the allegations of the Elections Act violations as they were brought to his attention and did in fact find that violations had occurred.

You are likely aware, Mr. Speaker, that after the investigation took place, the former Commissioner, Mr. Gorman, caused charges to be laid against three officials and one company involved in the Minister's election campaign. Three individuals were charged in Thetford Mines, Quebec. Mr. John Vincent, the campaign organizer, was charged with five offences under Section 62(6) of the Canada Elections Act. As well, Gilles Remillard, the campaign auditor, was charged with violating Section 62(6) of the Canada Elections Act and Section 115 of the Criminal Code. Marthe Lefebvre, a campaign worker, was charged with one violation of Section 62(6)—

**Mr. Speaker:** Everything the Hon. Member is presenting may well indeed be factual, but I am having difficulty ascertaining how that particular information touches on a question of privilege which, after all, as we define it, means that something has been done which is affecting the ability of a Member or Members to carry on their duties.

I may be having difficulty accepting a position that may be more clear to others than it is to me. I would ask the Hon. Member to come back to the point of how it has affected himself or any other Hon. Member.

• (1510)

**Mr. Riis:** Mr. Speaker, I appreciate your intervention.

There are precedents which I could quote where there was found to be a prima facie case of contempt of Parliament. As Members of Parliament who must face our constituents virtually every day, we have an obligation to take whatever steps are necessary to maintain respect for Parlament and the work done by parliamentarians. This must be done in the eyes of the public and we must make that effort wherever and whenever possible. I believe that the decision taken by Mr. Gorman sends a very clear message to the people of Canada in that it casts a pall over all Members of Parliament and their activities during an election campaign.

If there was a message it was that, yes, the commissioner indicated in a confidential letter, which has now become public and therefore I feel comfortable in quoting from it, to the Minister of Energy, Mines and Resources that even though the evidence demonstrates that the Minister took part in an infraction of Section 62(6) of the Canada Elections Act, in his, Mr. Gorman's judgment, a prosecution against the Minister would not be in the public interest or in the interests of justice.

What I am suggesting is that that says to the people of Canada that here is an individual whose job it is to make recommendations to the Prime Minister (Mr. Mulroney) but who says, in spite of the fact that he suggested charges be laid against a number of individuals in the Minister's campaign as well as a corporation, it was not appropriate to charge the Minister who was obviously involved in his own campaign. My contention is that that appears to be a two-tiered system of justice.

While the commissioner felt it quite appropriate to recommend charges be laid against a number of ordinary Canadians, when it came to the Minister he felt it was in the public interest and in the interest of justice to not lay charges. I believe that reflects on all Members of Parliament. It appears that certain Members, those in the Cabinet, are not subject to the same rules and regulations that others would be.

I can, if you like, point out a whole number of precedents for a prima facie case of privilege being cited against individuals who are not in this House. Of course Mr. Gorman is not in this House. I could refer to the case, in May 7, 1976, when a prima facie case was found against a former Member of this place who had alleged that Members of Parliament took bribes. Clearly that was an instance of contempt of this House and, as in this case, had the effect of diminishing respect for the House of Commons.

That is my point. I believe the respect Canadians hold for Parliament and its elected Members has been affected and set in some disrepute as a result of the decision by Mr. Gorman. If you were to examine those actions by Mr. Gorman in light of the precedent I have just referred to and other similar ones, you would clearly find a prima facie case of contempt of Parliament has taken place.

It might be useful to remind ourselves of the wide scope permitted in allegations of this sort. I refer you to the 19th Edition of Erskine May, page 68, outlining the difference between a breach of privilege and contempt of the House:

> When any of these rights and immunities, both of the Members, individually, and of the assembly in its collective capacity, which are known by the general name of privileges, are disregarded or attacked by any individual or authority, the offence is called a breach of privilege, and is punishable under the law of Parliament.
>
> Each House also claims the right to punish actions, which, while not breaches of any specific privilege, are offences against its authority or dignity . . . Such actions, though often called "breaches of privilege" are more properly distinguished as "contempts".

Therefore I suggest that there has been an offence against the dignity of Parliament in this case. Any suggestion that there may be different types of justice for different Canadians, particularly those in Parliament, is something I think we have to take extremely seriously.

While I am on my feet, I want to remind you of what Joseph Maingot's *Parliamentary Privilege in Canada* says at page 192:

> While privilege may be codified, contempt may not, because new forms of obstruction are constantly being devised—there is no closed list of classes of offences punishable as contempt of Parliament.

In this case I firmly and strongly believe that the former commissioner has seriously hindered us in our tasks as parliamentarians. I believe in doing so he has committed a contempt of this House.

In conclusion, if you find a prima facie case of privilege, I would move that this matter be referred to the Standing Committee on Elections, Privileges and Procedure. I thank you for this opportunity to say a few words on this critical matter.

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I will be brief because I realize that today is an Official Opposition Day and I do not want to take up any more time than is necessary. However, there are some things we have to get on the record. My friend was given an unusual amount of latitude to put his case and I want to speak for two people who are not here.

I want to speak for Mr. Gorman, who is not in this House, not able to defend himself, who exercised his duty as an officer of Parliament in accordance with the Act, and now finds it being suggested that he is guilty of contempt of Parliament. I think it is unfortunate that such a charge would be laid against an individual who is not here and able to defend himself. The other person I want to speak for is the Hon. Minister of Energy, Mines and Resources (Mr. Masse).

There is a presumption not only in this House but in this country under democratic principles that you are presumed innocent until proven guilty—proven guilty. The Hon. Minister found out that there was an investigation under the Elections Act being conducted into his actions. He immediately advised the Prime Minister (Mr. Mulroney) and resigned or was relieved of his duties. In other words, he stepped aside as a Minister of the Crown. He did the honourable thing. Then, at a later date, November 28, the Commissioner of Canada Elections, the very gentleman who it is suggested is in contempt of Parliament, states this:

> I have reviewed the results of the investigation and I have decided that no charges will be laid against the Hon. Marcel Masse.

Mr. Speaker, the Act makes it quite clear that it is the function of the commissioner to decide whether or not to proceed to prosecute a case. The commissioner consents to prosecution only when he is satisfied that he has all the necessary facts and only in those cases where he believes it would be in the interests of justice to do so, and where there is every likelihood that the prosecution will succeed. The commissioner makes the decision, the same decision made every day by Crown attorneys and law enforcement officers, and he made the decision not to prosecute. He conducted an independent investigation, drew his conclusions, came to a decision, and announced that decision: No charges will be laid.

• (1520)

Any further action second guesses the Commissioner, amounts to double jeopardy for the Minister, and interferes with the jurisdiction of an officer of this House. I suggest even further, Mr. Speaker, that it puts every Minister, and in fact every MP, in an impossible situation because they are never charged, therefore never exonerated and, if you follow that reasoning to the end, never innocent. No one in a free democratic society such as ours would accept that conclusion or line of reasoning.

Perhaps I can make the point to the Hon. Member by quoting a member of the other place, a member who served in this House for a long time and would, therefore, know the difficulty of being a Minister of the Crown, as he once was, and being an elected Member of Parliament. Senator Pierre de Bané said: "The attacks on the rights of Marcel Masse are not justified and sap the basic principles of our system of rights".

That is a Liberal Senator and a former colleague coming to the defence of the system. He is coming to the defence of a system which says that you are innocent until proven guilty. In this case there was not even a charge laid because an independent commissioner, an officer of this House, said that there were not sufficient facts and it was not in the interest of justice to lay a charge. Surely he has fulfilled his duties and surely the system has been well served.

I think it is unfortunate to drag this out any further. It is unfortunate for the reputation of the Hon. Minister and very unfortunate for Mr. Gorman who is not here to defend himself. He served this country honourably as a member of the RCMP, took on a difficult position on the Elections Commission, and now finds himself pilloried by a Member of this House and cannot come to his own defence. I think that is very unfortunate.

I suggest to you, Mr. Speaker, that there is no contempt of Parliament. There is contempt for the system of justice that you and I believe in. There is contempt for the theory that you are innocent until proven guilty. I urge you, Mr. Speaker, with all of the knowledge that I have at my command of justice at the bar which both you and I served, to reject outright this suggestion that there has been any contempt of Parliament.

**Mr. Riis:** Mr. Speaker, I do not want to prolong this discussion but I do want to correct a couple of errors that the Hon. Minister of State just made. The individual in question, Mr. Gorman, is not an officer of this House. The Minister of State will note that an officer of the House is someone who reports to Parliament. Mr. Gorman never did report to Parliament. He reports to the Chief Electoral Officer.

**Mr. Hawkes:** And who does he report to?

**Mr. Riis:** The Chief Electoral Officer is an officer of Parliament. I just wanted to clarify that because the Prime Minister (Mr. Mulroney) kept referring to this individual as an officer of the House and he simply is not an officer of this House.

In spite of what my hon. friend has indicated, you will be aware of the numerous precedents of prima facie cases of privilege being decided against individuals who were not Members of this House. I want to make it clear that you do not have to be a Member of the House in order to be the subject of a question of privilege.

In my earlier comments I referred to the specific case on May 7, 1976, and there are many others. I simply wanted to make it clear on the record that you do not have to be a Member of this House to be named by the Speaker as being in contempt of Parliament.

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I would like to make a short contribution which might indeed be helpful to you.

The Member opposite has advanced the case that the actions of Mr. Gorman have in some way impeded the ability of Members of this House to carry on their duties. I see nothing in the submission that deals with the actions of Mr. Gorman.

The Member opposite goes on at some length on the issue of a two-tiered system of justice. Any reading of the letter would fail to find anything which could be interpreted as a two-tiered system of justice. The notion of a two-tiered system of justice comes from the Opposition. If contempt is really the issue about which the Hon. Member is concerned, the appropriate motion would be to examine the behaviour of the Opposition in the House of Commons for bringing the House into disrepute. It is certainly not Mr. Gorman's motion which is advanced at any point.

All of us who serve in this Chamber were involved in a campaign, subject to the Canada Elections Act. We were all involved totally in our campaigns in the sense that we signed statements about expenditures which our official agents signed as well. Whatever others did on our behalf when we were out knocking on doors while they were in the office, we did.

I am looking across at the Member for Hamilton East (Ms. Copps) who, I believe, signed a form which was found to put her in a position of contravention of the Act. Working with the elections officer in the investigation it was modified in some fashion to reflect—

**Ms. Copps:** Amended by the courts.

**Mr. Hawkes:** —a view of the facts, which was not the view first presented and signed and which would have been a contravention.

Parliament, in its wisdom in setting up this Act, very carefully included the principle that the official elections people would look at the circumstances of the case, reach certain conclusions, and make those conclusions firm and public.

It seems to me from the letter that was introduced by my hon. friend into evidence that Mr. Gorman has complied exactly with the Act. Some of the dispute in the House has centred on the word "involved". According to the Act we are all involved in all aspects of the campaign from the day we are nominated and file our papers to the day that we sign our expenses at the end of the line.

If evidence existed to show that the Minister of Energy had acted in a manner which caused the commissioner to think that charges should be laid, surely he would have laid charges. If Members opposite think that Mr. Gorman did not act in the manner required by the Act, surely they should present some proof to the House.

The Opposition's assertion that Mr. Gorman is in contempt of this House for creating a two-tiered system of justice that treated, Members differently than campaign team members were treated should be documented. There should be evidence produced that Mr. Gorman treated people in a two-tiered fashion rather than simply an assertion. The man surely deserves that much protection from the House and the Chair.

**Mr. Speaker:** The Chair has listened carefully to the representations that were made. The Hon. Member for Kamloops—Shuswap (Mr. Riis) did cite some authorities. I know Hon. Members will understand that I wish to do him the courtesy of reading them. I will look at them.

I must say, though, that in a case like this the Chair is under some particular difficulty. Even assuming for the moment that the argument which was skillfully put by the Hon. Member for Kamloops—Shuswap is one that the Chair ought to adopt, the Chair is in considerable difficulty over evidence that is not before us. Having listened very carefully to the argument and having listened very carefully to questions and answers put in the House for several days, it is not possible for the Chair to decide why a certain official decided to prosecute in some cases and not to prosecute in others.

• (1530)

Certainly from that point of view there is a lack of information which, as long as it is not there, makes it very difficult to draw any inference one way or the other with respect to whether the official conducted himself in an appropriate way. However, I want to assure the Hon. Member for Kamloops—Shuswap (Mr. Riis) that I know that he has raised a matter in a serious way. I will consider it and return to the House if I feel that that is appropriate.

# GOVERNMENT ORDERS

[*Translation*]

## BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—THE STATUS AND USE OF OFFICIAL LANGUAGES

The House resumed consideration of the motion of Mr. Gauthier:

That this House condemns the government for its inaction, its lack of political will and its hesitation to accept debate in the House of Commons, at the second reading stage, on Bill C-72 respecting the status and use of the official languages, thus causing a clear setback in the application of the Act by federal departments and agencies, in addition to having detrimental effects on national unity.

**The Acting Speaker (Mrs. Champagne):** When the House took recess at one o'clock, seven minutes remained in the period for questions and comments after the speech by the Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

[*English*]

I will now recognize Hon. Members who wish to continue question and comment period. Resuming debate.

**Mrs. Sheila Finestone (Mount Royal):** Madam Speaker, I am pleased to rise and participate in the debate today on the motion introduced to the House by my colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier). His motion states:

That this House condemns the Government for its inaction, its lack of political will and its hesitation to accept debate in the House of Commons, at the second reading stage, on Bill C-72, respecting the status and use of the official languages, thus causing a clear setback in the application of the Act by federal departments and agencies, in addition to having detrimental effects on national unity.

That legislation is of great importance to our society because it concerns two communities that have lived together, for the most part in peace and harmony, since 1760. This is a very important and vital issue in our society. We should get on with this question because I sense that the frustrations we saw in the House this morning mostly are due to the poor planning of the Government in bringing this measure to the floor for discussion.

Members of the Standing Joint Committee of the Senate and House of Commons has spent a tremendous amount of time, effort and considerable creative energy on this important issue, bringing their combined wisdom to bear to put together a very important Bill.

It is nice to stand up on occasion and congratulate the Government for doing a good job. While there are some omissions and areas of the Bill which need improvement, it is a good Bill on the whole. It provides the basis on which to have an exciting and dynamic discussion in the interests of living together in this experiment called Canada.

Many changes have taken place in Canada which have been manifest in good will. As an anglophone from Quebec who has made a very serious effort to become functionally bilingual, it has been very exciting to meet my francophone colleagues from Quebec who have become functionally bilingual. How many other countries can communicate in two languages?

This is very exciting when one considers that it brings the culture of two great peoples together.

I travelled out West with the Hon. Member for Charlevoix (Mr. Hamelin), who has serious concerns about official bilingualism. Together, we heard concerns expressed in Saskatchewan and Alberta by *Francophones dehors Québec*. We heard from the *Crie d'Alarme* and the need for service. We understood their heartfelt request for services.

I come from an English constituency in Quebec where we have a degree of concern about the application of the official language policy.

This Bill concerns a national issue and reflects the distinctiveness of Canada, which is home to two marvelous cultures and languages. Since we live in respect and harmony with each other, why can we not bring this Bill to the floor of the House of Commons to discuss it rationally? Let us accept and rejoice in these two cultures and promote the vitality of each of those communities.

I am not saying that there are no problems with the Bill, but I am suggesting that the new generation of Canadians throughout this land are preparing to work in both languages and want the respect for their individual languages to be part and parcel of the delivery of services by the federal Government. Let me remind Hon. Members that language is an important therapeutic tool. Therefore, the services delivered by the federal Government, whether through the Canada Assistance Plan or our cost-sharing programs, must respect that language of health and culture.

In his first Throne Speech in November, 1984, the Prime Minister (Mr. Mulroney) was full of hope and promises. He said that the linguistic minorities require and should have equality of access and equality of opportunity. In the October 1, 1986, Throne Speech, he said that he wanted to bring us into conformity with the Charter of Rights and Freedoms. In my view, nothing could be more important than doing just that.

In June, 1987, the three political Parties expressed satisfaction with the tabling of the long awaited legislation. However, a degree of apathy set in. I object to the complaints by the Minister of Justice (Mr. Hnatyshyn) when he said there was obstruction; in bringing this Bill forward. Debate on issues of national concern are part and parcel of the obligations of Members from all sides of the House.

However, the control of the agenda in a House with a majority of over 200 belongs to the House Leader of the Conservative Party. He had ample opportunity to bring the Bill forward and ensure that it had the full discussion it merits. This would have allowed us to clarify some of the difficulties within the Bill.

This motion was not moved today because we want to be obstructionist, we want to ensure that this Bill receives the acknowledgement and study it requires.

This Bill has been long awaited by various parties concerned with the issue of official languages. They include, among others, the Joint Committee of the Senate and House of Commons, the Office of the Commissioner of Official Languages and representatives of official language minority groups.

The Official Languages Act of 1969 has become outdated. A number of problems have surfaced as a result of applying the legislation on a daily basis for 19 years. This becomes particularly significant for Canadians who find that they are unable to live and work and express themselves or be served in the language with which they are most comfortable. It is very important that this Bill, which is practically new legislation, sees the light of day and is given the proper attention. The attitudes of Canadians have changed. They would like to see the application of the amendments which are warranted.

• (1540)

All Parties came to an agreement with respect to the new legislation which marks a turning point in the evolution of the language issue. It is likely one of the best pieces of legislation that the House has seen, and I congratulate the Government for it. We can follow up on all the criticisms and recommendations put forward in the different reports to the Standing Committee. We could be listening much more carefully to the Official Languages Commissioner.

A very fine article appeared in a magazine entitled *Language and Society*. It appeared in the fall issue of this magazine. In the article the author, Stuart Beaty, wrote about acts of faith and the relationship between the old and new Official Languages Act to the fundamental political and linguistic nature of Canada. He asked how the proposals to amend the Official Languages Act tabled on June 25 were to be interpreted, applied or enforced.

He went on to consider many of the aspects that are found in the Bill. He expresses an exciting concept in his article. He wrote about the relationship between the Act and the fundamental political and linguistic nature of our country. That is to say that he looked at this matter in the constitutional context. He considered the impact of our national commitment in this area and other sectors of society.

He commented on the primacy of the Act over other federal statutes as well as the executory nature of the Act and the need to spell out clearly application measures. He commented also on the ways of adapting bilingual services to regional and other differences, for example, by replacing the formula for designating federal bilingual districts which, as it so happens, have never been proclaimed, with a more practical one. This is something I would like to address in a moment, especially in terms of the practicality of the application of the Bill.

The two other major areas which he considers have to do with the integration into the Act itself of the objectives in the 1973 resolution relating to "language of work" and "full participation". Finally, he considers a better definition of the roles and responsibilities of the main federal agents active in this matter, including the Commissioner of Official Languages, with respect to prompt application of the provisions of the Act.

It is important that the Bill be sent to committee quickly in order that there can be open hearings and so that small amendments can be made to it. This will bring it into practical use for those Canadians who need it on an everyday basis. When we look at the preamble of the Bill, which is beautiful, we see that there is no definition of linguistic minority. It is important that we define it in the most generous of senses. It cannot deal only with the mother tongue or the language first learned. It has to deal with the language of use. If that is the case, then there will be a better application of the intent, the thought, the will and the wish behind this Bill.

Before I move on to another aspect I wish to point out the fact that with respect to hiring practices in the Bill there has been some deterioration. In this respect let us consider the civil service. In terms of percentages some 30 per cent of the civil service is francophone. However, that is misleading, particularly if one happens to live in northern Ontario, New Brunswick or in parts of Alberta or Saskatchewan. If one happens to be an anglophone in Quebec, then it is a serious problem. Some 5.5 per cent of the federal civil service in Quebec is composed of anglophones. Yet, in Quebec, people whose mother tongue is English make up 11 per cent of the population of that province, whereas those who claim it as their language of use total 13 per cent. In this respect we are talking about 800,000 people who live in my province and who have certain services but who are not represented and who are not supported in the hiring practices of the federal Government. Treasury Board was lax in the application of its responsibility and its mandate in this particular area.

In 1976, 12 per cent of the civil service of the federal Government in Quebec was English-speaking. The figure today is 5.5 per cent. That is very severe under-representation. In the Bill there is a recommendation that one should "tend to reflect" the distribution of linguistic minorities across the land. I think it should state instead "reflecting" linguistic minorities and not tending to reflect them. That is only one aspect of the Bill which I think needs to be addressed with a slight amendment.

I bring to the attention of Hon. Members an aggravating issue which arose recently. Hon. Members will recall that the Government decided that it would get rid of the $1 bill and replace it with that candy-shaped bronze-coloured dollar coin. In this respect the Government let a contract to promote its campaign in order to make the public comfortable with this new coin. Ads appeared across the country. Although they did not bear the logo of the Government of Canada, it was

reasonable to assume that they came from the federal Government since this was a federal Government initiative. In the year that the new Official Languages Act was in the making, an Act which speaks eloquently of the need to ensure the vitality of the linguistic minority communities, the federal Government felt quite comfortable about seeing advertising exclusively in French about this dollar coin in Quebec and exclusively in English in Ontario. That does not reflect the spirit and the intent of the law.

Under this Bill there is no control with respect to the responsibility for the promotion of federal initiatives unless they happen to deal with a federal Crown corporation. This is an area which needs to be looked at. What happens if the issue does not deal with a Crown corporation? What happens if a Crown corporation is privatized or semi-privatized?

An area which bothers me in particular, especially after reading the preamble, is the area of the Bill which deals with communications in terms of services to the public. There is a reference to significant demand. In this respect the concept is to determine in which region bilingual services will be delivered. In this respect what will be the determination of significant demand? How will we find it out? What are the demographic criteria that will be used? How will census data be interpreted? This is why a definition of linguistic minority, be it French or English, is key.

When one is obliged to provide a service it is important to know to whom the service is to be directed. I suggest that when the Act was enacted to reflect and to promote the linguistic duality of Canada the existence of a French-speaking majority in Quebec, an English-speaking majority in the rest of Canada, and the presence of official language minority communities in a number of provinces were the concrete manifestations of the promulgation of this Act. In this way we could support the linguistic duality of Canada, which is a fundamental characteristic of our country, something that is a principle accepted by all Parties in the House. Serious care has to be taken in how we define this significant demand. We need to examine carefully Clause 21(b) and Clause 22 to make sure that we reflect the spirit in this Bill.

• (1550)

I would also suggest that, when we talk about the nature of the office and the regulations that are to be enunciated, we have to be very certain that those regulations are carefully examined and the parties that are to be involved are consulted.

We talk about third parties and the services that are to be provided. In Clause 24 it states:

> Every federal institution has the duty to ensure that, where services are provided or made available by another person or organization on its behalf, any member of the public in Canada or elsewhere can communicate with and obtain those services from that person or organization in either official language in any case where those services, if provided by the institution, would be required under this Part to be provided in either official language.

I would like to suggest that we need to consider extending the obligations to render services, and such responsibilities should be extended to federally regulated utilities or enterprises which fall under federal jurisdiction, such as banks, airlines, railways, interprovincial transport companies, and telecommunications and broadcast policy. It is very important that this country have a stamp and footprint across this land that states that English and French wherever you may live should be available and the potential to understand the information that is being disseminated should certainly be the primary concern.

It is very difficult to speak to this Bill because we do not know what the regulations are and we do not know the definition and the criteria of certain of the services. In the interests of good will, in the interests of a new Canada, this new generation of Canadians, and the excitement of this experiment that is in such a wonderful place in the spectrum of the world, it is important that the principle of equality be brought to our attention and that we deal with it expeditiously.

The preamble sets the stage for the Bill. It provides a guide to the spirit of generosity and reform in which the new law is to be interpreted. With a few amendments, this Bill supplies the glue that will mark the vitality and the difference that is this nation of Canada.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** Resuming debate. The Hon. Member for Témiscamingue (Mr. Desjardins).

**Mr. Gabriel Desjardins (Témiscamingue):** Madam Speaker, I welcome this opportunity to take part in the debate today. I do so as a Member of this House who has a keen appreciation of the importance of the official languages question, and especially as Joint Chairman of the Standing Joint Committee of the Senate and the House of Commons on Official Languages.

Madam Speaker, before I start my speech, I want to congratulate and thank all Members on the Committee, both from the House of Commons and the Senate, who in the past few years have made a vital contribution to the committee's work. I say this in a strictly non-partisan spirit, since we are all working for the same cause, which is to defend and promote the status of official languages in this country.

I also wish to thank all members of the Committee's staff for their dedication. They often work 18 or 20-hour days, providing our Committee with what it needs, often work under difficult conditions.

Finally, I think we should recognize the important work done by the Commissioner for Official Languages and his team who, in the Commission's annual report, provide us with a picture of the status of official languages in this country, thus helping our Committee set its priorities.

That being said, Madam Speaker, I have been listening very carefully to the various speeches we have heard in the House today on the Opposition motion. For the benefit of Hon. Members, I would like to read the motion presented by the

Official Opposition and the Member for Ottawa—Vanier (Mr. Gauthier), and I quote:

> That this House condemns the government for its inaction, its lack of political will and its hesitation to accept debate in the House of Commons, at the second reading stage, on Bill C-72 respecting the status and use of the official languages, thus causing a clear setback in the application of the Act by federal departments and agencies, in addition to having detrimental effects on national unity.

Madam Speaker, after listening to the various speeches thus far, one cannot help concluding that the wording and even the credibility of the motion leave something to be desired. This morning, it was made clear—and like many other Members I heard this for the first time this morning—that before the holidays a proposal was made to expedite the Bill and refer it to a legislative committee, a proposal that was turned down by the Opposition. And for what reason? We are told it was because they wanted to hear as many Members as possible on the Bill.

This is no doubt a very valid reason, but if we ask the linguistic minorities in this country, the Francophones outside of Quebec, the Commissioner for Official Languages, if they would not have preferred to see the Bill adopted rapidly and implemented rather than to have a lengthy debate which would cause the adoption of the Bill to be delayed, it would be up to those who favour such a debate to argue their case and I hope that the question will be put to them.

This is why I am saying, Madam Speaker, that some form of discredit should be placed upon the motion we have before us today. One thing is certain, Madam Speaker, as those who sit on the Official Languages Committee know full well, and it is that Bill C-72 has become absolutely necessary and essential. Why? Quite simply because the current Official Languages Act that was enacted in 1969 had become outdated, it had become laughing matter and was not being adhered to.

Madam Speaker, we are not to blame if previous Governments were soft and a bit too lax in the interpretation of that Act and this is why we found ourselves in 1984-85 with a totally archaic Official Languages Act that had no real impact anymore at the various levels of Government and Canada's Parliament.

Madam Speaker, I pointed out this morning a few cases involving agencies or Crown corporations or departments that appeared before our Committee since 1985. There were more than thirty of them. Hardly three would deserve to be graded B, "very good" under the Official Languages Act. This is why the situation is quite alarming, Madam Speaker, if not dramatic, within the various levels of Government and the Canadian Parliament. As I said, Madam Speaker, this is due to the soft, laxist attitude that prevailed for some fifteen years in the implementation of that Act.

Madam Speaker, we heard this morning that they would rather have a debate where the greatest numbers of MP's could deal with the legislation. We were also told they would like to see and hear Members who might oppose the legislation.

• (1600)

Madam Speaker, what I admire in a Parliament, a Government, is the freedom of speech, because it is wishful thinking to suppose that in a Parliament with 282 Members everyone would always agree on legislation. And I for one am proud to be a member of a party where everyone can express his own views when there is a real debate on legislation. That is what party democracy is all about, and it fully exists within this Government.

I suggest we had an example in this House some months ago, during the debate on capital punishment. We heard very rational debates during which one fully respected the opinions of others. Some people said they were against the death penalty because they saw it as a means of eliminating crime, while others, myself included, said it was no answer to crime, and in that fascinating debate expressed opinions which were respected and, in my opinion, that is democracy in action, Madam Speaker. And if there is an entirely open debate, as some wish, I hope Members of the opposition parties who are against that Bill, and there must be some of them, will say so.

The important thing for a government, Madam Speaker, and we did it many times, is to take the decision that serves the national interest. And when the majority but not all people clearly express themselves for the national interest—this Government has always acted in the national interest, and that is what it will do once again with Bill C-72.

Madam Speaker, what is Bill C-72? I think it is important to give a general outline and mention its most important parts. It might be interesting to note that Bill C-72 contains no fewer than 103 clauses, compared to the forty sections or so of the present Official Languages Act. It is worth mentioning the presence of a preamble in Bill C-72, something rarely seen in public bills, which only shows that the legislator has every intention to enact very clear and precise legislation.

And what do we find, Madam Speaker, in the preamble of this Bill? The preamble of this Bill is really very precise and refers to bilingualism in the workplace, to fair participation and to the federal government's commitment to enhance bilingualism, to support English and French linguistic minority communities and to cooperate with the provinces.

It is also worth noting, Madam Speaker, that the preamble refers to the important promotional role that the Canadian government will have to assume regarding the official languages.

The Bill then defines the three main purposes of the proposed Act. The purpose of Bill C-72 is, firstly, to ensure that English and French have equality of status. Secondly, to support the development of English and French linguistic minority communities and to advance the equality of status of

the official languages. And thirdly, to set out the powers and duties of federal institutions in this matter.

Madam Speaker, Bill C-72 is divided in 14 parts and I should like to quote from some of them which are entirely vital and essential to that bill. In Part I of Bill C-72, one clause appears as follows:

> 4.(1) English and French are the official languages of Parliament and everyone has the right to use either of those languages in any debates or proceedings of Parliament.

This seems to be taken as granted, but the members of the Committee on Official languages were supprised to learn almost a year and a half ago, after having asked a legal adviser whether the House of Commons and the Senate were subjected to or covered by the Official Languages Act, that no, the House of Commons and the Senate were not covered under the Official Languages Act now in effect.

Therefore Bill 72 confirms that French and English are the official languages of Parliament, everyone having the right to use either one of them in the debates and proceedings of parliament. It is high time, as you will agree, that in 1988, such an established fact be recorded in a legal statute.

Further, Madam Speaker, we find Part III of the Bill dealing with the administration of justice where it is clearly stated:

> 13. English and French are the official languages of the courts, and either of those languages may be used by any person in, or in any pleading in or process issuing from, any court.
>
> 14.(1) Every court has, in any proceedings before it, the duty, to ensure that any person giving evidence before it may be heard in the official language of his choice, and that in being so heard the person will not be placed at a disadvantage by not being heard in the other official language.

Those are very imporant provisions as far as the administration of justice is concerned.

Moreover, Madam Speaker, if we refer to Part IV dealing with communications with and services to the public, it is of tremendous importance for the Canadian public and for people dealing with federal services. This legislation does say the following:

> 20. Any member of the public in Canada has the right to communicate with and to receive available services from federal institutions in accordance with this Part.
>
> 21. Every federal institution has the duty to ensure that any member of the public can communicate with and obtain available services from its head or central office in either official language—

This concerns communications, Madam Speaker, and it is true of all the parts of this legislation which clearly shows that we were committed to make it a very clear and precise Bill.

Part V, which is a vital part of this legislation, deals with language of work. It clearly says this:

> 33. English and French are the languages of work in all federal institutions, and officers and employees of all federal institutions have the right to use either official language in accordance with this Part.

It is clear, Madam Speaker; it is now stated in a bill.

Part VI, Madam Speaker, deals with the participation of English-speaking and French-speaking Canadians

> 38.(1) The Government of Canada is committed to ensuring that (a) English-speaking Canadians and French-speaking Canadians, without regard to their ethnic origin or first language learned, have equal access to appointment and advancement in federal institutions; and

I think this is also a very important point in this legislation.

Then Part VII deals with the advancement of English and French. Madam Speaker, in a country whose identity is deeply rooted in both cultures and both languages, the advancement of English and French is absolutely vital, and it reads as follows:

> 40. The Government of Canada is committed to (a) enhancing the vitality of the English and French linguistic minority communities in Canada and supporting and assisting their development; and (b) fostering the full recognition and use of both English and French in Canadian society.

Madam Speaker, all the clauses, all the parts of this Bill relate to one aspect or another of our country's official languages.

The Commissioner of Official Languages must be delighted with Part IX of this Bill because it extends the duration of his tenure of office.

Finally, Part X of the bill deals with court remedy. This is also something entirely new, madam Speaker, and it is important to know that from now on, following the adoption of this Bill, any person who has made a complaint to the Commissioner will be able to institute proceedings before the Courts against Government authorities.

With this quick overview of the bill, Madam Speaker, I think I have demonstrated that it had become necessary, considering that we had been obliged to operate under a legislation which is quite outdated and archaic: we needed only to hear what was going on and the testimonies which were presented to the Committee on Official Languages to realize that we had to act.

In this connection, I feel compelled to mention the remarkable contribution made by the Hon. Member for Charlevoix (Mr. Hamelin) who, over the past year or year and a half, has managed to give a new momentum to the Committee on Official Languages, together with the other Committee Members, including the Hon. Member for Ottawa—Vanier (Mr. Gauthier), the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) who took part in this debate this morning, the Honourable Member for Saint-Boniface (Mr. Duguay) who sought from the individuals, departments and organizations appearing before the committee suggestions for remedies, an other means of rectifying the situation, which is not easy, Madam Speaker, because some people having gained seniority through 15 years of leniency, it was almost impossible to impose bilingualism on them. I find solace, however, when I hear heads of Departments or Crown Corporations or Federal organizations declare that they will present us with plans to remedy the situation and that they will assume their responsibilities in the area of official languages.

Madam Speaker, I should like to mention that a Prime Minister and a Government which so far have achieved so much will go ahead and make sure that Bill C-72 is adopted within the next few weeks. If I say so, madam Speaker, it is on the basis of the rather exceptional and extraordinary record of this Government and Prime Minister.

• (1610)

**Mr. Boudria:** Get serious!

**Some Hon. Members:** Oh, oh!

**Mr. Desjardins:** I can see some members of the Opposition do not agree. Well, let them answer this question: when we, when this Prime Minister campaigned in 1984, what was the central theme of our platform? Wasn't it "Jobs, jobs, jobs"? In 1987, we had figures showing that we created more than one million jobs in this country, 80 percent of which were permanent jobs. This was an undertaking of this Prime Minister and of this government and we delivered.

Madam Speaker, what else did we say in 1984? We promised to reduce the deficit. Actually, the Minister of Finance (Mr. Wilson) did quite a remarkable job with his strategy aimed at deficit reduction. Since we took office, the deficit was reduced by more than $8 billion. What else did we say in 1984? We talked about national reconciliation. Does anyone of those who were yelling earlier have anything to say about the Meech Lake Accord, which is probably one of the greatest achievements of our Prime Minister and of this government? Another promise that was kept. Who initiated the talks on free-trade? Our Prime Minister did, because he wants prosperity for the people of Canada. Another commitment that was kept in the best interests of all Canadians.

We promised a tax reform and we delivered since it is being implemented. That means that the Official Languages Bill will only be one more addition to a long list of achievements which this government can be proud of. I am sure that Bill C-72 will be passed in a few weeks. It is a major part of our legislative agenda because we want our minorities to be proud of their roots and we want their members to be first-class citizens with equal rights.

**Mr. Gauthier:** Madam Speaker, I must say that sometimes the Hon. Member's comments surprise me. Generally, however, as Joint Chairman of the Joint Committee on Official Languages, he does his job and does it with great dedication, and he knows perfectly well why we are having this debate today.

Madam Speaker, I heard the Hon. Member repeat what a number of ministers were saying this morning about the business of the House, which was that the Government proposes and the House disposes. One Friday afternoon, at half-past one or two o'clock, the Government came to ask me whether we would agree to quick passage of the Bill with one speaker per party. I said no, this was not satisfactory for a Bill as fundamental as this one, as important as the Meech Lake Accord. I felt that only one speaker for the Official Opposition, one for the New Democrats and one for the Government, would not be enough and would not do justice to Anglophone Members from Quebec, Francophone Members outside Quebec, Francophones from Quebec and Members generally. That is why I refused to pass this Bill in an hour's time with only three speeches.

I think the Hon. Member can hardly blame me for digging in my heels. He can't say we threatened the Government with a filibuster. That isn't true. We never threatened the Government with a filibuster. We only asked for a democratic debate where as many Members as possible would be able to participate. I think that is fair. I think that is democratic. My question is a very simple one. Since the Hon. Member is now aware of the situation and knows exactly what happened that Friday afternoon, would he have agreed—in his speech he asked us to explain why we acted the way we did—would he have agreed to pass Bill C-72 at top speed without giving other Members of this House a chance to comment? Would he have been willing to treat this issue without the care it deserves? Would he have agreed to expedite a Bill through the House, to ram it through in a hurry to avoid any possible controversy? I hardly think so, but I am asking him just the same. Quite frankly, would the Hon. Member have agreed to let this Bill be passed with three speakers and an hour's debate on a Friday afternoon?

**Mr. Desjardins:** Madam Speaker, I thank my colleague the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his comment and question.

The question is adressed to me. I would rather ask those groups concerned across the country. In the final analysis, they are the ones, I believe, who will voice their opinions, once they are made aware of the facts. And as far as I am concerned, their opinion is the one that counts. I must say to the Hon. Member that I am not convinced that these groups would have opposed a decision taken in the context you have just described, since they are not so much concerned with the duration of this debate, which may last several days if necessary, as with the resulting legislation and its implementation. And in saying this, I am sure that I am in no way misrepresenting the opinions of those to whom this question could be put. I therefore wish to see this Bill adopted as quickly as possible. What form will the debate take?

If you insist on hearing every Hon. Member who wishes to speak, there will be no end to the debate, in my opinion at least. I do not think that such a course of action would serve the national interest. If you wish the kind of debate we normally have, then I believe you will get what you want. I am convinced, as I have said before, that the debate will take place in the coming weeks and that it will take the form that the Government so chooses.

**Mr. Grisé:** Madam Speaker, I want to join my colleagues in congratulating the Co-Chairman of the Joint Committee on Official Languages, the Hon. Member for Témiscamingue

(Mr. Desjardins), for doing such marvelous work on that committee and, particularly, Madam Speaker, for following in the footsteps of the Hon. Member for Charlevoix (Mr. Hamelin) who performed an exceptional and gigantic task in that area.

I have a comment to make and a small question to put to my colleague, the Hon. Member for Témiscamingue (Mr. Desjardins). I quote what Mr. Michel Roy wrote in *La Presse* of June 30, 1987: "Thanks to that new legislation, Canadians will finally be able to communicate more easily with federal institutions and get services in the official language they prefer. The new legislation also gives government employees better opportunities to work in their own language in federal institutions, something which many of them could not do until now. In the area of justice, access to federal courts of law will be assured to Canadians in either official language. Everywhere, and no longer in a few provinces, they will be able to use French or English in oral or written proceedings. From now on the Official Language Commissioner will be able to initiate investigations, offer his mediation and present reports on compliance with the spirit and the letter of the law. In cases where complaints are not resolved, a judicial appeal will also be provided."

Madam Speaker, that being said, I will be very brief. Does the Hon. Member for Témiscamingue think the people who appeared in committee and the Canadian people in general are more interested in the passing and implementation of that Bill than seeing a number of Liberal Members rise one after the other to say in their speeches that is really a good Bill? What is more important for the Canadian people, Madam Speaker? I would like the Hon. Member for Témiscamingue to explain it to us. Is it the enactment of the legislation or listening to Members in the House?

**Mr. Desjardins:** Madam Speaker, I would like to thank my colleague from Chambly (Mr. Grisé) for his comments. It is true that if you ask French-speaking Canadians outside Quebec and all minority language groups in the country, they will tell you quite frankly and honestly, I think, that they want the Bill passed. They are not concerned about the way it will be passed, they have no use for the mechanics of the thing. We want the Government to pass the Bill as quickly as possible. I recall what the Hon. Member for Ottawa—Vanier (Mr. Gauthier) was saying this morning. He wanted a quick debate to take place very shortly. We have offered that opportunity, but it was refused. Now the opposition would like us to bring that legislation up for debate, but they should have made up their mind earlier.

We had made a proposition which was refused for various reasons, but eventually, as I said earlier, we will come back to this Bill, because it is tremendously important for Canada, for the identity of the country, for both cultures, to give Canadians a new pride in their country and the chance to live in the language of their ancestors.

## PROCEEDINGS ON AJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mrs. Champagne):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of ajournment are as follows: the Hon. Member for Yukon (Mrs. McLaughlin)—Regional Industrial Expansion—Northern development—Government Policy/Consultation Process; the Hon. Member for Moose Jaw (Mr. Gottselig)—Agriculture—Special Canadian Grains Program—Coverage of irrigation farmers; the Hon. Member for Vancouver East (Mrs. Mitchell)—Visible minorities—Citizens of Chinese origin—Past injustices.

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• (1620)

## GOVERNMENT ORDERS

[*Translation*]

### BUSINESS OF SUPPLY

ALLOTED DAY, S. O. 82—THE STATUS AND USE OF OFFICIAL LANGUAGES

The House resumed consideration of the motion of Mr. Gauthier:

> That this House condemns the government for its inaction, its lack of political will and its hesitation to accept debate in the House of Commons, at the second reading stage, on Bill C-72 respecting the status and use of the official languages, thus causing a clear setback in the application of the Act by federal departments and agencies, in addition to having detrimental effects on national unity.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Madam Speaker, I am pleased this afternoon to take part in this debate concerning the official languages. First of all, I should like to congragulate the Hon. Member for Ottawa—Vanier for the excellent motion he has moved today. Madam Speaker, it is clear that the Members of this House—most of them, if not all of them—support this bill, but we are all aware that a number of Tory Members do not. But when the majority supports a legislation, two things are needed: first, a little more courage on the part of Government to go ahead with the second reading. That is exactly why the Hon. Member for Ottawa—Vanier called the attention of the House on this debate. It is to make the Government realize that the Official Languages Act is an issue in which Canadians are very much interested and that most Members of the House, with the exception of course of a few Tory Members, want to adopt this bill.

Madam Speaker, I do not intend to deal with this issue in an overly partisan manner. Because you know me better than that, you realize that I should like first of all to deal with the issue of official languages. But this morning, the Minister of Justice (Mr. Hnatyshyn) and a number of other Government

Members, including the Hon. Member for Chambly (Mr. Grisé), as Parliamentary Secretary to the Deputy Prime Minister, chose to blame the Hon. Member for Ottawa—Vanier . . . You can imagine the gall of a Tory member blaming the Hon. Member for Ottawa—Vanier for his contribution in the area of official languages! Just as the Hon. Member for Charlevoix (Mr. Hamelin) for that matter, the Hon. Member for Ottawa—Vanier has done a tremendous job on this issue. I see that someone is rising on a point of order.

**Mr. Grisé:** On a point of order, Madam Speaker.

**The Acting Speaker (Mrs. Champagne):** The Hon. Member for Chambly (Mr. Grisé) on a point of order.

**Mr. Grisé:** Madam Speaker, I listened to my friend from Glengarry-Prescott-Russell (Mr. Boudria). I never questioned the capacity and the work of the Hon. Member for Ottawa-Vanier this morning. I asked him the following question: What has his government done from 1980 to 1984? What has his government, the then Liberal Government, done, as far as official languages are concerned, from 1980 to 1984, Madam Speaker, since I never—

**The Acting Speaker (Mrs. Champagne):** The Chair appreciates the Hon. Member's remark but it was not a point of order. The Hon. Member from Glengarry-Prescott-Russell (Mr. Boudria).

**Mr. Boudria:** Madam Speaker, I am wondering how come the Hon. Member, the parliamentary secretary to the Deputy Prime Minister—

**Some Hon. Members:** The Hon. Member for Chambly.

**Mr. Boudria:** —the Hon. Member for Chambly—I thank my colleagues for reminding me—has such a short memory that he does not even remember the criticism he has made this morning. I suggest that he reads *Hansard* tomorrow and rather slowly at that so that he be able to understand what he has said.

So, I was mentioning the extraordinary contribution of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) in the official languages field and I was saying that we could also praise the contribution of the Hon. Member for Charlevoix (Mr. Hamelin), who has chaired the Official Languages Committee to which I attend regularly when it is not sitting at the same time as the committe of which I am a member.

The Hon. Member for Ottawa—Vanier, as we know, has been and still is a member of the Richelieu Club, has been a school board commissioner and has worked for many years in the field of the official languages, has even been elected Man of the Year, Madam Speaker, in 1970, by the Junior Chamber of Commerce, and has been chairman of the Official Languages Committee for many years. So, Madam Speaker, you see and I trust all Members except the one for Chambly (Mr. Grisé) have seen that the Member for Ottawa—Vanier has done a good job, and I think it was my duty to mention it here today if only in case other Hon. Members, following the example of the Hon. Member for Chambly, would question the competence of the Hon. Member for Ottawa—Vanier.

At last, we are talking about the question of official languages. Some were asking: What has the Liberal Party done in the field of official languages? Can you imagine once again the ignorance of some Conservative Members, of some ministers indeed who do not even remember the Liberal contribution! I have in front of me the five volume report of the Laurendeau-Dunton Commission, the so-called B & B Commission, which was active in the 1960s, and which had been appointed by Prime Minister Pearson to look at the whole official languages issue; it is as a result of that very famous report that we have developed a very much needed official languages policy in our country, a policy which was finally implemented because of a Liberal initiative many years ago.

A few years later, in 1969 I believe, this House passed the Official Languages Act which gave English and French equal status in this country. And we will recall, as was mentioned this morning by the Hon. Member for Ottawa—Vanier, the private member's motion, the 1973 resolution which not only reasserted the principle in the Official Languages Act, but also made clear the right of public servants to carry out their duties in the official language of their choice. However, I have to admit that this principle I just stated has not yet been implemented entirely, even today, even under this government, although they might want to brag about it. We know all too well that francophone unilinguals the public service of our country, particularly within the RCMP and other government agencies, will advance much less than anglophone unilinguals. I think we all agree on that. That is the sad reality. But I think all members of this House are unanimously willing to improve that situation, and the Standing Committee on Official Languages has looked at that issue. I have myself attended many meetings where that question was addressed, for example in relation to the RCMP as well as other police forces.

• (1630)

In 1978, the Liberal Government implemented the Court Challenges Program to provide financial support to Canadians who wished to have their linguistic rights recognized by the courts. Hon. Members will recall that a number of Canadians in Manitoba made use of such services to obtain recognition of their historic rights which had been ignored for nearly 30 years.

Finally, in 1979, the Conservative Government created the Official Languages Committee, but this Committee was not unable to hold any meetings. In 1980, the Liberal Government re-established the committee and appointed as its chairman the Hon. Member for Ottawa—Vanier, whom we still have the pleasure of having among us today.

Bill C-72 is without doubt the most important official languages reform since the original piece of legislation in 1969.

Why would the Government try to stifle the debate and ask that there be only one spokesman for each political party represented in this House? In view of the importance of Bill C-72, I have to ask mysef a serious question: Why would the Government not want to have a few days of debate on such a Bill in this House?

I see before me the Hon. Minister for Consumer and Corporate Affairs (Mr. Andre) who took up so much of the time of this House to discuss his famous Bill C-22, which is going to make large multinationals richer at the expense of low and middle income Canadians. I have to ask myself whether it would not have been preferable to take a few days to examine Bill C-72 instead.

I also have in mind another Bill, the one suggesting that Canada was being invaded by refugees last summer, a Bill which most Canadians have already forgotten. Why did the House not take a few of those wasted days to discuss Bill C-72? It had already been introduced. As a society, would we not have gained more by examining Bill C-72 than by discussing the so-called Refugee Bill, which has now been forgotten? I am certain that all Hon. Members would agree that Bill C-72 is more important than those I have just mentioned.

Yet, when the curtain was coming down last June, the Government wanted to close the session by giving second reading to Bill C-72. What would have happened then? The Hon. Member for Ottawa—Vanier would have been allowed to speak to this important bill, one NDP Member, the Minister responsible for the Official Languages Act, but nobody else. Even the chairman of the official languages committee would have been unable to make a few comments on such an important bill. Madam Speaker, imagine the scenario as the Government saw it last June: even the chairman of the official languages committee would have been prevented from taking the floor on Bill C-72, the reform concerning the official languages of Canada, all Members of the Committee on Official Languages as well as those Conservative backbenchers who do not support the Official Languages Act would also have been prevented from having their say. This may have been the strategy of the Conservative Government. Perhaps the strategy of the Government was to allow only one Conservative Member to speak, just so the other Government Members who were against the measure would not have the opportunity to rise in the House and express the views of their constituents.

I do not agree with the Conservative Members who are against the Official Languages Act, but still I think they have the right to be heard in this House even though I simply do not see eye to eye with them. Their constituents sent them here to Parliament Hill to speak and express their aspirations. Should a Member decide that his role is to speak out against Bill C-72, I will feel bad about his speech, I will go as far as condemning his remarks, but indeed I will respect the Hon. Member's right to say what he thinks.

Madam Speaker, we Members of the Liberal Party are not alone when it comes to questioning such delays on the part of the Government. I have here an article from the *Journal de Montréal* dated November 27, 1987 intitled:

> Official Languages: Concern over Ottawa's procrastiration

And that article states precisely the following situation, and I quote:

> The Conservative Hon. Member for Richelieu Mr. Louis Plamondon explained that discussions were still going on within the Conservative Caucus concerning the objective and modes of implementation of the Bill.

I quote:

> This is not a priority for some people, he said, before adding that there was no systematic opposition to the Bill in the Caucus. "There will always be debates, he indicated. Some will still be discussing when we have reached third reading, and they might back down our vote for this Bill."

Then, even a Government Member recognized that some of his colleagues were not in favour of this Bill, although he said there would be no obstruction on their part in the House.

However, it is important to note that the Government did back down not because more than one member of the Opposition wanted to speak but because the Government was concerned about the speeches of Government Members and not of members of the Opposition.

That is a legislation that may be of a very rare nature, in the sense that Opposition Members I believe, all those I know at any rate, support the Bill, while objections or opposition would rather seem to come from certain Government Members.

What caused that opposition? This is rather difficult to explain, Madam Speaker, but I would remind you that last summer we had here in Ontario a provincial election. The whole issue of official languages was raised during that election. For a long time, some Liberal MLA's had been wanting Ontario statute that would guarantee the provision of services in French. I was one of those, Madam Speaker, during the 1981-84 period, when I was a Member of the Legislative Assembly. On a number of occasions I requested an Act to guarantee French services in Ontario. At that time, the then Conservative Government declined, it denied French-speaking Ontarians that privilege to be served in their language, in their own province, where a large number, especially in my constituency, had been living for generations. In my constituency indeed, Madam Speaker, we still have the Municipality of the Township of Longueuil which, as you probably surmised, was the Seigniory of Longueuil before the 1791 Constitutional Act. Imagine, living in 1983-84 in the Township, of Longueuil and having to ask the Ontario Government for the right to be served in the official language, a right that existed since the 1784 Quebec Act in that same area.

At any rate, that is an issue that we raised at the Legislative Assembly at the time, and when the Ontario people recognized the time had come to change Governments in Ontario—and God knows the time was ripe after 42 years, eight months and some odd days—the people elected a Liberal Government that lost no time in enacting a statute ensuring French services in

Ontario. But there was a small group in Ontario called "The Alliance for the Preservation of English in Canada", and that group decided to go to work so to speak against an Ontario act ensuring French services. And during last year's provincial elections, they got support from the then leader of the Ontario Conservative Party, Mr. Larry Grossman.

**Mr. Prud'homme:** What arrogance!

**Mr. Boudria:** The Hon. Member for Saint-Denis is right: it takes a lot of arrogance to prevent French-speaking Ontarians from getting what they had expected for so long. But even so, the situation, as it happened, fueled discussion in certain areas and I think that some government members in this House who oppose the Official Languages Act have been inspired by those discussions that took place last summer. The Hon. Member for Chambly is certainly not one of them but I urge him to talk to some of his colleagues from Ontario and he will realize like me that it is true.

I am sure the Hon. Member for Chambly wants this bill to be passed. But, like the others, like the Hon. Member for Témiscamingue who was addressing us earlier, like the other government members in this House, he would certainly not want this Official Languages Bill, which is central to the preservation of the bilingual character of this country, to be passed by the House after only three of 282 Hon. Members have been heard.

Madam Speaker, last year we held a debate that I would describe as useless on capital punishment, which lasted countless days in the House when it should not have been held in the first place because the issue had been settled a decade before. If such were the case last year with capital punishment, why not then dedicate a few days to Bill C-72, a bill of capital importance, I might say, as far as this country and its citizens are concerned.

• (1640)

[*English*]

That is the proposition we have before us today. The Government introduced a Bill in June of last year with the avowed intention of adopting the proposed legislation. As a matter of fact, the Bill was introduced with great fanfare. The opposition Parties in this House gave the Bill their support. However, there is now an unwillingness on the part of the Government to proceed with this legislation.

In closing, Madam Speaker, I invite the Government to put this Bill on its agenda for it is the role of the Government House Leader to ensure that this legislation proceeds. I hope the Government recovers some of its courage. If the Government House Leader has a problem with the Conservative Members of Parliament who are not in favour of this Bill he can give us their names and we can assist him by lobbying them. We want to be co-operative, as the Opposition always is.

I want to take this opportunity to state again my support for this Bill and my condemnation of the Government for refusing to proceed with it.

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Madam Speaker, thank you very much for giving me an opportunity to enter into this debate. I want to preface my remarks by advising my hon. colleague who just spoke that assistance from that particular Member is about the last thing one would need if one were governing anything. That was probably made evident by Premier Peterson's relief when the Member left the Ontario Legislature.

**Mr. Boudria:** Be nice.

**Mr. Lewis:** I can assure him that we have absolutely no need of any assistance from him.

**Mr. Boudria:** Well, no more Mr. Nice Guy.

**Mr. Lewis:** I reject outright the premises in this particular motion. I reject any suggestion that there is inaction on the part of the Government. I reject any suggestion of lack of political will, and I suggest to the Hon. Member that there is absolutely no way that the actions of the Government are having any detrimental effects on national unity.

If one wants to deal with national unity one should remember that it was the Prime Minister (Mr. Mulroney) who unified the country under the Meech Lake agreement.

**Mr. Boudria:** Brian saved Canada?

**Mr. Lewis:** No, I said it and the country is saying it. Just to be clear about that, the country knows who made that deal work. It was our Prime Minister because the previous Prime Minister failed. That is who is saying it. They are saying it not only about Meech Lake but about the free trade consultations. Whether or not the Hon. Member likes free trade, he should bear in mind that there has been no suggestion from any Premiers, Liberal, NDP, or Conservative, that they were not consulted at the Premiers' level or the bureaucratic level.

Take as an example the legislation which allows all provinces to co-operate to chase people who are not making maintenance and alimony payments. We created that by co-operation and unity. It was not only through the legislation but through the atmosphere we created. To put a motion on the floor suggesting that the Government is doing anything to disrupt national unity, when you look at our record, is nonsense.

The Hon. Member is suggesting that we are not plowing ahead with legislation. I point out to my hon. friend that in the previous Parliament 229 pieces of legislation were introduced and 179 were passed in four and one-half years. We have introduced 232 pieces of legislation, up until today, and passed 181. That is in three and a half years.

**Mr. Boudria:** That is because of the excellent co-operation of the Opposition.

**Mr. Lewis:** It is the Opposition that has made the allegation that we are not dealing with legislation. Let us look at the Order Paper. There are nine Bills ahead of Bill C-72 on the Order Paper. There are only three of those on which we have not commenced debate. Just look at the record. We are moving along and passing legislation. To suggest that there is any hesitation or lack of political will by the Government on this particular piece of legislation is nonsense. The record will bear out the fact that we are proceeding on all the items of legislation mentioned in Throne Speeches, as my hon. friend from Ottawa—Vanier so ably indicated this morning.

We offered to get this legislation into committee and give it detailed study. My hon. friend cannot have it both ways. He cannot say that we are delaying it and then, when we go to him and say that we will proceed with it, say that he does not like the way—

**Mr. Gauthier:** Madam Speaker, I rise on a point of order. The Minister just made a statement which is false. He did not offer to have the Bill go into committee. He offered to have it passed in one hour on Friday afternoon with three speakers. If he denies that, Madam Speaker, he is not an honest person. That is what he offered.

**Mr. Lewis:** My hon. friend may have misunderstood me. It was never a suggestion of mine that it not go to committee. Let us be realistic.

**Mr. Gauthier:** You offered three speakers, one hour.

**Mr. Lewis:** Into committee.

**Mr. Gauthier:** I said no to that.

**Mr. Lewis:** My hon. friend may have misunderstood me.

**Mr. Gauthier:** There were witnesses there.

**Mr. Lewis:** No there weren't.

**Mr. Gauthier:** Yes there were.

**Mr. Lewis:** Well, trot them out.

**Mr. Gauthier:** They happen to be people from your shop and my shop.

**Mr. Prud'homme:** I don't understand why everybody is so nervous.

**Mr. Lewis:** Who is nervous?

**The Acting Speaker (Mrs. Champagne):** The Chair would appreciate very much if two-way conversations were not held in the middle of debate. It would be very helpful.

**Mr. Lewis:** Just to repeat it, Madam Speaker, the proposition put to the opposition Parties was that there would be one speaker from each Party and then it would go into committee.

**Mr. Boudria:** One speaker? That means I don't have the right to speak?

**Mr. Lewis:** You just spoke.

In any event, Madam Speaker, I repeat the offer. We intend to deal with this legislation whether or not the Opposition puts up a lot of speakers to delay getting it into committee. We are prepared to move this legislation into committee. We are prepared to speak to it. We are prepared to deal with it. We put it on the Order Paper, something which, I would point out, the Hon. Member's Party never did while he was sitting there pushing it to do so.

**Mr. Boudria:** Madam Speaker, I rise on a point of order. I just want to be clear, as the Member of Parliament representing the largest number of francophones outside of Quebec anywhere in Canada, that the Minister has just said that under his formula I would not have been permitted to speak on this Bill. I want to confirm that that is in fact the case.

**Mr. Lewis:** Madam Speaker, I point out to my hon. friend who spent some time in the Ontario Legislature, that we also have a stage called third reading. My hon. friend may want to stick around some day and see third reading at which people speak. The deal was to get it to committee.

I appreciate that there is some unease on that side because we brought forward this legislation. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) was quoted at length, congratulating the Minister for doing it. We want all of that on the record as well. I appreciate his embarrassment on that matter. However, that deals with the legislative aspect. I can assure my hon. friend that we have every intention of proceeding with this legislation and sending it to committee. There will be discussion at second reading, there will be full examination of it at committee and it will be brought forward just as all other legislation we have on the Order Paper has been processed.

• (1650)

Let me take a moment to illustrate what the Government has done under the auspices of Treasury Board to further official languages. We have not spared any effort in the area of language training. During the financial year 1985-86, we conducted an in depth study of the support mechanisms for this official languages policy.

[*Translation*]

The Government language training program was established so that ministers could find the bilingual staff they need to fulfill their responsibilities. This program also allows French or English speaking Canadians a better access to employment in the federal Public Service.

[*English*]

More than 34,000 public servants have received language training since 1974. We have a sizable pool of bilingual employees in the Public Service, which is now large enough

that in 80 per cent of the cases employees actually meet bilingual requirements at the time the positions are staffed. It is to take into account this improvement that the Government has undertaken a review of the over-all orientation of the language training program.

We are aiming at increasing the effectiveness and efficiency of the program while permitting an over-all access to this very important resource. We believe that it is essential to maintain generous access to this program. We want to be sure that members of the Public Service can undertake second language courses at government expense and during working hours. That is part of the commitment which has been made by the Treasury Board.

From April 1, 1987, we have undertaken a massive program to verify the level of bilingualism of all employees who receive the bilingual bonus. We have a double objective in this respect. On the one hand we want to ensure that employees can offer services of a good quality in either of the official languages because we believe that Canadians have the right to communicate in either official language with their federal institution. On the other hand, we also want to ensure that the bilingual bonus is only paid to employees who deserve it and who can meet the bilingualism requirements of their positions.

At the present time some 55,800 employees receive the bonus. Of this number, about 7,800 have a level of bilingualism which is well beyond the language requirement of their position. It makes it costly and in fact useless to retest them. However, all other bonus recipients must take the new second language test over the next three years to confirm their linguistic proficiency. Those who fail obviously will no longer receive the bonus, and the manager must re-examine the position and the employees. The incumbent will then be offered additional training to reach the required level of competence.

We also examined Government scientific activities, an area where we wanted to improve the bilingual aspect. We established a committee of senior science managers from across the Government to review the success of Treasury Board strategies to ensure equitable participation of English and French-speaking Canadians.

The committee has been assembled and includes a senior official from the Office of the Commissioner of Official Languages and will also advise on further changes to policy should the need for these become apparent.

Let me stress that these efforts are in line with our commitment as expressed in Bill C-72. We are committed to ensuring equal access to appointment and advancement in federal institutions for English and French-speaking Canadians. We are also committed to ensuring that the composition of the workforce of federal institutions tends to reflect the presence of both official language communities of Canada, and takes into account the characteristics of individual institutions.

We have taken steps through Treasury Board in the field of information technology and office automation. Our officials are consulting with the industry on their ability to enhance the bilingual capability of the systems they supply to the federal Government.

We are also taking steps to ensure the implementation of our policies by all federal agencies.

We have a new management philosophy which involves an increase in the decision-making authority of Ministers as well as their accountability. In this respect, the annual plans are replaced with letters of understanding between the Departments and Treasury Board. The letter of understanding will be prepared after consultation between the Department and the Treasury Board. It will be an understanding of exactly how the Department will implement a better representation of both official languages in that particular Department. They will deal with specific areas, specific objectives and we will expect concrete results from those objectives.

[*Translation*]

At the end of each year, we will receive progress reports on objectives based on a comprehensive analysis of Ministers' strong and weak points.

[*English*]

Treasury Board will be able to review these plans, or even take additional measures such as inviting a Deputy Minister to discuss progress or lack of progress in his or her Department. That will take place every year.

We believe that the three-year planning system will strengthen our initiatives, facilitate the implementation of policies in federal institutions, given that letters of understanding will provide a framework for planning and accountability.

No letter of understanding will be signed if a Department or agency does not have in place an adequate system for information gathering, for assessment, for monitoring and auditing. It must also use the necessary measures to be able to report annually to the Treasury Board.

We have also undertaken many audit-related initiatives recently. In 1985, there was a management accountability review of departmental official languages implementation. It covered over 60 Departments and agencies. We examined the management of the program and made formal recommendations where necessary.

The Treasury Board has conducted and continues to conduct follow-ups in these organizations to ensure compliance with government policies.

We are undertaking consultations with other audit centres in Government, including the Comptroller General, the Commissioner of Official Languages, and the Public Service Commission to ensure that duplication is avoided while the official languages aspect is in one way or another covered adequately.

We believe that the Treasury Board Secretariat has provided detailed guidance to Public Service managers on how to monitor and how to audit their official languages program.

In order to facilitate their work we have prepared and distributed a management review guide. As well, internal auditors in federal Departments are being given information sessions on official languages and the auditing of same. We have tried to develop government-wide policies on official languages and recommend them to Cabinet for implementation. The legislative framework which we propose in Bill C-72 would see the Treasury Board continuing its policy creation role as well as expanding it to include issuing regulations or recommending them to the Governor in Council in several areas.

• (1700)

I say to Hon. Members that since the tabling of Bill C-72 we have had our officials developing regulatory proposals in consultation with a wide variety of federal institutions. In this way we will be able to undertake at the appropriate time consultations with the various people involved with official languages to meet the requirements of the Bill.

Treasury Board is providing the leadership with the Public Service to allow for the discharge of responsibilities under the official languages policy and under Bill C-72. We feel that we have demonstrated our commitment, not only through our legislative program but by bringing the Bill forward and putting it on the Order Paper. One thing that is far too often forgotten is this. Legislation is a matter of a Government taking a decision to do something and formulating that policy into a law. The law is then printed on what is called first reading.

This is a large country in which it takes some time to get information out. No matter how often it is published or referred to or how many brochures are printed it takes a while to disseminate this information. As with other Bills we have to have public debate and parliamentary debate. There has to be media debate as well. I make no apologies for allowing this debate to take place, or for allowing different interested groups to think about legislation and to get back to us.

My hon. friend wants to move forward quickly. He suggests a lack of commitment. I suggest to him that there is absolutely no lack of commitment. There is a commitment on the part of the Government not only to this Bill but to listen to people. Where it is proven that it is necessary to take into account ideas for changes in legislation we will act. We have done that before, and we intend to do it again.

I urge the House to reject this motion out of hand. In view of the number of Members that are here today, I am sorry that we will not vote on this so that we could reject it very vividly for my hon. friend and put into place the actual situation.

I wish to close with this comment. The Government is committed to an official languages policy as expressed in Bill C-72. If my friend would just be patient we will put it through with or without his co-operation.

**Mr. Gauthier:** Madam Speaker, I have a question to ask of the Minister which relates to his last comment. He said that his Government will ensure that this Bill will be passed. Can he tell us on what date the Bill will be put to the House for debate on second reading?

• (1710)

The Minister knows, as I know, that there are rules and regulations that have to be written to go along with the Bill. He knows that that will take time. To put those regulations in place in an appropriate amount of time the Bill must be passed soon. Is he ready to pass this Bill at second reading this week or at the beginning of next week? If he is, I will give him the assurance that the Opposition will co-operate to the best of our ability. Members of the Opposition will want to be heard. It cannot be as he suggests, one speaker from each Party. That may be sufficient for him. We do not accept that because at that time those who want to express a view on the principles of this Bill at second reading must be heard. It would not be proper for anyone to railroad this Bill through second reading with but one speaker from each Party.

Is the Minister ready to tell us when the Bill will be brought forward? Does he not appreciate that this is an urgent matter that presses upon the House so that the regulations that are required can be written into law before the next election?

**Mr. Lewis:** Madam Speaker, with respect to the first question, I point out to my hon. friend that we are proceeding apace with legislation and trying to fit everything in, trying to give enough advance notice so that everyone can speak on particular Bills. Sometimes things go faster than I expect, and other times things are slowed down. I expect that we will be in a position to commence second reading within the next few weeks.

As to the second part of my hon. friend's question, I do not always expect that he listens to everything I say, but I believe that in the text of my remarks I pointed out that we have been looking at the regulations which would go apace with this Bill. Obviously, one of the reasons that legislation is printed is to allow for it to be debated, as I have suggested, in the media, in Parliament and by members of the public.

There is another place that legislation is debated as well, that is to say by the people who are in charge of administering it. I can assure my hon. friend that we are taking advice from people who have an interest in the legislation internally and that that process is proceeding.

While it would be nice to have the Bill passed and then start the process, it is fair to say, as with a great many things, that one starts with a review of the regulations, something that has already started. I think my hon. friend will find that when his Party finally lets this Bill pass we will proceed quickly with the regulations.

[*Translation*]

**Mr. Robichaud:** Madam Speaker, I only want to direct a question to the hon. Minister. Why should it take a few more weeks as he say? Another few weeks and we will adjourn for one week, which means some more delay. So, why wait since we, in the opposition, are prepared to go ahead with that bill right now, when every French organizations, Francophones outside Quebec, Alliance-Québec and Canadian Parents for French want the Government to go ahead with that piece of legislation as soon as possible? Why wait then? Why make us wait some more for a legislation that everybody wants?

**Mr. Lewis:** Madam Speaker, I have no problem with that piece of legislation. I have one with other laws. It is a matter of organizing all the legislation. But that one is not a problem. You should see our schedule.

[*English*]

—what we have passed and what we have in front of us, the Hon. Member will see that we are proceeding apace, as I indicated earlier, faster than the previous Parliament. When one reviews the record one will see that we are proceeding faster than have previous Parliaments as well. We have no problems whatsoever with our record.

I assure the Hon. Member that within the next weeks we will bring this forward for second reading. We will put it into committee. Hopefully, with his co-operation, we will be able to get it out of committee, through report stage and on to third reading.

The Government does not put items on the Order Paper to let them fall off it. Look at the record. Prior to No. 72 there were only nine that we have not passed. Three of those are the only ones that we have not got out of second reading. I am not going to apologize for a thing. We have passed everything up to No. 72 except for nine Bills, and three of those are in committee or at third reading stage. Look at our record. Do not worry, it will come.

• (1720)

**Mr. Gauthier:** I have one comment on the last statement of the Minister. It is, indeed, because the Opposition has been very co-operative that this Government has been able to pass its legislation. I would like to remind Members that on Friday we passed four pieces of legislation which are very important Bills. They were passed because we were in agreement with the Government on the purpose and objectives. That is the point of this debate. We think that the principle of this Bill is excellent. We agree with the Government. We said to the Government it has been three and a half years, what is it waiting for? The Government said that it would table the Bill.

I have a record of the questions that I have put to the Government over the last three and a half years. I could read them, but we would be here until midnight tonight. There have been 18 questions put in the House asking the Government to move on this subject. Finally, on June 25, 1987 the Government moved.

The Minister snaps his suspenders and says, "Aren't we good?" I say, "Yes, because we co-operated with the Government". We will co-operate with the Government at any time to pass good legislation, just don't try and pass bad legislation because we will not agree with that. We are saying to the Government now that this is good legislation, come across. We are offering co-operation, support, and our help. What else does the Government need?

**Mr. Lewis:** I heard my hon. friend count the number of times he asked the Government to pass this legislation. I wonder if he would be good enough to tell the House how many times, while he was here from 1972, he asked his Party to pass legislation. I wonder if he would make us privy to the number of times that he failed to get the Liberal Party to bring forward this progressive legislation. That we do not hear. That we do not want trotted out, do we, my friend from Ottawa—Vanier?

We remember his annoyance with the Liberal Government of the day that it would not move on progressive legislation. Tomorrow he will have an opportunity to deal with another piece of legislation. I challenge my hon. friend to give us that same co-operation tomorrow that he suggested he is prepared to give today.

All of our legislation has been good legislation. That is why it is passed so quickly.

**Mr. Gauthier:** May I just remind the Minister, in a very friendly way and co-operatively, that between 1982 and 1983 we actually passed in this House a constitutional amendment. It talked about what I called in my speech this morning "administrative bilingualism". It talked about parliamentary, judicial, and school bilingualism. Now it is all in the Constitution. That was a reaction to much pressure by some people in this country on the Government of the day. I agree with the Hon. Minister that sometimes one has to push and push hard to get majorities to move.

I am very happy to tell him today that, with the help of members of his caucus in the Official Languages Committee, we succeeded in getting the numerous reports of that committee. I think there are in total 17 or 18 reports that have been tabled over the years by the committee. Most of them were accepted by the Government, both the Government of Mr. Trudeau and the present Government.

That was a result of consensus, and because of that consensus we now have a Bill which is a good Bill. I am offering the Minister my full co-operation. But I do not think that it is proper for him to impose his iron fist and say that "no one speaks except those I decide". I say that everybody has the right to speak. That is democracy.

**The Acting Speaker (Mrs. Champagne):** Resuming debate with the Hon. Member for Kenora—Rainy River (Mr. Parry).

• (1730)

[*Translation*]

**Mr. John Parry (Kenora—Rainy River):** Madam Speaker, I welcome this opportunity today, as New Democratic Party spokesman on the Official Languages Committee, to rise in the House and offer my comments on the motion of the Hon. Member for Ottawa—Vanier (Mr. Gauthier). As the Minister of State indicated earlier, I am sure that one of the Hon. Member's motives in moving this motion was his frustration at not, at least not yet being able to determine the Government's legislative agenda. Nevertheless, Madam Speaker, it is a sign of the Hon. Member's continuing dedication to the issue of official languages that he felt he had to present the motion before the House today.

Madam Speaker, I see the former Joint Chairman of the Official Languages Committee is waiting his turn, and I don't deprive him of this opportunity to comment on the motion. The fact that this motion is before us today may also be partly due to an article that appeared in *Le Devoir* on Saturday which stated that the Prime Minister had decided to move quickly on the issue of official languages. According to reporter Michel Vastel, the Prime Minister's principal collaborator had indicated the Bill would be passed in a matter of weeks. I was surprised that Mr. Vastel reported this phrase Government spokesmen are very fond of using in referring to the Government's legislative agenda, especially since he went on to say that Francophone associations outside Quebec and the Commissioner of Official Languages were afraid the Official Languages Bill would die with the Government.

Madam Speaker, I have no reason to doubt the Minister of State's assurances that the Bill will be tabled in the House for second reading in a matter of weeks. However, ever since I became a Member of this House, I have seen weeks turn into months and months into years. I would rest a lot easier if the Government were to set a deadline for tabling this Bill.

Madam Speaker, the Hon. Member for Ottawa—Vanier, as a Member of his Government's caucus and in the present caucus of the Official Opposition in recent years, has worked to promote the cause of bilingualism in Canada. The preamble to the present Bill also contains many proposals that we in the New Democratic Party would have no trouble supporting. For instance, the federal Government undertook to achieve, with due regard to the principle of selection of personnel according to merit, full participation of English-speaking Canadians and French-speaking Canadians in its institutions. Also in the preamble, the government recognizes the importance of preserving and enhancing the use of languages other than English and French while strengthening the status and use of the official languages. I will return to this point later.

The Government is also committed to cooperating with provincial governments and their institutions to support the development of English and French linguistic minority communities, to provide services in both English and French, to respect the constitutional guarantees of minority language educational rights and to enhance opportunities for all to learn both English and French.

Madam Speaker, these are objectives which are no different from those of the NDP and the Governement, and I am sure the Official Opposition agrees to them. The problem of, course, is to start from these principles to come up in concrete terms to a bill that will be acceptable to this Chamber. I will not add my own suspicions, but the reporter that I quoted earlier says that a fraction of the Conservative caucus does not want the government to proceed with this Bill.

Madam Speaker, the specific question of course is: When will this Bill be studied at second reading and sent to committee? I and my Party cannot agree to a short Friday afternoon debate. The matter is important enough to justify a serious examination both in the House and in committee.

Madam Speaker, I wish at this point to briefly examine the history of official bilingualism in Canada. Everyone knows, everyone remembers, those who lived in Canada at the time, that there was some degree of political unrest, let us say, in our country and specially in the province of Quebec, with regard to society, culture and language and that all conclusions are not to be dismissed and that the issues raised are not all resolved yet.

We have had difficulty in the past to recognize what is now described as the French fact in Canada. Looking back on the work done some 30 years ago by the Tremblay commission in Quebec, we can recall that what was put to the test at the time was the province of Quebec's primary responsibility with regard to cultural and social policy and the survival of the francophone community in Quebec.

I will recall, if I may, a few experiences which occurred to me when I came to Canada almost 18 years ago. I came to Canada with the idea, the impression that I was coming to a bilingual country where I would discover that most people—most Canadians were bilingual. Obviously, I was therefore slightly disappointed and quickly lost any illusions I had in that regard. Once in Montreal, at Dorval airport as a new immigrant, I attempted to answer the immigration officer in French. After a brief exchange, he asked for my passport and as I handed it to him, he flattered me to some degree perhaps, madam Speaker, by commenting that he had thought I was a Belgian, whereas I was merely an English immigrant doing his very best to answer in French when questions were asked in French.

Having spent two years in Montreal, I have had the opportunity of course to develop an awareness of the true nature of things and I remain, to this day, somewhat astounded by the degree of solitude, as it is described, which I have encountered in that great city where I received such a warm welcome to Canada. Indeed, in the two years I spent in Montreal I did not meet more than a few Anglophones who, in my opinion, spoke French better than I. I was then struck by the fact that in that not exactly bilingual society, in that community where the two languages co-exist, Francophones

have and have had to make greater efforts than Anglophones to make themselves understood.

I am speaking, Madam Speaker, of a psychological situation in which an individual finds himself when he realizes he has to learn and use a second language in most of his dealings with others, and realizes at the same time that someone else considers the knowledge of a second language as an option which he may accept or reject. If, Madam Speaker, there are people in our country who admit the existence of bilingualism gives Francophones a competitive edge in getting a job with the federal government or any other business, it is not up to us to conclude that advantage exists because French-speaking Canadians, Francophones, have been more or less forced in the past to make greater efforts than their English-speaking fellow citizens.

That need to make a much bigger effort is twice as great in communities where Francophones are a minority such as the Franco-Ontarian and Franco-Albertan, to name only those.

Madam Speaker, the Royal Commission on Bilingualism and Biculturalism recommended that Canada become officially bilingual, and for some twenty years now we have been working at improving the situation without getting to the level of improvement that would satisfy everybody. Presumably we will never be able to satisfy everybody in that context. However, I think we have come to a point where the reality of a bicultural, bilingual country is accepted and it is only as to the degree, the extent of that acceptance that we have major differences.

Madam Speaker, I would like to briefly return to the matter of other languages, which is referred to in the legislation. I have in my constituency a good 30 per cent of people whose mother tongue is neither French nor English. Most of them, perhaps 25 per cent, have a native mother tongue. I would like to ask Hon. Members and all Canadians to consider the situation of those who have a native mother tongue. We boast too much of being a bilingual country. Of course we are a multilingual country, but officially we are bilingual. It is not good enough for our natives to hear that myth of the two founding peoples which oftentimes is linked to bilingualism, because basically this is still a myth and a legend, an accepted story that is just the same offensive to some extent for members of the first nations in our great country.

Madam Speaker, my colleague for Thunder Bay—Nipigon (Mr. Epp) referred this morning to the situation, the inertia among institutions. This is a fact. I believe that inertia is very hard to overcome—it will always be a struggle to ensure the principle that services in the official language of one's choice should be available throughout the country. I am convinced we are grateful that in some areas of the country, there are only very small minorities whose mother tongue is the other official language and it is often very difficult, even among civil servants who want to serve the minority language community. Even for those civil servants this is often difficult in view of the volume of demand and the urge to maintain one's own strength, especially when they are of the other mother tongue and they were trained in the second language in that area.

Madam Speaker, we have institutions whose goal is to support and develop bilingualism in Canada, mainly of course the Commissioner of Official Languages and the Joint Committee. This is the only Joint Committee on which I sat and of which I wanted to be a part, in view of my own views on the Senate, but at any rate it is a Committee that did a very needed and demanding job, especially in the area of official bilingualism.

Madam Speaker, my colleagues and I have often noticed, during sittings of the committee, that there were shortcomings as far as bilingualism is concerned. In some Government or semi-Government institutions there is a mentality which tends to negate the equality of both official languages.

We have also to consider and correct the situation which exists in certain parts of the country, where it is extremely difficult for someone born outside the majority group, the dominant linguistic group, to find employment in the federal or provincial Public Service.

To conclude, Madam Speaker, I wish to emphasize the point I was making earlier. Bill C-72 is too important to be passed expeditiously by the House, following some kind of agreement, it is too important to be treated like that, but I would like the Government to react to the motion of the Hon. Member for Ottawa—Vanier and present its Bill to the House for second reading.

**The Acting Speaker (Mrs. Champagne):** Questions and comments. Resuming debate. The Hon. Member for Charlevoix (Mr. Hamelin) has the floor.

**Mr. Charles Hamelin (Charlevoix):** Madam Speaker, each time I rise to speak about linguistic issues, and especially the linguistic duality of Canada, I feel that I am touching on the very fabric of this country, on the best of what makes Canada what it is. It is Canada in its Sunday best. Today I would like to speak about Bill C-72. Naturally, I agree with my colleague for Ottawa—Vanier (Mr. Gauthier), who praised this Bill with some reluctance earlier, but whose feelings I share to a very large extent. I believe that the Hon. Member would probably deserve the title of "First Defender of the Canadian Linguistic Duality", and I seriously believe that we should consider putting up a monument to him now rather than later, as, with the Hon. Member for Saint-Denis (Mr. Prud'homme), and many others from all political parties, especially the Hon. Member for Ottawa—Vanier has shown constant determination to bring out the best in Canada make this country what all Canadians would like it to be.

I am therefore rather surprised at the position taken today by the Hon. Member for Ottawa—Vanier. I understand that he belongs to an Opposition party and that it is traditional for the Opposition to move motions that condemn the Government and to use terms such as inaction, lack of political will and

hesitation. In this case the motion gives the impression of cowardice on the part of the Government by accusing it threatening the national unity because Bill C-72 has not yet been debated at the second reading stage.

Hon. Members will know that the fabric of this country is a very sensitive issue. It was not so long ago that this Government asked the Canadian provinces and federal parliamentarians to have a debate on our Constitution and to discuss the Meech Lake Accord. This was of critical importance. It also gave rise to major hesitations, even among the Liberals opposite, and to deep rifts and resignations. This is a sensitive issue, but what is surprising about the Meech Lake Accord is that, apart from recognizing the Canadian linguistic duality, it also recognized that we have concentrated but not limited French and English-speaking communities, and so on. What Bill C-72 proposes is an even greater commitment on the part of the federal Government. It takes political courage for a national party, a party which is represented throughout the country, in all provinces and all regions, to deal with these sensitive issues which become even more important, more real and more restricting at the political level. It is easy enough for anyone who belongs to a regional Party and who puts all or nearly all his eggs in the same basket to be unconcerned about the political reactions and feelings of people in the west, in the east or in the centre.

I think my colleague the Hon. Member for Ottawa—Vanier could very well have introduced a much more positive motion, appealing to the better sentiments of Hon. Members and urging the Government to introduce the bill which has gained support from both the anglophone and francophone linguistic communities in this country. And as he said himself about his long struggle of almost 20 years, and I quote him textually: "It has not always been easy, but we did make some progress." Sad to say, Madam Speaker, when it comes to these questions we do have here in Parliament and elsewhere in this country certain people who have a somewhat dinosaurian mentality. I have no idea which planet these people inhabit, but they do have a dinosaurian approach. The blue dinosaurs are not alone, there are red dinosaurs as well, and probably a new kind of NDP dinosaurs, green, I believe—

**An Hon. Member:** Orange.

**Mr. Hamelin:** Orange. More subtle, particularly in Manitoba. We have to live with that. As Cicero put it: *Quo usque tandem*—How much longer?—*abutere nostra patentia*? How much longer will these dinosaurs try our patience? True enough. And instead of putting the question with a somewhat partisan approach as you did—be careful my dear colleague, this is a very sensitive issue. So many people are searching for platforms, the kind of carriages with which they can so easily find themselves in the ditch. That is what we saw in a recent provincial election. Some people are prepared to stand on platforms which rest on rather shaky foundations, the platform soon becomes a sled which hurtles down the slope, and someone gets hurt. That happens often in the case of cultural and linguistic issues. You may have noticed that every time someone endorses sensitive issues and tries to get people upset and to spread fear with scarecrows, of course, there are dinosaurs and the odd prehistoric monster on his tail for a while, but all such efforts lead to political failure because Canadians are more mature than we give them credit for. True enough, it is easy—

• (1740)

[*English*]

—with these questions to play games, to play politics—

[*Translation*]

It is so easy to play petty politics, to blame all our economic, social, political and even religious woes on Anglophones or Francophones. Go ahead! And it is so easy to play this game when an election is forthcoming, as it is now. You have nothing to lose and everything to gain by telling all sorts of stories to the Canadian people. Let me say it once more: there are, unfortunately, in every political party people who adhere to this pre-historic approach. They stir controversies and raise false issues. They start campaining with that, with the hope of attracting as many followers as possible by imputing ill intentions or designs to our community or another. Imagine that! There is something of which I should remind the enormous Anglophone community in North America: we are in Canada, and especially in Quebec, a small community of 8 millions lost in an ocean of over 250 million Anglophones. Are we as threatening as all that? There are two possibilities:

[*English*]

We are very strong and you are so weak.

[*Translation*]

People are not aware of their force? As a French-speaking nation in America, are we as threatening as that? It is unbelievable! We are a very small group of people and we can frighten 250 million people! It does not make sense. Really, it does not make sense. Yet, there are dynosaures who are travelling all around frightening people. If these Francophones were going to take away—

[*English*]

—our jobs, those bastards.

[*Translation*]

If these Francophones were going to deprive us of our economic security and jobs? That is frightening! They are threatening. What is this? They are disturbing people.

[*English*]

—annoying people, disturbing people.

[*Translation*]

I know that this attitude is disappearing slowly in this country, because we are developing more equality, more mutual respect and understanding with the Constitution and this legislation. It is true. This bill has been favourably

received by both communities. Alliance Quebec, the Francophones outside Quebec, the Commissioner of Official Languages, the people interested in this issue have all said:

[*English*]

It is a step forward.

[*Translation*]

—towards national unity, a better understanding between the two solitudes which are trying to get together through Constitutional acts and legislations which are coherent, significant, inspired by justice, fairness and a desire to make Canada a country where two nations can live side by side and prosper.

Madam Speaker, I wish my colleagues who moved this negative motion could nevertheless transform it in an appeal to all the best elements in this country to get together in an act of faith and understanding in this country and its linguistic duality which makes us different and is responsible for Canada being what it is.

[*English*]

Linguistic duality means Canada, a real Canada, different from the American people, a country in itself. That is what dualistic reality means. We must believe in that. We must open our minds and our ears to other people, to other sensibilities. We need that piece of legislation for Canada, for the unity of Canada, for a better understanding between Canadians. We need that piece of legislation. Instead of blaming the Government—

[*Translation*]

I would rather call upon the Government and the Ministers, both English and French-speaking, to find the time as soon as possible for this Bill—which is a step forward for our country—to be debated in a dignified, clean and honest manner, in the presence of all Members and of all parties.

I call upon my French and English-speaking colleagues to support the Standing Joint Committee on official languages and all interested Members in asking the Prime Minister and all responsible Ministers to proceed as soon as possible with Bill C-72 which will provide for a better Canada.

**Mr. Lanthier:** Madam Speaker, my colleague has a reputation for eloquence and I thank him for it as well as for his colourful and sometimes forthright language.

However, as he mentioned Meech Lake at the beginning of his speech, I would like, with your permission, to take up and comment a point he has made and then ask for his opinion. Last Saturday, in a riding close to mine, that of Saint-Henri—Westmount, a mock Parliament meeting was held for all English-speaking school children of the region. It was a sorry state of affairs that they had to ask for help from the next riding because the representative for Saint-Henri—Westmount never showed up, and he is not likely to do so, as things stand now, even in his own riding. There is little danger, of course, that he would show up in the Saint-Henri part of the Saint-Henri—Westmount riding, since he voted against Meech Lake, which means that he voted against a united Canada.

On his home ground, however, in the English-speaking part—

Madam Speaker, I would like to ask a question, make a comment. An English-speaking girl of 18, from Westmount, asked me the following question. Just imagine the kind of education she received from her federal Member:

[*English*]

"Are you allowed to speak French in the House of Commons?"

[*Translation*]

That happened Saturday, in the riding of Westmount. As a Quebecer, I always thought that people from Westmount did not want to be Quebecers, but by God, the truth is they don't want to be Canadians. I answered to her in French: "Yes, not only is it tolerated that we speak French, but we feel right at home in the House of Commons which belongs to us as much as it belongs to English-speaking Canadians."

The time has come to pass that Bill with all the seriousness it requires. I would like to ask the Hon. Member who just spoke what he would have answered to that girl who asked me Saturday:

• (1750)

[*English*]

Are you allowed to speak French in the House of Commons?

[*Translation*]

**Mr. Hamelin:** Madam Speaker, I thank my colleague for his comment which shows, once again, how constant progress and greater interrelation between communities must take place. I think the slogan we should make ours and that probably underlies Bill C-72 is greater tolerance with respect for differences. We know things are quite different in Saint-Henri—Westmount. Through you and others, perhaps that young person should also learn greater tolerance with respect for differences. And to respect our differences, we must learn what they are, which is probably what she will do from now on.

Madam Speaker, with the permission of my colleagues, I would like to yield the floor for the few minutes remaining to my colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme.)

[*English*]

**The Acting Speaker (Mrs. Champagne):** I see that the Hon. Member for Scarborough West (Mr. Stackhouse) is seeking the floor. There is still a period of time for questions or comments. On the other hand, the Hon. Member for Charlevoix (Mr. Hamelin) had been trying to give the floor to the

Hon. Member for Saint-Denis (Mr. Prud'homme), so I am in the hands of the House.

**Mr. Stackhouse:** Madam Speaker, I will respect the desire of the Hon. Member, which is also my desire, to hear from my friend across the floor. I rise briefly to pay a tribute to the Hon. Member for Charlevoix (Mr. Hamelin) for raising the debate up to a level above the immediately and merely partisan. I think he has given us all in this Chamber a vision of the Canada not only of tomorrow but, I am glad to say, of today.

I say that for this reason. We deal here with the principles of Bills. We may have our ideas about this or that clause which could be approved in committee, but we deal with the principle of a Bill, its aspirations and objectives. I come from a city where, 20 years ago, a bilingual street sign was erected by the Province of Ontario. It was a Conservative Government, I might add. Someone took a shotgun and fired at the sign. The sign understandably was taken down and there was no repetition. That was 20 years ago.

In that same city today we have public schools which are not only devoted to including French as a serious part of the curriculum, but three public schools which offer their entire curriculum in the French language. There is a line-up of parents who want their children enrolled. Not only is that true of young people, but in that same community only last week I visited a senior citizens' centre and what should I find but a language class engaged in French studies. That is the Canada of today and tomorrow.

I am very glad to have heard the Hon. Member for Charlevoix rise to that level in this debate.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** Resuming the debate. The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor.

**Mr. Marcel Prud'homme (Saint-Denis):** Madam Speaker, I believe I shall not disappoint the Hon. Member for Scarborough West (Mr. Stackhouse) by lowering this debate to the level of petty politics, for when my country is concerned, I have always claimed that we should, as he suggests, raise the level of the debate.

Rapidly, since I do not have much time, I wish to thank the Hon. Member for Charlevoix (Mr. Hamelin) for the speech he delivered in the House. I would have liked to pay tribute again, as I did briefly this morning, to the Hon. Member who raised today's issue, my colleague for Ottawa—Vanier (Mr. Gauthier). However, I shall not repeat the views I have already expressed. I also would have liked to pay tribute to d'Iberville Fortier and his predecessors. I would have liked to speak again about the precursors of this great Canadian debate, from Maurice Lamontagne to Lester B. Pearson, who launched the issue in the past and brought about the evidence contained in this volume of the Royal Inquiry Commission on Bilingualism and Biculturalism.

Indeed, I must say that I do dislike pessimists.

[*English*]

I do not think we should be pessimists. Great progress has been made in this country. Each Government has the obligation to take a step forward.

I do not intend to blame the past. I will not even blame the Government for not doing anything. We are just trying to be like the Hon. Member for Charlevoix (Mr. Hamelin) said. He made a special call to his own Government.

[*Translation*]

The Hon. Member called a few moments ago upon his Government and members of the Cabinet, hoping that they would find enough time in the agenda. Such is somewhat the aim of today's motion. We certainly intend to cooperate with the Government. However, let us not fear, as the Hon. Member for Charlevoix rightly said, a few opponents who might appear stronger than the vast majority in the House and the Canadian population. There is more generosity in this country, in each of its provinces . . .

[*English*]

There are more generous and understanding Canadians in this country than some Members of Parliament sometimes would like us to believe. They are more understanding of what Canada is all about than when I came in here 25 years ago. At that time we loved *les Canadiens Français*, as they used to say.

[*Translation*]

—the "little French Canadians", as we used to say! They loved us, and there are still some who love us, but crawling on our knees if possible. Well, it is not possible. As far as I am concern, I do respect my fellow citizens from English Canada. I expect them to stand for their rights. But in return, I expect also that they do understand that for me, for my fellow citizens from Quebec and for the Francophones outside Quebec, to have a country means to be able to identify themselves with that country, to feel comfortable in Canada, and they cannot have that kind of feeling if they are crawling before anybody. Never will my friends from Charlevoix (Mr. Hamelin), from Duvernay (Mr. Della Noce), from Ottawa-Vanier (Mr. Gauthier), from Richmond—Wolfe (Mr. Tardif) and my other colleagues whom I heard in this debate, never will they crawl on their knees in Ottawa.

**M. Della Noce:** Never!

**Mr. Prud'homme:** My friend from Duvernay (M. Della Noce) is as straighforward as I. We are not here to beg. We have been told that Ottawa was the capital of our country. So, we must feel confortable here.

[*English*]

I always say , in the committee I have the honour to chair, try to be us for a week. Try to understand what it is to go through the process of functioning very often in someone else's mentality, in someone else's language, and to be on an equal

footing with you, the rest of Canada, you, hon. colleagues who happen to speak the language that I am using now. It is only a question of understanding.

There will always be politicians of all kinds, I am ready to concede to the Hon. Member for Charlevoix, who will try to play to the division, who will scare the people: Could you imagine, Madam So-and-So or Mr. So-and-So, what would happen? Then it seems they are speaking for the majority of the Canadian people.

[*Translation*]

I think that when we appeal to their understanding and generosity, the people are willing to follow us. All we wanted to do today, Madam Speaker, in the minute I have left, all we wanted to do in our motion was to tell the government to go ahead. As you have heard today, you have support in your own party. Introduce this resolution, introduce this Bill C-72, and we will respond in a responsible manner. We will review it. We would like to make some excellent amendments at the committee stage, without changing the Bill too much. But I will now bring my comments to a close because the Hon. Member for Ottawa—Vanier (M. Gauthier) cares so much about this Bill, probably a lot more that many Hon. Members. He cares so much about it that he will certainly not allow its referral to committee and third reading to be blocked. But to say that only two or three Hon. Members could speak on it would show, Madam Speaker, a lack of patience and of responsibility. Why? Because speeches also trigger an educational process.

• (1800)

[*English*]

Every time I speak about Canada I receive telephone calls immediately from people who say that there should be more people speaking like this because it is educational and helps them to understand better what Canada is all about. If we have only one speech on a major piece of legislation we will not be able to help the process of education for Canadians. I hope we have achieved that today.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** As deeply as I regret it I must cut short the remarks of the Hon. Member for Saint-Denis (Mr. Prud'homme).

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

*Adjournment Debate*

REGIONAL INDUSTRIAL EXPANSION—NORTHERN DEVELOPMENT—GOVERNMENT POLICY/CONSULTATION PROCESS

**Ms. Audrey McLaughlin (Yukon):** Madam Speaker, in my short time in this House I have taken a keen interest in economic development programs, particularly programs under the auspices of the Department of Regional Industrial Expansion and the Ministry of State for Small Business, which is responsible for economic development programs for aboriginal people in Canada.

As a result, in August and again on September 25 I asked questions. I directed two specific questions on September 25 to the Government with regard to Department of Regional Industrial Expansion programs above the 60th parallel and the native economic development programs for aboriginal people throughout Canada.

In the first instance I asked the Government what the plans were, in view of the western diversification initiative and the Atlantic initiative, for the Department of Regional Industrial Expansion programs north of the 60th parallel. We were assured at that time that there would be special consideration given to northern programs and that they would not be subsumed under the western diversification initiative but that some other arrangements would be made.

At that time I was asking the Minister what the plans were. There were many rumours north of 60 about what would be proposed, and at that time I asked what the consultation process would be and what the specific programs proposed were. There were questions at the time as to whether the programs north of 60 would be treated by the one window concept as is being proposed under the western diversification fund, or whether it would continue to be dealt with separately.

It may not have seemed like a very large issue, but one must realize that in the North we are attempting to develop independence and self-sufficiency. Both administratively and in a policy sense, regional industrial programs are extremely crucial to the development of the North, not only in my riding of Yukon but in the Northwest Territories as well. I asked at that time what process was intended. To date there has not been definite clarity on that issue.

The second related issue about which I asked at that time was related to the Department of Regional Industrial Expansion consultation process proposed in July by the Minister. This was a six-month process. We are now getting near to the end of that six months.

• (1805)

At the time, the Assembly of First Nations made a decision not to participate in that process because it had received information which indicated to them that many of the decisions had already been made and the process would not be meaningful. Since then, I understand the Assembly of First Nations has been able to successfully address this issue with the Government and will be participating in the latter stage of

this consultation process. That is a very positive step and I am glad that with the intervention of many people, the Assembly of First Nations will be able to participate in this process and be given due credence by the Government.

However, I believe my questions are still outstanding, the first of which deals with the DRIE funding and whether there will be the co-ordinated delivery agency. There are economic development agreements in the Yukon and Northwest Territories which are being renegotiated at this time. They have been of great assistance to the territories. In March, 1989, those programs will require renewal or revision.

I believe we have seen with the tourism subagreement and the various programs under the economic development agreement some real economic development possibilities in tourism and particularly small business which has been very favourable in my constituency.

It is no secret that aboriginal communities suffer from a high rate of unemployment. Therefore, programs such as the special ARDA and the Native Economic Development Program are especially important to ensure not just short term, band-aid programs but long term fundamental economic development programs that will create some economic stability in that community and enhance not only the economic life but the social fabric of aboriginal communities.

I am pleased to be able to report, after working with the Minister responsible for several months, that one of our large projects for the Yukon has received, a favourable consideration. I hope this will continue throughout the rest of Canada.

I call on the Ministers to clarify these two issues so that northerners and aboriginal people can go ahead with strong economic development.

**Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Madam Speaker, the Hon. Member refers to the Government's position with respect to ongoing DRIE programs. She will be aware that the consultative process is taking place and it would seem to be somewhat premature for us to attempt to prejudge the outcome of consultations before they are completed.

It is an important initiative about which the Government is very concerned. Indeed, it is an issue with which all Members of the House should take interest and indeed support.

As the Hon Member mentioned, many of these programs expire at the end of March, 1989. Therefore, we do have some time. The federal Government is most anxious to continue the support of these activities and to encourage even more native activity in these fields.

It is essential, however, to have the considered opinions of those groups involved so that they may be analysed and evaluated before we take decisions. The opinions of the aboriginal peoples in these areas are most important to the Government and, I am sure, all Members of the House.

Let me emphasize again that these consultations are taking place in a very open, frank and, above all, honest manner. The suggestion that AFN did not participate because it believed or had information that the Government had already taken decisions about the form or the nature of the ongoing programs is quite incorrect. No such decisions had been taken and no such decisions will be taken until the Government has fully evaluated the result of the consultations.

• (1810)

We are all pleased that there is so much interest on the part of native peoples in this government program. The Assembly of First Nations has recently, and very thankfully, agreed to participate fully and has joined with other organizations representing the Métis, the Inuit, the status and the non-status Indian communities that have been involved since the process was launched last summer.

DRIE's native economic programs are well known to the aboriginal communities. They have been utilized to a great advantage in all parts of the country. For example, until the end of January, 1988, five major projects totalling $6.7 million have been approved for the Yukon under the Native Economic Development Program. Indeed, throughout Canada under the NEDP over 386 projects have been approved, representing a total commitment by the federal Government of some $183.6 million.

We are delighted by the interest in these programs. We are delighted that the consultation process is ongoing. We are looking forward to the very real and meaningful suggestions of the native peoples as to just how these programs can best be changed to adapt to the future.

## AGRICULTURE—SPECIAL CANADIAN GRAINS PROGRAM—COVERAGE OF IRRIGATION FARMERS.

**Mr. Bill Gottselig (Moose Jaw):** Madam Speaker, I am very happy tonight to further raise some concerns I had, as I indicated in my question on November 26, 1987, regarding the Special Canadian Grains Program. At that time the concern had been expressed to me by many of my constituents that the irrigation farmers were not receiving recognition for the increased costs in increased yields unless they were in a specified irrigation district.

As a result of representations I made, and as a result of representations by many other Members of Parliament who had constituents in this same position, I am happy to report that the Government has recognized irrigation farmers, if they fall within certain criteria. That is to say that they must pay either a water tax or a water licence each year. Based on that recognition and the additional yields they produce that are recognized by irrigation districts as well as other irrigation associations and, in fact, crop insurance in Saskatchewan which provides additional coverage for irrigation farmers, they would receive additional payouts under the Special Canadian Grains Program.

I also want to indicate to the House that there were some other very important changes made to the Special Canadian Grains Program. We have included pulse crops so people who have diversified their production will not be penalized as they are in fact helping with the overproduction of wheat.

We have also included the honey producers in northeastern Saskatchewan, largely as a result of representations made by the Hon. Member for Mackenzie (Mr. Scowen) and other Members in northern Alberta who have honey producers in their constituencies.

Another major benefit was the recognition of summer fallow. That is particularly true in the south central portion of Saskatchewan, the area which I represent, where producers tend to summer fallow half and crop half of their cultivated land each year. The recognition of summer fallow will no longer encourage people to seed additional acres simply to trigger a payout under the Special Canadian Grains Program.

• (1815)

I would like to read into the record the necessity for continuing the Special Canadian Grains Program. If we examine the record of both initial and final prices paid in previous crop years, we see a tremendous shortfall in income for our producers. For example, I would like to quote from the 1983-84 crop year. In that year the initial price for No. 1 hard wheat was $4.33 a bushel. The final payment that year, which was not received until January, 1985, was 73 cents a bushel. That payment, which totals $5.06 a bushel, is considerably more than producers are getting today. That year under the Western Grain Stabilization payment there was also a payment of approximately $5,500 to producers who had contributed the maximum.

If we follow the price along each year, we see that grain prices have declined considerably. In 1984-85 the initial price was $4.27 a bushel. The final payment was 58 cents a bushel. That year we also triggered a pay-out of $9,800 under the Western Grain Stabilization. That continued on until in the 1986-87 crop year, which is the crop year which ended July 31, 1987, when the initial price of wheat was $3.22 a bushel. The final payment which was recently announced on No. 1 hard high protein wheat was 4 cents a bushel. This indicates that prices are starting to strengthen, but very little as yet.

In the last crop year the Western Grain Stabilization Fund paid out a record payment of approximately $28,000 for a producer. Last year the Special Canadian Grains Program paid out approximately 40 cents a bushel to producers in my area of Saskatchewan.

In the 1987-88 crop year the initial price of wheat declined by 65 cents a bushel. In spite of the fact that we are making record pay-outs under the Western Grain Stabilization as well as the Special Canadian Grains Program, the Special Canadian Grains Program did not pick up the shortfall on the initial price drop.

The reason I am quoting these figures is that I wish the people of Canada generally, and particularly those people who may not be familiar with the plight of agriculture today, to realize how essential it is that we continue to make these pay-outs. In fact, under the Special Canadian Grains Program we may, as a result of shrinking dollars be forced to apply that subsidy only to that grain which goes into the international market-place. That idea has also been put forward.

I think it is safe to say that the consultation process does work when representations made by myself and other Members from western Canada to make changes in the Special Canadian Grains Program from year to year have been listened to. These changes have been made. I am very happy to report to my constituents that the input that I have made has been listened to.

I see you are signalling that my time is up, Madam Speaker. I will be pleased to hear from the Parliamentary Secretary.

**Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Madam Speaker, on behalf of the Minister I want to briefly respond. I feel somewhat inadequate among those in this Chamber, particularly those distinguished Members from western Canada. The Hon. Member for Moose Jaw (Mr. Gottselig) stands out in our minds as not only a champion but as a Member of Parliament who thoroughly understands the difficulties faced by agriculture, particularly western grain growers. Indeed, the Hon. Member is very modest. In large measure the changes are as a result of the input that he has made.

As the Member has noted, both last year's program, and under the 1987 extension to that program, supplemental payments are being paid to irrigators. It is particularly with respect to irrigators that this House, and indeed western people owe some considerable depth of appreciation to the Hon. Member for Moose Jaw.

• (1820)

Irrigators have substantially higher yields than "dryland" producers and therefore experience greater revenue loss as the dollar value and prices decline. The point made by the distinguished Hon. Member is of course well recognized and one of some continuing concern to the Government.

Under last year's program only irrigators within provincially defined districts in Alberta and Saskatchewan were eligible for the supplementary payments. Because of the Hon. Member's intervention and that of others, it was decided to expand eligibility for the supplemental irrigation payment to all provincially licensed irrigators and to those irrigators on Prairie Farm Rehabilitation projects. The only exception would be backflood irrigators.

It is believed that this modification to the program will make it fairer and more adequately reflect the reality of the

irrigation system in western Canada. As usual the Hon. Member's comments were pertinent and knowledgeable.

VISIBLE MINORITIES—CITIZENS OF CHINESE ORIGIN—PAST INJUSTICES

**Ms. Margaret Mitchell (Vancouver East):** Madam Speaker, on November 26 I reminded Parliament that the Prime Minister (Mr. Mulroney) had said recently on television that he wanted to be remembered for his tolerance and justice toward minorities. In view of this commitment and past promises, I asked why his Cabinet has prohibited the Minister responsible for multiculturalism from meeting with representatives of the Chinese Canadian National Council concerning past injustices against elderly citizens of Chinese origin who were subjected to legislated racial discrimination under the Chinese head tax and the Chinese Exclusion Act. The Minister of Justice (Mr. Hnatyshyn) defended the Prime Minister but admitted that he had no knowledge of the matter. He had forgotten the following Conservative election pledge:

> A Progressive Conservative Government would look forward to having discussions with representatives of the Chinese Canadian community regarding appropriate remedial action and the specific matter of financial compensation.

I first became aware of the Chinese head tax in 1983, when an elderly constituent brought his head tax receipt for $500 to my office and asked that Prime Minister Trudeau reimburse him since this discriminatory tax was contrary to the new Charter of Rights. I subsequently raised the issue in the House of Commons several times with several Liberal Ministers. The Minister of Justice finally acknowledged that there had been an injustice and that, although there was no legal obligation, he would look into the matter. He never did.

Meanwhile, news spread and over 1,000 head tax receipts were brought to my office. I eventually presented these to the newly formed Chinese Canadian National Council. The Council has Chapters in many cities, has received many more receipts, and is acting on behalf of approximately 700 surviving head tax payers now in their eighties and nineties.

The Chinese Immigration Act of 1885 imposed a head tax on all Chinese seeking to enter Canada. By 1903 it was increased to $500, the price of a home in those days. It was a debt that many immigrants worked all their lives to repay. The Canadian Government netted over $23 million from this discriminatory policy.

In 1923 the head tax was replaced by the Chinese Exclusion Act, which deliberately ended immigration from China until it was repealed in 1947. Many lonely men were never reunited with their wives and children who had to remain in China.

As a Canadian I abhor the early injustices that were imposed on Chinese immigrants, those who worked for a pittance and in many cases died to build our railroads. I am deeply ashamed of early British Columbians who referred to the "yellow peril" in posters, who practised racism and limited the place where Chinese Canadians could live and work. I find it hard to believe that it was not until 1947 that Canadians of Asian origin finally were given the right to vote in Canada.

Today Vancouver is thriving because of the Chinese community which contributes highly trained professionals and leaders in all aspects of life, with the unfortunate exception of politics. Our mainstream community is enriched in many ways by contributions from Chinese culture, technology, business, and family life. However, the present is marred by memories of our disgraceful past.

• (1825)

I ask that the all-Party parliamentary committee which was approved by the Government begin meetings with the CCNC immediately to discuss the head tax issue and to recommend government action which should include, first, formal acknowledgement of the injustices of the Chinese head tax and the Chinese Exclusion Act; second, compensation to individual survivors who are now in their eighties and nineties and, third, recognition of the community suffering by the establishment of a community fund.

I ask that the Government representing all Canadians take steps immediately to fulfil its 1984 campaign promise and acknowledge and compensate past injustices so that our children of all races will know that we really believe in the Canadian Charter of Rights. It is urgent the Government act now since fewer and fewer survivors remain.

[*Translation*]

**Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism):** Madam Speaker, I too would like to respond to the Hon. Member for Vancouver-East who, on November 26, has shared with us her concern for the head tax that was levied on immigrants of Chinese origin at the turn of the century.

I fully understand the deep concern of the Hon. Member for that important question. I am not very proud either of that chapter in the history of our country and I am pleased that the federal gouvernment has already indicated its intention to find a means to express the deep regrets of Canadians and their government relatively to the injustices of the past.

I would simply like to tell my Hon. colleague that injustices have been done not only to Canadians of Chinese and Japanese origin, but also to Canadians of Italian origin. I will not go into details, but there were also injustices done to the Ukrainians and others that have not yet been revealed.

The contribution of all those Canadians, be they of Chinese or other origin, has nevertheless been fantastic. The contribution of Canadians of Chinese origin to the building of this country for 125 years has been invaluable in all sectors. This government recognizes the key role that community has played and continues to play in the economical, social and cultural growth of this country.

Madam Speaker, it was with pride that I joined the Secretary of State when, on December the 1st, he introduced

Bill C-93, on multiculturalism in Canada, saying that this Bill is in itself a new commitment on the part of the Government of Canada. Its objective is to help our Canadian nation create a kind of society where discrimination, as in the case of Canadians of Chinese or some other origin, will no longer be tolerated. Those shameful incidents which regretfully were part of our history should never ever occur again. Once passed, this legislation on multiculturalism in Canada will guarantee racial and cultural equality. Moreover, this new legislation will allow us to face today's realities and tomorrow's needs.

Madam Speaker, in the brochure entitled *Multiculturalism—to be a Canadian*, which was circulated when the Bill was introduced, we namely find sentences which speak for themselves:

> By chosing to turn towards the future, the Government does not try to hide the painfull injustices of the past, to erase the shame nor to minimize the feeling of frustration, of humiliation or of indignation felt by the members of different minorities. They do not claim that any trace of cultural, racial or religious discrimination will disappear from Canadian society overnight. No, their intention is to appeal to moral values and generosity, considering that the vast majority of Canadians, both from today and tomorrow, will not settle for anything less.

We also have an obligation towards the past, Madam Speaker. In this regard, the Government is quite prepared to deal with injustice against minorities. We should recognize, however, that the search for solutions is not an easy task, since the incidents we are talking about today happened at different stages of our history to various degrees. This is why we must examine the matter very carefully.

Still I can assure the Hon. Member that the Government will indeed give very special and very particular consideration to the question of the Chinese head tax.

**The Acting Speaker (Mrs. Champagne):** The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

# HOUSE OF COMMONS

**Tuesday, January 26, 1988**

The House met at 11 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### CUSTOMS TARIFF

TABLING OF REMISSION ORDERS

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, pursuant to Standing Order 67(2), I have the honour today to table in the House three tariff remission orders each of which remits over $20 million during a five-year period.

While the Government made a commitment to the Standing Committee on Public Accounts in respect of income tax remissions, I am tabling these tariff remission orders in the spirit of openness and transparency and because of the similarity between the two types of remissions.

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### PETITIONS

PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is an honour to present a petition pursuant to Standing Order 106 from a number of constituents who point out that the Conservative Government does not have a mandate from the Canadian people to conclude a free trade agreement with the United States.

They believe that the trade agreement negotiated by the federal Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership and to develop Canadian energy resources in the best interests of Canadians or to equalize the opportunities between the regions of the country.

They also point out that the proposed deal would deny Canada the policy freedom to determine its own economic future which thereby undermines our ability as a country to build a society distinct from that of the United States.

Since this denies Canadians the secure access to the U.S. market that was the key objective in these trade negotiations from the outset, and since it also threatens the loss of hundreds of thousands of jobs, they are asking Parliament now to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement in a general election.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Madam Speaker, it is my honour and duty to present four petitions to the House.

Your petitioners humbly declare that the Mulroney Government has sold out Canada and received nothing in return, whereas Canadian industries are still not protected from U.S. trade laws, whereas the United States obtained everything it wanted in all key sectors, especially agriculture, energy, auto trade, financial services and investment, whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers.

Wherefore your petitioners humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan trade agreement.

• (1110)

[*English*]

**Mr. Iain Angus (Thunder Bay—Atikokan):** Madam Speaker, pursuant to Standing Order 106 I have the duty and the honour to present a petition signed by a number of Canadians who are expressing their concern about the Mulroney-Reagan trade deal.

They are concerned about the impact on our sovereignty, about losing effective control of our foreign ownership, development of Canadian energy resources, and on and on.

In conclusion, the petitioners call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

**Mr. Rod Murphy (Churchill):** Madam Speaker, again I have the honour to present a petition on behalf of Canadians who express their concern with the trade agreement that has been negotiated by the Conservative Government. They believe that it threatens the very fabric of the Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to

develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions.

Therefore, the undersigned petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade arrangement during a general election.

[*Translation*]

COMPULSORY INSTALLATION OF AIRBAGS, IN THE FRONT SEATS, AND SHOULDER SEATBELTS IN THE REAR SEATS OF AUTOMOBILES

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Madam Speaker, I have the honour to present eight petitions signed by 201 Canadians. These petitions are in addition to the others, 31,646 all told.

The petitions originate from Theodore in Saskatchewan, Quebec, Montreal, London in Ontario, Saint-Félicien, Kingston, Sussex in New Brunswick, Magdalen Islands, North Battleford, Vancouver, Ruddell in Saskatchewan, the Lower St. Lawrence, Gaspé, Saguenay and Lac-Saint-Jean regions.

The petitioners are aware that since 1974 the federal road safety regulations authorize the installation of inflatable airbags for passenger car drivers and that this device would reduce the number of deaths and serious injuries.

Therefore the undersigned humbly pray and call upon Parliament to make compulsory the installation of airbags for the protection of front seat passengers and adjustable shoulder-waist safety belts for back seat passengers.

[*English*]

PROPOSED FREE TRADE

**Mr. Jack Harris (St. John's East):** Madam Speaker, pursuant to Standing Order 106, the petition of a number of Canadians has been approved and certified correct as to form and content.

The petitioners state that the very fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal, and that the Mulroney-Reagan trade deal will reduce Canada's ability to plan the economic, social, and cultural programs that Canadians need.

For this, and a number of other reasons expressed here, the petitioners ask Parliament to ensure that a national debate takes place on the Mulroney-Reagan trade deal, and that this debate result in a national general election before such an agreement is signed.

**Mr. Ray Skelly (Comox—Powell River):** Madam Speaker, I too have the honour of presenting a petition on behalf of a large number of Canadians who feel that the Mulroney-Reagan trade deal will destroy Canadian sovereignty.

They ask that this matter be the subject of a general election in order that the will of the people can be expressed.

* * *

## QUESTIONS ON THE ORDER PAPER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Madam Speaker, I ask that all questions be allowed to stand.

**Mr. Rod Murphy (Churchill):** Madam Speaker, I rise on a point of order. Before we give the Parliamentary Secretary permission for this, I would like to ask him how much he gets paid a year for not answering questions?

**The Acting Speaker (Mrs. Champagne):** Shall all questions be allowed to stand?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed from Thursday, January 21, consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the second time and referred to a legislative committee.

**The Acting Speaker (Mrs. Champagne):** Resuming debate, the Hon. Member for Churchill (Mr. Murphy).

**Mr. Rod Murphy (Churchill):** Madam Speaker, I am grateful for the opportunity to speak to this legislation. Our caucus has taken the position that we support the legislation, although we have many concerns with it and with the Government's action in this particular area. It is not a new concern. This is something that we have been concerned about not only with this Government but also with the previous Government.

I know you were not a Member of Parliament, Madam Speaker, when the Liberals formed the Government in the years between 1980 and 1984, but you will recall that in those years the Liberals talked about a western development fund of some $4 billion. A certain percentage of that money was supposed to go to the native people in western Canada. That became a phantom fund. It was promised and repromised. Certainly Ministers of the Liberal Government, the Member for Winnipeg—Fort Garry (Mr. Axworthy), and others went to western Canada and talked about how valuable that fund would be for developing western Canada, and how important that fund would be for the native people of western Canada. Yet that money was never received.

That is one of the concerns that we have when we look at this legislation. I know that we are not alone. This legislation which is centred in Atlantic Canada has created many questions for people in that region. They are wondering if there will be new money, or is it merely the situation, which we believe to be true, that this is money that has already been taken from the region as a result of cut-backs and other programs. We are in a situation now where some of that money is being promised back to Atlantic Canada as if it was new money. That is an unfortunate situation. Of all the regions in this country that need more funding and deserve more funding, there is not one that deserves and needs it more than Atlantic Canada.

As a Member of the New Democratic Party caucus I have travelled throughout Atlantic Canada and gone through all the provinces there. I have gone to Labrador. I recognize how great that need is. It is disappointing to see a Government which has actually taken money from regional development over the last three and a half years now promising that it will do something new.

As I stated, we support the legislation because we recognize the need to do something in Atlantic Canada. But we have some legitimate concerns. I am sure when this legislation gets to committee, which I suspect it will do either some time today or tomorrow, through our caucus spokesperson, the Member for St. John's East (Mr. Harris), we will have an opportunity to explain what type of changes must be made to this legislation.

We believe that the only way any region of this country can be developed, whether it is the west, or a northern riding like mine in Churchill, Manitoba, or whether it is Atlantic Canada, is by having the people in the region make the final decisions. If we are in a situation, which this legislation allows for yet again, where recommendations come from the region but the decisions are made on a political basis in Ottawa whenever the Prime Minister (Mr. Mulroney) can spare the time to go to Atlantic Canada and make an announcement, then we are not achieving anything new. That is the problem.

• (1120)

I understand that Mr. Rino Volpe, who is a member of the Atlantic Advisory Committee, told a class of business students at the University of Moncton just yesterday that he is frustrated by the set-up of the agency because it does not adequately take business interests into consideration. He is already considering resigning from the board. He shares the concerns expressed earlier by the President of the Atlantic Chamber of Commerce, Mr. Rick DesBrisay, who called the Atlantic Advisory Committee a toothless tiger.

Here we are with a member of the advisory committee already considering resignation and with the President of the Atlantic Chamber of Commerce calling the committee a toothless tiger. Why are they saying these things? It is because they believe that it has no decision-making power.

It is interesting to note that Mr. Volpe was also speaking as the President of the *Conseil Economique du Nouveau Brunswick*. He was not only expressing his individual concerns but the concerns of the group which he represents. Also in his speech yesterday he explained that the advisory committee would have no say over the selection of public servants in the agency. His primary concern is that decisions will not be made in the region.

I have gone through this kind of system before. The Government is just setting up a new form of regional decision making. Since 1977, before I was a Member of Parliament, in one form or another we have had a northern development agreement in my riding. We have had an agency in the North of federal government people working with provincial government people, and we have an advisory committee which reports to a federal Minister and to a provincial Minister. The concept is good, that we would have representation from the native people and from the various groups which composed northern Manitoba. They are an advisory council, just like this piece of legislation calls for. However, the problem is that in the regulations and in the way it is set up, all they do is give advice. They do not make decisions. Therefore we in northern Manitoba are in the situation which Mr. Volpe and Mr. DesBrisay have already expressed concern about. They are concerned that they will be in the same position, that decisions will not be made in the region, and that decisions will be made for political purposes. I know how badly that works.

As the Hon. Member for St. John's East expressed so eloquently in the House, if one is to sit on the committee and work with the people making representations, and if one has some understanding of the people of Moncton, of Saint John, of St. John's, of Charlottetown, or of any other community whether it be Halifax or Cape Breton, one must realize that the business people who will be making presentations have talked with the local mayor and council and with the local labour council. They understand what is needed and what can work in the region. Surely to God we should be in a situation where the people who serve on these advisory committees have the ability to make decisions.

I recognize that the final dollars are federal dollars and that the federal Government and Cabinet should have ultimate control as they have ultimate responsibility for what is happening in any of their programs. However, that does not mean that we cannot have decision making taking place in the regions. The regions of the country are developed by co-operative community development.

I can understand the federal Government, through its Ministers and the cabinet decision-making process, wanting and needing the right to say yes or no. However, it should not be saying yes or no to each and every project. It should be saying yes or no to the framework of the legislation, what kinds of programs are acceptable, and what kind of guidelines are necessary. That should be the function of the Government, and that is all the Government should be responsible for. I believe that the Government is responsible for its programs and that it should be in a position of setting the guidelines. I know that you realize, Madam Speaker, that the people in your region are capable of making decisions which are necessary for the region. It does not make sense to me that we should set up a structure where we bring in very talented people who know their regions only let them give advice. I support Mr. Volpe and Mr. DesBrisay when they say that it is a toothless tiger. Unfortunately this is happening yet again.

As I said earlier, since 1977 we in northern Manitoba have had a very similar program. We have gone through the growing pains. At present we have had an extension of our third agreement. We know that we will be renegotiating a new agreement over the next two years, and we know how necessary it is to take the decision-making process from Ottawa and put it within the province or, even better, within the region involved. Obviously, with regard to Atlantic Canada, that is the situation which needs to be developed.

I am afraid that we will be in the situation which I expressed earlier of having decisions made on a political basis only. I am afraid that, because there is pressure at a certain time, the money will be used to help Cape Breton one year or Moncton the next year, and that all sorts of announcements will be made just prior to the upcoming election on the basis of the best information available, not on the basis of information that would be there had the power to make decisions been given to the people of Atlantic Canada.

One problem which all of us face as Members of Parliament is that decisions are not made in the House of Commons. Decisions are often made not only by senior federal government employees but quite often by federal government employees. The reason for this is that we pass legislation such as the measure before us. We are setting up an advisory committee which can give advice. We have a federal Government which is dissatisfied with its situation in the political polls at this time and is obviously very concerned about its ability to be re-elected. Real decision making is not made by Members of Parliament or by people in the regions. They end up being made by people working in the departments.

I have no problem with federal government employees giving advice on which programs are good, which programs are not good, what kind of changes should be made to programs, or whether there should be training components in programs. All these things make sense, and we are hiring people to give us good advice. However, the problem is that federal government employees are working within their own regime. They are not necessarily emotionally involved in the development of a region. They are very often concerned about what they believe their Minister may or may not want. They are also concerned about what are their opportunities for advancement.

• (1130)

I have seen the situation within my own riding. I am sure people from Atlantic Canada, the Member for St. John's East, for instance, can give other examples of people making decisions which might make sense in Toronto, Ottawa or Winnipeg but do not make sense in the regions which they actually affect. We are often in a situation where programs do not make sense for a region. I can give all sorts of examples.

Let me talk about Canada Mortgage and Housing. We have the same rules with regard to the percentage of income that must be given to the Government if people are in federal government sponsored housing—it may be a provincial government program as well—whether they live in Toronto or northern Manitoba. I will explain that a little further. The federal Government requires that if you are living in a subsidized house, a house the Government has helped build, 25 per cent of one's gross income must be used to pay the mortgage. This makes sense in some areas where there is competition and other housing people can go into. But what if you make a large income and you are paying 25 per cent of it to live in a house, but your income goes up and up and up. All of a sudden you do not want to pay 25 per cent of your income to live in a CMHC sponsored house? What if you decide to move elsewhere?

This is a lovely principle, and it makes sense to some degree in the Torontos, Montreals and Ottawas of this world. But when you get into a northern community, whether northern Saskatchewan, as my friend from Prince Albert would talk about, northern Quebec or in some of the remote areas of Atlantic Canada, and the only housing available is federal Government sponsored housing where there is no land available, or serviced lots available, what then? You are stuck with this rule that makes sense in Toronto and Ottawa where options are available for people to move out.

In my riding there are houses with no water, no sewers, no municipal services. Because of the 25 per cent rule people are paying more for what could basically be called a cardboard shack. They are paying $500, $600 or $700 a month for a house without water, without sewers, without any of the services that we take for granted, a house which may have only 15-amp power. We say «You can build your own house.» But there are no lots available. You can have your own water and sewer but that is impossible because of the nature of the land.

The federal Government's rule—I do not want to pick on the Conservatives although they deserve all the picking on they can get—is a rule the Liberals brought in and it is the rule which the Tories have not yet had the political courage to change. The rule is that one pays 25 per cent of one's gross income for a federal government sponsored house regardless of where one lives in this country and regardless of whether there are other options available.

I was at a housing conference in northern Manitoba just a week and a half ago. People complained up and down about the problems. They complained that they cannot build log houses under the federal government program. They complained about the houses which might look nice in a southern suburb, a suburb of Toronto, a suburb of Calgary or any of the other communities I have mentioned earlier, but which make absolutely no sense in the communities in which they are being built. CMHC is a national program. The rules make sense in some parts of the country but they do not make sense right across the nation.

We are again setting up a new agency. We have very talented people in the Atlantic region who are willing to serve on the advisory committee and who understand how development should take place in their own regions. But we are denying them the real decision-making power. Why are Conservatives, who in 1979 talked about a community of communities, doing exactly as the previous Government did? Why are the Conservatives following exactly the same structures as the federal Liberals did in the programs which they developed for northern Manitoba?

I can go back to my speeches of 1979, 1980, 1981, 1982 and 1983 and feel like I am making almost the same speech again. I really wonder if there was an election in 1984. It is so typical, Madam Speaker. The Prime Minister (Mr. Mulroney) makes his big promise during his Atlantic swing. When we finally get the details and we look at them—thanks to our new Member for St. John's East who has given us very good advice—I do not see any differences whatever from what the Liberals did in my riding through the Northern Development Agreement during the middle part of the 1970s and the early part of the 1980s.

I remember a Liberal Cabinet Minister, Pierre De Bane, who is now in the Senate, saying that the Liberals needed more political credit for what they were doing in northern Manitoba. Therefore they set up an office and a program. I looked at what he did and I look at what the Government is doing now and it is exactly the same.

I hope when this legislation gets to committee—we support the concept and principle of money going into Atlantic Canada because it is so necessary—that the Government and government Members who will be serving on that committee will allow the amendments necessary to make sure that the decisions are made in Atlantic Canada, that the community and co-operative development which the people in that region want can proceed and we do not have yet another political exercise.

**Mr. Skelly:** Madam Speaker, would the Hon. Member elaborate on some of the very fine points he has made so that the Government could have the benefit of his experience and insight into these matters?

The Member touched on the very important matter of political patronage being a major feature of this type of development where a board or political appointee winds up advising the Minister to do the patronage thing. He talked about the problem of having new money available for these programs. Often the Government announces spending that is already in place basically in an attempt to deceive people. The Member from Churchill (Mr. Murphy) mentioned that this program has little support from the Atlantic Chamber of Commerce and a number of others.

Will the Member develop these points so the Government could have the benefit of his knowledge and experience of the Manitoba situation?

**Mr. Murphy:** Madam Speaker, I would like to thank the Hon. Member for Comox—Powell River (Mr. Skelly). He always asks some good questions. Unfortunately he never tells his caucus Whip what questions he is going to ask before he does so. Obviously this is not the situation of a planted question and a planted answer. Let me express some of my concerns.

There is an estimation that in Atlantic Canada as a result of the federal government cut-backs over $1.5 billion annually has been cut from various federal government programs going into Atlantic Canada. The amount of money here, although as usual the federal government likes to talk about $1 billion for this program and a billion for that program, is a billion dollars over five years. I have quoted the Chamber of Commerce and others. I have not been quoting those groups that are normally considered to be New Democratic supporters. The Government has taken away $1.5 billion from the various programs that used to benefit Atlantic Canada and has replaced that with a program which will give Atlantic Canadians at best $200 million a year. The net effect is that money is being lost.

• (1140)

I see that the Minister in charge of the western diversification office has entered the House. He understands that the same thing applies in western Canada. He now has a grand political machine and he is in a position of making decisions, but the people in the west know that they have suffered as a result of government cut-backs. They also object to the fact that the decision making will be done in Ottawa.

That is not just my perception or the perception of the Chamber of Commerce. According to *The Globe and Mail* of June 27, 1987, Senator Lowell Murray, the Minister in charge of this agency, said that the final decisions will be made by him in Ottawa. Those were his words.

I do not understand why there is a political need to have all decisions made in Ottawa. It seems to me that since the Government appoints the advisory board, it already has control through its ability to say who will be on the board and what groups will be represented. That advisory board is accountable to a Minister. The Government already has control.

I also recognize that the Government is in a position to set regulations and pass legislation. It has the ultimate control over the purse, as it should. Why not let people in the regions make the decisions? That is what we are asking for and that is what we believe is so fundamental to the entire process.

**Mr. Young:** Makes sense.

**Mr. Murphy:** The Hon. Member for Beaches (Mr. Young), a Member from the community of Toronto which I have been attacking for the last little while, has said that it makes sense.

If the Government wants real political credit in Atlantic Canada, western Canada or the North—

**Mr. Skelly:** How about the Pacific coast?

**Mr. Murphy:** Even the Pacific coast. The Hon. Member is from the Pacific coast and his riding spans the waters. The Hon. Member for Comox—Powell River understands what I am trying to say.

If the Government wants political credit, then it should make the change. It should not be like the Liberals. It should not be afraid to let the people in the regions make decisions. It should not want political credit for every grant that is given, and grants are not given unless a cabinet Minister is travelling through the area or the Prime Minister attends an opening of winter games or something of that nature. The Government should trust the people in Atlantic Canada, western Canada and even the City of Toronto to make the decisions which make sense for the regions.

I challenge the Minister of Indian Affairs (Mr. McKnight), who is also in charge of the western diversification office, to let that happen. Do not make sure that the Prime Minister is travelling through western Canada before making promises. As we know, the Prime Minister has actually stopped in Manitoba twice since 1984. We believe he came in the middle of the night because he has not had the courage to come to Manitoba in the daytime.

The people in the regions know their regions and they know what programs will work. If they make the decision, we will not get stuck with a bunch of political patronage and opportunism, all those things which create so much havoc in the House of Commons. We are saying to the Government that it should let the people who know the regions make the decisions.

[*Translation*]

**Mr. Robichaud:** Madam Speaker, I listened to the remarks made by the Hon. Member for Churchill (Mr. Murphy), especially when he said that he approved of the concept of this new agency and of directing funding to the Atlantic region, and that he believed in regional development. As you know, government contracts play a vital role in regional development, and not long ago, New Brunswick was awarded a contract for the frigates. I believe that throughout this debate, his Party agreed the frigates should be awarded to New Brunswick. Yesterday, however, the press reported a statement by the Hon. Member for Ottawa Centre (Mr. Cassidy) in which he said, and I quote: «If it forms the next Government in Ottawa, the New Democratic Party of Canada will reverse the present Government's decision on the frigates and award part of this contract to shipyards in Quebec, NDP Member Michael Cassidy promised.»

Now we know there was a reason for awarding the contract to New Brunswick. First of all, Saint John Shipbuilding made a bid that could compare with that of any other shipyard in Canada. It was the best price. And we also know that the unemployment rate in New Brunswick is pretty high and indeed higher than in many other parts of the country.

We also know that under this contract, nearly 50 per cent of the money will be spent outside New Brunswick.

I therefore want to ask the Hon. Member who just spoke whether his Party has now decided to reconsider the frigates contract. I find that rather astonishing.

[*English*]

**Mr. Murphy:** Madam Speaker, I am actually very glad the Hon. Member brought this up. Without telling secrets about our caucus executive meeting this morning, I can say that this issue was discussed. I will not go into the details of it, but the gist of the decision that was made—

**Mr. McKnight:** Why not?

**Mr. Murphy:** The Minister who is in charge of the western diversification office, who is also the Minister of Indian Affairs when he has the time, has asked why not. If he is willing to tell us what happens in Cabinet, I am willing to tell him what happens in caucus, but I do not think that that was the gist of the question.

We are very concerned with how decisions are made. People like me who are from Manitoba are very concerned about the way the decision on the CF-18 was made. The Minister of Regional Industrial Expansion (Mr. de Cotret) said in the House that it would cost only $3.5 million or $4 million more to build in Quebec, and on technical advice he said that both groups were pretty well equal. As we know, the information that came out over Christmas as a result of the access to information law indicated that it cost a heck of a lot more for the contract to go to Quebec. One estimate was that it cost $65 million more, but that was denied by the Conservatives. The Chairman of the Conservative caucus, the Hon. Member for St. Boniface (Mr. Duguay), said that it did not cost $65 million more for the contract to go to Quebec, it cost a lot less. He said that he actually knew the information but no one had ever asked him. Someone finally got around to asking him. He said that it would only cost $26 million more for the contract to go to Quebec.

We have said in the House and will say to members of our caucus when they step out of line that these decisions should not be made on a political basis. They should be done after an open and honest tendering system, regardless of where you live. Whether it is Saint John, and I have toured the dry docks there and I know they are very good facilities, or Montreal or Winnipeg, you have to know that you are playing on, to use an expression of the Prime Minister, a level playing field. You must know what is going on. Not like the poor people of Manitoba who bid on a contract they did not have a hope in hell of getting. Let us make the system fair, that is what we are saying.

• (1150)

**The Acting Speaker (Mrs. Champagne):** I must interrupt the Hon. Member because the time for questions and comments has now expired.

As we are resuming debate, I must advise the House that from now on, according to our rules, the speeches will be subject to a 10-minute limitation.

**Mr. George Baker (Gander—Twillingate):** Madam Speaker, 10 minutes is certainly enough time in which to talk about this Bill, I can tell you that. After reading the Bill and after looking at some of the promises made by the Government in introducing it, one would have to come to the conclusion that it is perhaps not even worth 10 minutes. The organization itself is nothing more than a political structure or political announcement to try and give the people of Atlantic Canada the impression that the Government is really interested in the problems of Atlantic Canada. That is all it is.

As the Bill itself says, all it will do is co-ordinate matters related to the federal Government in Atlantic Canada. In other words, all of the announcements being made regarding this agency are being made with funding which is already in place through an existing agency such as DRIE which we all know about. This $1.05 billion is really nothing to shout about at all.

A good indication of the importance of this agency is that the person in charge of the agency, the most senior person, the ultimate boss, should have been a cabinet Minister but is not. Perhaps we have lost sight of that. He is not even a cabinet Minister in the House of Commons. This glorious new Bill is not sponsored in the House of Commons by a cabinet Minister. The person responsible is a Senator.

The Senator the Government chose to head the agency—the Minister said he is the Hon. Member for—

**Mr. McKnight:** He is a member of the Cabinet of the Parliament of Canada.

**Mr. Baker:** The only real attribute of the Senator that I can see is that he is from New Waterford, Nova Scotia.

I believe you have to direct your questions in the House about this agency to the Hon. Member for St. John's West (Mr. Crosbie). He is answerable in the House on behalf of Senator Murray who has been put in charge of this Bill. That is an indication of how important this agency is to the Government of Canada.

If you look at the opinions expressed by some reputable people in Atlantic Canada on the CBC radio this morning, they quote a Mr. Volpe, President of the Economic Council of New Brunswick, past President of the New Brunswick branch of the Canadian Manufacturers Association, Vice-President of the Chamber of Commerce of Edmundston, and member of the Board of Directors for the Atlantic Provinces Economic Council. He sits on the New Brunswick Forestry Products Commission as well. He is quoted this morning as saying that the agency is not working. It is really not doing what the Government of Canada said it was going to do. It is really not originating the ideas from Atlantic Canada and funding those ideas. In other words, it is not working, according to Mr. Volpe.

I forgot to mention that Mr. Volpe is a government appointee to the board in charge of the Atlantic Canada Opportunities Agency. He is on the board appointed by the Government. When you have a member of the advisory board appointed by the Government saying the agency is not working, then obviously something is seriously wrong with the agency.

That is all there is to say about the Atlantic Canada Opportunities Agency. They should call it the Atlantic Canada overblown agency. All we have heard about it is rhetoric from the Prime Minister (Mr. Mulroney) and the Ministers from Atlantic Canada, and there is nothing there. There is absolutely nothing at all in the Bill that is going to help Atlantic Canada. Not one single thing is there, not one thing. In every program that you see there has been a reduction in the amount of money going into Atlantic Canada.

If the Government of Canada is really interested in doing something for Atlantic Canada, it would address the inshore fishermen of Newfoundland who are up here today trying to get a meeting with the Minister of Fisheries and Oceans (Mr. Siddon), trying to find out why the Government of Canada increased the quota of northern cod. In other words, it is robbing the industries around Newfoundland of fish. It is bowing down to the Government of France.

Yesterday or the day before when France announced that it was going to catch 26,000 tonnes of codfish, the Government just bent over backwards and said it can't do anything about this because it is the Government of France and the French are over here catching Canadian fish. Oh, we cannot send out a boat to try and arrest them. Oh, no. That is the Government of France. However, if that were a Nova Scotian or New Brunswicker or Prince Edward Islander or Newfoundlander or Quebecer, oh, yes, drag them into court and charge them.

The whole direction of the Government of Canada is off. It walks in here with this Bill and says the Atlantic Canada Opportunities Agency, what we call the Atlantic Canada overblown agency, is the new future of Atlantic Canada. We are saying that the Government is fouling up everything else. The future is sitting out there right now. All it has to do is address the problems it has created.

I know my 10 minutes are about up and I thank the House for its indulgence. As I say, there is nothing to this Bill. It will go down in history as being a nothing Bill with 300 employees and no budget. The Government is underspending for this year, according to the Prime Minister, because the Government does not want to give the agency the authority to spend any money.

**Mr. Ray Skelly (Comox—Powell River):** Madam Speaker, I must commend the Hon. Member for that eloquent and hard-hitting speech. I think he really elucidated the shallowness of the present Government in its dealings with Atlantic Canadians.

Certainly the Bill before us today can only be described as disappointing. When the Hon. Member for Churchill (Mr. Murphy) spoke, he spent some time outlining the whole purpose of these kinds of things from the Government's point of view. It is a mechanism to try and obtain political credit.

It is interesting that one of the things which was not included in that discussion is that the Government has to do something significant before it can expect any political credit. Certainly the Bill before us today, proposing to set up an Atlantic Canada Opportunities Agency, is not doing anything constructive.

People in this House have spoken of the shortcomings, the fact that the board itself has no decision-making power, that Atlantic Canadians will not have an opportunity to determine which projects are appropriate for their region and which are not. In fact, many of those projects will be decided on the basis of political patronage. The Government has had a litany of patronage arrangements which have done irreparable harm to the Government. I cast my mind back to the tuna fish scam and the clam scam. Today we have what is being labelled as the lobster scam. Essentially it is more important for the Government to fill the pockets of its friends than to take care of the needs of Canadians. With some well-known pork-barrellers sitting on the board of this agency, political patronage once again looms its ugly head in the distribution of Government benefits. Therefore, it is an element of very serious concern raised by many people in this House.

• (1200)

There is talk of funding in the order of $200 million a year over a five-year period, something in the order of $1 billion. We have seen this operate in other areas before. In order to obtain political credit for doing nothing the Government simply reannounces existing spending programs or chops a program and then uses the funding for an equivalent kind of program under the guise of creating something new, of indicating an interest in the area and acknowledging its need, while only reshuffling existing dollars into the area. There is a great deal of concern that the new agency and the projects it recommends will not be receiving new dollars, that existing dollars which are allocated to meet certain needs in the region will be spent from a political patronage point of view.

Previous speakers mentioned that there is really no base of support for this organization, that it was created out of smoke and mirrors by the Prime Minister (Mr. Mulroney). Organizations such as the Atlantic Canada Chamber of Commerce and various chambers of commerce in the region are criticizing it. There was no consultation in setting it up, there is no real decision-making power in the board and, as I said, there is no constituency for it. It has been termed a toothless tiger. The suggestion put forward by the Whip of the New Democratic Party in his speech was that if the Government had any guts, any real demonstrated concern for Atlantic Canadians, the board would have the decision-making authority to determine projects which are relevant for the region.

The whole thrust of the Government in removing regional development programs is interesting. It brings to mind the difficulties that will be experienced under the Mulroney-Reagan trade deal. Under that trade arrangement with the United States opportunities for regional development subsidization to get certain industries in deprived or problem areas in the country operating will disappear. That arrangement will probably do serious harm, in many cases, to attempts to get industry going in Atlantic Canada under regional development.

There is a great deal of concern that where profitable opportunities do exist, rather than seeing them fall into the control of Canadians we may see American firms taking them over and operating them for, in many cases, benefits across the border. The Mulroney-Reagan trade arrangement will certainly be a major problem in this area.

**The Acting Speaker (Mrs. Champagne):** Order. The Hon. Member has been told constantly, as have many other Members in the House, that the name of the Right Hon. Prime Minister (Mr. Mulroney) should not be used in the House of Commons. I know that the Hon. Member is referring to a trade agreement between Canada and the United States and he should refer to it as such.

The Chair has shown a lot of patience, but I think I must tell the Hon Member once more at this time that, according to our rules, the name of the Right Hon. Prime Minister should not be used in the House and the Chair would appreciate the Hon. Member paying heed. The Hon. Member has another three minutes available to him.

**Mr. Skelly:** Madam Speaker, on a point of order I would just point out that across the nation this agreement is now known and quoted in many documents as the Mulroney-Reagan trade agreement. Unfortunately we have a situation which indicates—

**The Acting Speaker (Mrs. Champagne):** The rules of this House are different than what is being done outside, and the Hon. Member knows that.

Furthermore, as has been indicated earlier this week or late last week, if an Hon. Member is quoting from a newspaper which uses such an expression, the Hon. Member should make the necessary changes while quoting from the newspaper. I would appreciate the Hon. Member paying attention to that and referring to the trade deal as what it is, a commercial agreement between Canada and the United States.

**Mr. Hawkes:** Madam Speaker, I rise on the same point of order. I appreciate your intervention because I think the traditions of the House and respect for them are something from which we deviate with considerable risk.

However, having brought it to the attention of the House at this time, I wonder whether the Member might also remind his caucus and the Official Opposition caucus that rather consistently today during the presentation of petitions, either by reading from the petitions directly or in the summary comments, they were violating the rules of the Chamber. I hope that by tomorrow they will have had a chance to reflect on the wisdom of that rather than continuing to violate the rules of the House so blatantly.

**The Acting Speaker (Mrs. Champagne):** I will recognize the Hon. Member for Ottawa—Vanier (Mr. Gauthier) in a moment. If the Hon. Parliamentary Secretary had a problem with the use of names while petitions were being presented he should have brought it to the attention of the Chair at that time. The Hon. Member cannot do indirectly what he cannot do directly or vice versa. I think the Hon. Member understands exactly what the Chair is trying to get Hon. Members to understand.

The problem arose last week during the presentation of petitions. Some Hon. Members said that they were reading what was on the petitions. Hon. Members were told at that time that while reading petitions, just as when quoting from a newspaper, they should make the changes. I must admit that the Chair was quite lenient earlier today. However, during his intervention the Hon. Member was obviously and repeatedly doing this, which is why I brought it to his attention. I hope all Hon. Members will follow the rules. I will now recognize the Hon. Member for Ottawa—Vanier who had been seeking the floor.

**Mr. Gauthier:** Madam Speaker, I fear that the ruling you have just made with regard to the editorializing of texts by Members of Parliament is one that I do not understand and on which I would like to ask for some clarification. When one reads a petition which was presented and signed by Canadians one performs the duty of reading to the House the text which was given to him or her to present. Therefore, I do not see how, in any way, we could accept that the wording of a petition be changed to meet your requirements of always addressing every document, every Bill, and every motion with its full title.

• (1210)

We in this House have a habit of making concise and shorter expressions of long explanations in Bills. There is always a short title to a Bill. There is always a way of getting around reading the full title of a Bill by saying the Bill deals with such and such. I doubt very much that you are telling me and Members of the House that every time we refer to an official document, be it the trade deal signed by the Prime Minister (Mr. Mulroney) of this country and the President of the United States, Mr. Reagan, that there is any pejorative intention in saying the «the Mulroney-Reagan trade deal». I do not see any difficulty with that. If you do, Madam Speaker, then I guess all of us will have to address that question in a very serious manner, because what you are proposing to us today is a radical change from the long practice in this House that Members refer to documents in as brief a manner as possible.

I would ask the Speaker to give me further advice on this matter because my caucus will probably consider it tomorrow morning. It is a very important question that you raise, Madam Speaker, and I would ask for some clarification on that question.

**Mr. Hawkes:** On the same point of order, Madam Speaker, just briefly, in response to the Hon. Member for Ottawa—Vanier (Mr. Gauthier), I think the rules are clear, and certainly the precedents are clear, that petitions should not be read but that there should be a short statement summarizing the petition. Therefore, I do not think the difficulty is as it reflects petitions. I agree with my hon. friend that the petition itself should be presented in the form in which the petitioners present it to the Member. However, in the presentation in the Chamber, I think the rules are clear that it should be a brief summary.

We were on a point of order on this matter yesterday and I do not think the difficulty is in dealing with the trade agreement by its official title. It would facilitate the Chamber if Members did that rather than not using the correct title of the agreement, which is really what I think the Chair has been bringing to our attention.

It is not our tradition to name Members in the Chamber, to use their names. We can refer to their ridings. I agree with my hon. friend that it is our tradition to use correct titles. You have brought to our attention, Madam Speaker, that we are not using correct titles and I thank you for doing so.

**Mr. Gauthier:** Madam Speaker, I get the message clearly and I think we of the Opposition have not in the last while abused the time of the House. We have not read the petitions in full, which normally go on for quite some time. What we have all attempted to do is make a concise statement as to what a petition pertains to.

Coming back to the original point made by the Chair, which I want to address, because petitions are not the point under discussion right now, when Members refer to a document, to a Bill or to any official papers, must we now refer to the full title? For example, taking the first Bill on this Order Paper, Bill C-38, an Act respecting the reorganization and divestiture of Commonwealth Canada, the short title of that Bill, is the Teleglobe Reorganization Bill. That is the way we have referred for many years to many of the Bills and documents. When referring to the Meech Lake Accord, if we have to refer every time to a Bill amending the Constitution of Canada, 1867 and 1982 thereof and so on, we will not be able to finish making our speeches. I would have to take 10 minutes just to explain what I am talking about.

**The Acting Speaker (Mrs. Champagne):** The article to which I was referring is Citation 319 of Beauchesne's Fifth Edition which states:

> It is the custom in the House that no Member should refer to another by name.

Referring to the Hon. Prime Minister by name is not allowed, any more than it would be for any other Member, which is the only problem I had with the Hon. Member's statement. I brought it to his attention and to the attention of all Hon. Members.

As the Hon. Member may recall, I was not the one who first brought up the problem which arose or did not arise during the presentation of petitions. I am simply reminding the Hon. Member of Citation 319 of Beauchesne's Fifth Edition which states that it is the custom in the House that no Member should refer to another by name. This has been a long-standing rule, and I am sure all Hon. Members will want to abide by it.

**Mr. Skelly:** Madam Speaker, for further clarification, it would strike me that the ruling made now does need some clarification. I will just use by way of example an article in the *Citizen* which talks about Mulroney discussing the matter of Masse, and reading right from the article, «—as a serious problem with the electoral enforcement». My understanding of the direction from the Chair is that under no circumstances can we use the name of a Member even when quoting directly from an article. That, to my understanding, is a substantial change from the way this House has operated in the past.

**The Acting Speaker (Mrs. Champagne):** The Chair cannot really see how the Hon. Member would want the Chair to allow an Hon. Member to do indirectly what he cannot do directly, even if he or she is quoting from a document. If the Hon. Member cannot directly call another Member by name, how can he or she do it while he or she is quoting? I think the substitution of the Hon. Member's riding or his title as a Minister or Prime Minister can then be made.

This is something that was talked about, I know, before the Christmas holidays. I know it was brought to the Speaker's attention late last week. After listening very closely and intently to what the Hon. Member for Comox—Powell River (Mr. Skelly) was saying in his intervention, it seemed that it was not really a slip of the tongue but something which he seemed to be doing purposely and repeatedly throughout his intervention, which is why the Chair decided to intervene.

**Mr. Riis:** Madam Speaker, I wonder if I might make a suggestion? Your interpretation of the rules, of course, is accurate, that we are not to refer to one another in this House by their proper name, but the name of their constituency or the title they have been given. However, it seems to me we are now talking about an important related matter. It is something quite different when we are referring to a title of a document or, as the Hon. Member for Comox—Powell River (Mr. Skelly) has just indicated, when we are asked to quote from a document, newspaper article or something of that nature. My suggestion is that before we paint ourselves into a corner on this issue, it might be just as well to set it aside and reflect on it together and see if there is not a clear direction we want to follow as opposed to making, if you like, a statement that would be a precedent then for future discussions. Might I recommend to the Chair that we give ourselves time to think about this matter before the Chair rules?

**Mr. Hawkes:** Madam Speaker, from the Government's perspective, I think this might be an item we would want to discuss at the House Leaders' meeting. If we continue to ignore the Chair's advice, we will get into things where government Members are rising and talking about the «Turner-trade» rip-up or the «Broadbent-tax» rip-off. It has no end. I think Members can see clearly the end result of failure to follow the Speaker's admonition. Let us reflect on that. Let us accept, with the concurrence of the Official Opposition, the suggestion from my hon. friend that we in the three Parties take a collective look at it.

• (1220)

**The Acting Speaker (Mrs. Champagne):** I would like to thank all Hon. Members who participated in this—

[*Translation*]

The Hon. Member for Saint-Jacques (Mr. Guilbault), on the same point of order.

**Mr. Guilbault (Saint-Jacques):** Madam Speaker, I followed the discussion in the foyer, on T.V. I understand the Chair will reflect on the present situation and is seeking Opinions. I think there is some danger of creating a precedent here, especially since in future the Chair may decide to judge terms used by Members to describe Bills or actions or initiatives. We all know there are dozens of ways to describe a government initiative, an administrative measure or a public matter. I think it would be dangerous if there were to be any censorship of these various ways of expressing ourselves.

I realize that strictly speaking, it is not appropriate for a Member to rise in the House and address another Member by name. A Member is to be addressed by the name of his riding. However, occasionally a person's name may be used to describe an initiative originated by that person, so there is a fine line here, and perhaps when the matter is discussed, as I imagine it will be, by the various Members who take the Chair from time to time, perhaps that is a point that should be considered, because it has never been customary in this House for the Chair to intervene and correct language used by Members unless that language is clearly abusive and contrary to the Standing Orders or to established custom.

Those are my comments, and perhaps they will be useful in helping the Chair reach a final decision in this particular matter.

**The Acting Speaker (Mrs. Champagne):** I wish to thank the Hon. Member for Saint-Jacques (Mr. Guilbault) for his comments which are indeed useful, both to the Chair and to all Members of this House. Being in the Chair, what I tried to do today is simply to enforce a regulation that has been part of our Standing Orders and parliamentary procedure for quite some time. I believe all Hon. Members will want to give this matter some serious thought before they decide to put a label on a document in which all Canadians are involved and in which all Canadians are interested at this time.

I will now give the floor to the Hon. Member for Comox—Powell River (Mr. Skelly), and I am sure he might wish to think about the discussion we have just had when he finishes his speech.

[*English*]

**Mr. Skelly:** Madam Speaker, since I set off the slight bush fire in here might I have one second to deal with the point of order and then return to the topic of debate?

I feel that to prohibit me from using a description that is commonly known in the country and often quoted in articles would in fact violate my privileges as a Member of Parliament. It would prohibit me from using an exact quotation as opposed to conjuring up something in my own mind. I hope that there will be an opportunity in the House to explore the very difficult application of this rule. I feel very sensitive about it, having moved farther than I think Members of the House intended it to go.

I certainly accept the proposition that one cannot refer directly in discourse in the House to another Hon. Member by name. However, if it is a matter of quoting or referring to articles then we should be allowed to use those names in ways which are understood by the people.

**The Acting Speaker (Mrs. Champagne):** The second that the Hon. Member asked to have to talk about the problem has now expired. The Chair recognizes the Hon. Member on debate.

**Mr. Skelly:** Madam Speaker, I also think that enough time has transpired with respect to the matter of the Atlantic Canada Opportunities Agency.

Obviously, the Canada-U.S. trade agreement will prohibit certain kinds of regional development activity. The point I was making is that it is ironic that an area of Canada in which this House has had such tremendous interest and would like to see development move ahead in terms of Atlantic Canadians sharing benefits with the rest of the country is that we may in fact be prohibited from putting those in place because of the Government's negotiation of a particular trade treaty with the United States.

I would like to conclude on those remarks.

**The Acting Speaker (Mrs. Champagne):** Is the House ready for the question?

**Some Hon. Members:** Question.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** The question is on the motion of Mr. Mulroney, seconded by Mr. Côté (Langelier), that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts be read a second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Mr. Gauthier:** On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

[*English*]

**Mr. Hawkes:** Madam Speaker, there have been discussions with the critics of the opposition Parties with respect to commencing the consideration of Bill C-84 at three o'clock when the Minister is present. Given the fact that we are rapidly approaching the hour for the lunch adjournment, I would call it one o'clock.

**Mr. Gauthier:** One o'clock.

**The Acting Speaker (Mrs. Champagne):** Is there unanimous consent to call it one o'clock?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mrs. Champagne):** I do now leave the chair until 2 p.m. this day.

At 12.29 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*English*]

## ENVIRONMENTAL AFFAIRS

### ACID RAIN—SUGGESTION UNITED STATES BE BILLED FOR DAMAGE

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, only this Government is surprised by the unwillingness of the Americans to negotiate a treaty to stop acid rain coming across our border. The fact is that President Reagan only agreed to consider the possibility of a treaty, not to sign one. The U.S. State Department officials made this distinction clear on several occasions. Yet the Government tries to maintain the illusion of progress.

*S. O. 21*

In 1985 the Prime Minister (Mr. Mulroney) appointed an acid rain envoy to reinvent the wheel, in 1986 accepted the U.S. five-year research and demonstration program, and now discovers the true intent of the U.S. administration is not to cut transboundary air pollution, but to continue with research and development.

In 1985 the Government made the mistake of abandoning the multilateral, global policy approach to acid rain which served us well because it led to 21 nations signing the Helsinki Accord on Acid Rain.

We urge the Government to resume the global policy, and at the same time prepare a Bill to be presented to President Reagan at the next summit for compensation for damage caused each year to lakes, fisheries, agriculture, maple syrup producers, forestry, tourism, health, structures and buildings by acid rain pollution coming from the United States into Canada every day.

* * *

## HISTORIC EVENTS

INDIA—ANNIVERSARY OF ESTABLISHMENT OF REPUBLIC

**Mr. Bob Pennock (Etobicoke North):** Mr. Speaker, it gives me great pleasure today to recognize the thirty-eighth anniversary of India's Republic Day. In 1950 India became a republic. Like our Canada Day, India's Republic Day is its biggest national holiday.

Sharing similar aspirations of accommodating various ethnic and linguistic groups, India has tried to achieve a better democratic system and standard of living for its people. Canada, for its part, has made its contribution to India through various development efforts down through the years. In the international arena, Canada and India have shared values, particularly the desire to bring justice and peace to the world.

Canada has been made richer by having amongst its cultural mosiac Canadian citizens of Indian origin. I, for one, would vouch that they have made a tremendous contribution to our country and our Canadian society as a whole. I am proud to have citizens of all cultural origins in my riding of Etobicoke North, and today I am pleased to be able to pay a special tribute to those Canadians of Indian origin.

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## EXTERNAL AFFAIRS

UNITED STATES—CALL FOR ENDING OF AID TO CONTRA FORCES

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, today the Secretary of State for External Affairs (Mr. Clark) leaves for a conference in Lusaka. Before he goes, once again I would like to urge upon him that the Canadian Government take a stronger position with respect to U.S. funding of the Contras. In recent days we have seen that President Reagan has made this a priority for his political agenda. I would urge upon the Secretary of State for External Affairs that Canada finally come out and be explicitly critical of this particular preoccupation of President Reagan.

When I raised this matter in the House last week, the Secretary of State said that I was suggesting he attack the United States. I suggest no such thing. However, I do suggest that he be critical of the United States.

He states that it is not Canadian policy to offer advice to other Governments. We do offer advice to other Governments. In recent weeks we have offered advice to the Israeli Government. The Secretary of State is going to Africa, presumably to offer advice, along with others, to the South African Government. We offer advice and criticism, constructive we hope, to many countries.

I see no reason why the United States of America should be exempt from criticism, and why we should make an exception when it comes to American foreign policy and feel that we cannot be critical of that particular country.

* * *

• (1405)

## ROYAL CANADIAN MOUNTED POLICE

TRAINING ACADEMY—APPOINTMENT OF WOMEN INSTRUCTORS WELCOMED

**Mrs. Mary Collins (Capilano):** Mr. Speaker, as you know, I have often been critical in the House and in committees of the RCMP's role in terms of the promotion and advancement of female members of the force, and rightly so, but I am pleased today to give credit where credit is due in terms of a new initiative that the RCMP is taking to ensure equality for women within the force.

As I am sure Hon. Members know, the RCMP only started to hire women recruits in 1974, and it has been difficult for many of them to achieve the status of corporal. That has meant that of the 94 corporal level positions at the Training Academy in Regina there are no women. With the increasing number of women coming into the force, it is obvious that there is a need for women to be teaching in that instructional academy.

Thus I am pleased that the RCMP is instituting a special program provided for under Section 15(1) of the Canadian Human Rights Act, the effect of which will be to place female members as instructors at the corporal rank at the RCMP Training Academy in Regina.

The RCMP is conducting an internal competition to fill these posts, so I would like to offer my congratulations and of

course my very best wishes to the women who win these posts and who, I am sure, will be very successful in their future endeavours.

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[*Translation*]

## OFFICIAL LANGUAGES

NECESSITY TO ADOPT BILL C-72

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, yesterday the House debated a motion condemning the Government for its inertia and lack of courage with respect to the official languages.

The Government claimed it is not dragging its feet in this case. Yet again this morning we read in the newspapers that the federal government language teachers will probably call a strike because Treasury Board wants them to work under unacceptable conditions.

This is the same Conservative Government which reduced the number of teachers from 3,000 in 1970 to 700 now. This Government shows so little interest in the official languages that it has decided to cut back language teaching in the Public Service. Last year the Government announced person-year cutbacks in excess of 40 per cent and this year the trend continues.

The Minister said «we will put our money where our mouth is», then he goes on to prove that by practically ensuring the disappearance of government linguistic training services and forcing teachers to strike. If this Government is really interested in the official languages, Mr. Speaker, why tear down the product of 17 years of Liberal work? The Government will be judged in light of its actions, for Bill C-72 will be just another piece of paper until it is passed by this House.

* * *

## MINES AND MINING

TAX REFORM—IMPORTANCE OF TAKING SITUATION OF SMALL GOLD-FIELDS INTO ACCOUNT

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, since the crash, the small gold-fields are having a hard time, as can be seen in the article by Michel Girard published in the daily *La Presse* of January 25, 1988, under the title *Période difficile pour les aurifères juniors*.

Despite an average drop of 40 per cent in the stock prices compared to before the stock exchange crisis and an increase in the price of gold, small gold-fields cannot seem to be able to take off again. And as we are sailing in a downward cycle, there is little chance of seeing small gold-fields come back in the medium-term to the peak they reached before the crash.

According to the mining analyst, David Charles, who is a researcher for the firm *Tassé et Associés*, investors would then be well advised to bank on quality stock because of the difficult situation in the stock market.

On the other hand, we expect a seasonal recovery of small mining operations for February or March. Traditionally, there is such a recovery around that time, but nothing guarantees it will happen again this year. This period also coincides with the delivery of many flow-through shares bought in 1987.

I would like to bring this to the attention of the Finance Minister (Mr. Wilson) and of the Deputy Minister of Finance, Mr Stanley Hartt, so that they watch very closely that period and revise the tax reform accordingly.

* * *

[*English*]

## TRADE

POTATO EXPORTS TO UNITED STATES—NON-TARIFF BARRIER

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, Canadian potatoes are world renowned for their quality and taste. Too bad American inspectors don't agree.

When Maritime potatoes which have already been thoroughly inspected by Agriculture Canada cross the border into Maine, inspectors pick over them trying to find fault. Since the destination inspection is the final one, these first-line inspectors cannot stop the spuds from continuing on to New York, Boston, Philadelphia, and other eastern seaboard destinations.

However, they are harassing the industry by saying that they have to phone the end receiver and warn him of poor quality. Since many loads come through at night when receivers are not available, truck drivers must either wait or head back to Canada. There are some who persevere, however. Up to January 22, 20 out of 29 loads which were declared to be poor at the border passed reinspection at the end.

Maine is using this non-tariff barrier to keep New Brunswick potatoes out since its anti-dumping suit was not successful. The Government assured us that the trade agreement would prevent this type of action. It was wrong again.

* * *

[*Translation*]

## EXTERNAL AFFAIRS

CANADA-FRANCE RELATIONS—GOVERNMENT'S NATIONAL RECONCILIATION POLICY

**Mr. Jean-Guy Guilbault (Drummond):** Mr. Speaker, the state visit of the Governor General of Canada in France is the concrete result of the extension abroad of the national reconciliation policy carried out without respite by our government. In addition to having permitted two long expected francophone summits, the second of which was held in Quebec City September last, the action of the Government, especially the Prime Minister's, has contributed to improve greatly our political dialogue with France.

Good relations between two privileged partners such as Canada and France do not exclude the emergence of bilateral problems such as the one which we face in our relations in the area of fisheries. We should consider them realistically and maturely. I can assure the Government that I fully support the firm attitude it has maintained to uphold the interests of the Atlantic area in that issue and no doubt that the Deputy Prime Minister (Mr. Mazankowski), who is accompanying Mrs. Sauvé, will assert the Canadian position.

In conclusion, Mr. Speaker, we all acknowledge that the visit of the Governor General in France is an historic event and provides an opportunity to extol the unique relations existing between Canada and France.

* * *

• (1410)

[*English*]

## HOUSING

### TOBIAS HOUSE PROJECT IN TORONTO—LACK OF AFFORDABLE LAND

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, Tobias House is a church-sponsored group with excellent experience in the case of disabled adults. The group's proposal for funding was favourably received by the Ministry of Housing but had to be turned down because Tobias House was unable to obtain land in the central part of Toronto. Its non-profit project of 80 to 100 units reflects its interest to serve low-income households of a variety of types including families, seniors, and the disabled.

Tobias House is facing a major problem. There is no affordable land on which to build in central Toronto. We all know that the federal, provincial and municipal Governments have parcels of land which could be made available for projects such as this one. The federal Government must show its leadership now by releasing some of its own land in and around Metropolitan Toronto where the housing shortage is most acute in order to help house the most unfortunate in our society.

I urge the Minister of Housing to act now.

* * *

## EXTERNAL AFFAIRS

### GOVERNOR GENERAL'S VISIT TO FRANCE

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, I am pleased to note the historic visit to France of the Governor General, the Right Hon. Jeanne Sauvé.

This first ever state visit to France by a Canadian Governor General confirms the new spirit of co-operation and confidence which permeates the relations between France and Canada and which results from the Prime Minister's (Mr. Mulroney) policies of national reconciliation, his strong support for the Francophonie and his important efforts to improve the climate of France-Canada relations.

I commend the Prime Minister (Mr. Mulroney) for the enlightened efforts of his Government. The participation in the visit by the Deputy Prime Minister (Mr. Mazankowski) reflects the priority accorded by the Prime Minister to both the visit and the bilateral relationship.

There are disagreements, Mr. Speaker, notably the fishing and maritime boundary dispute, but I am confident that with mutual goodwill a solution will be found.

* * *

## FINANCE

### TOBACCO INDUSTRY—CALL FOR SUBSTANTIAL INCREASE IN TAXES

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, there is no doubt that the most difficult aspect of the legislation to ban tobacco advertising is the impact that it will have on funding for sports and cultural organizations.

Today the Cancer Society, along with other groups concerned with public health, proposed a solution. What these groups want is a substantial increase in tobacco taxes. This would raise some $800 million in additional revenue for the Government each year. With additional revenue, the Government would be in a position to replace the lost corporate funding and perhaps to increase it, as well as providing funds to aid tobacco farmers and finance public health education and medical research.

According to a Gallup poll released today, some 78 per cent of Canadians agree with such an approach, including a two to one margin of smokers. This proposal has merit and deserves much more serious consideration than the Minister's attempts yesterday to water down his legislation to appease Bill Neville and the tobacco lobby.

Clearly, Canadians are prepared to help sports and cultural groups break their addiction to tobacco. Is the Government prepared to help?

## POLITICAL PARTIES

NEW DEMOCRATIC PARTY'S FUND RAISING APPEAL—AN UNAMBIGUOUS REPLY

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, what have I done? The Leader of the New Democrats (Mr. Broadbent) thinks I am a socialist. I am insulted, hurt, humiliated, pained, mortified, grieved, distressed, troubled, worried, offended, disparaged, belittled, discredited and wounded.

The socialist leader sent me a letter asking for money, money to help take Canada out of NATO, money to help him fight free trade so the poor people of Canada won't be able to buy cheaper food, money to bring pornography into Canada.

These policies are outrageous, contemptible, vile, disdainful, wicked, disgusting, appalling, frightful and terrifying. And he wants me to help pay for them? It makes me ill, sick at heart, perturbed, weary, queasy, squeamish, fastidious and nauseated. Mr. Speaker, will you tell the socialist leader that I will not be sending him any money, because I am a free enterpriser and a Tory.

• (1415)

**Some Hon. Members:** Oh, oh!

* * *

## UNEMPLOYMENT INSURANCE ACT

PARENTAL LEAVE DISCRIMINATION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, now for a voice of reason to follow that rather unusual plea. The Government claims that it is interested in equality of the sexes. Yet when it has an opportunity to change a piece of discriminatory legislation dealing with the issue of parental leave, which will not cost a penny, it refuses to do so.

No less than two government committees and an extra parliamentary committee have suggested that it is sexist to allow people to claim maternity leave without offering the same benefits for paternity leave. In the Province of Ontario there are two cases of individuals whose spouses have fallen ill not being able to look after their children because the legislation refuses parental leave for fathers.

Is it the belief of this Government that only women should be involved in the rearing of children? Is it the belief of this Government that the father does not have a role to play in parenting? If the Government really believes in equality, it will support my Private Member's Bill to ensure that parental leave is available to the father or mother, depending upon who chooses to seek leave for assisting the child. Parenting is not simply a mother's responsibility.



# ORAL QUESTION PERIOD

[*Translation*]

## THE CABINET

MARCEL MASSE ISSUE—THING OF WONDER

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I would like to get back to the election expenses of the Minister of Energy, Mines and Resources.

Yesterday, I asked the Prime Minister two questions which he refused to answer. The first question was whether the Prime Minister had read the letter, dated November 28, that was sent to his Minister by Mr. Gorman at the very moment the Prime Minister decided to bring the Minister back to Cabinet. No answer. The second question was whether the Minister had told the Prime Minister about the contents of the letter and whether they had discussed the contents at the time the decision was made to call the Minister back to Cabinet. No answer.

When will the Prime Minister come out of hiding to answer these two questions? Unless of course the Prime Minister claims that keeping this a mystery as long as possible is in the public interest.

[*English*]

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, if there is a mystery about this matter, it is why the Official Opposition has, for three days now, along with the New Democratic Party, been repeating in the House and directing toward the Government questions that would be more properly directed toward the official of Parliament whose report is in question.

[*Translation*]

ALLEGED ELASTICITY OF ETHICS STANDARDS

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, here is a question that certainly concerns the Minister. On September 9, 1985, the Prime Minister tabled in Parliament a Code of conduct for his Ministers. On that occasion he said in the House, and I quote: «The Government must be able to provide competent management and . . . be guided by the highest standards of conduct.» A few weeks later, he recalled to Cabinet a Minister who, according to the Commissioner of Elections, had taken part in a violation of the Canada Elections Act. My question is this: Is the conduct of the Minister of Energy, Mines and Resources an example of those highest standards? Or is the Code of conduct for prospective members of Cabinet as flexible as the Prime Minister wants it to be?

[*English*]

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I have some acquaintance with the difficulties of Oppositions in desperate situations, but members of the Official Opposition will not make very much progress directing these questions at the wrong target. If they are

serious about this matter, they know the procedures that have to be open to them.

• (1420)

KNOWLEDGE OF FACTS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, in light of those responses and in the absence of the Prime Minister, I will direct my question to the former Prime Minister and now Acting Prime Minister.

This is not just a question of criminal guilt or innocence. It is a question of ethical standards. It cannot be delegated to anyone else but the Government and particularly the Prime Minister for whom the right hon. gentleman is speaking. That is the issue.

The former Industry Minister got in trouble not because of a criminal charge but because he mixed his public and private interests. A former Minister of National Defence got into trouble not because of a criminal charge but because of conduct unbecoming a holder of high office.

**Mr. Hnatyshyn:** Order! That is before the courts.

**Mr. Turner (Vancouver Quadra):** A former Minister of the Environment got into trouble for excessive and free wheeling spending in Europe. The former Minister of Public Works got into trouble for questionable fund-raising techniques. The former Solicitor General got into trouble for a cosy little private meeting with a former Premier. The former Minister of Youth got into trouble because she used government funds to recruit young people to the Conservative Party. Each time the Prime Minister missed the point, and once again the Acting Prime Minister misses the point.

Either the Prime Minister and his Minister together hid the whole truth from the country for a whole two years, or the Minister kept the truth from the Prime Minister for those two years. I ask the Acting Prime Minister, which is it? Did the Prime Minister hide all the facts from the public, or did his Minister hide the facts from the Prime Minister?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I hate to raise his name in these circumstances but Pierre Trudeau used to say: «I disagree with the premises of that question.» Nonetheless, the answer is no.

[*Translation*]

QUERY WHETHER PRIME MINISTER KNEW MEMBER FOR FRONTENAC PARTICIPATED IN INFRACTION OF CANADA ELECTIONS ACT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I think the Acting Prime Minister underestimates the importance of this question, but that is his problem. The Minister does not seem to understand that what is at issue today is the Prime Minister's judgment, because only the Prime Minister appoints members of Cabinet.

When the Prime Minister reappointed the Minister of Energy, Mines and Resources to Cabinet in November 1985, did he know that the Commissioner of Elections was of the opinion that the Minister had been party, to use the Commissioner's own words, to a violation of the Canada Elections Act? Or did the Minister hide the full contents of the Commissioner's letter from the Prime Minister? If that is the case, isn't this sufficient reason to expel the Minister from the Prime Minister's Cabinet?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the question was whether the facts of a letter were hidden. I gave my answer.

[*English*]

PRIME MINISTER'S POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I can understand the Secretary of State not wanting to carry the can today.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** However, I would have expected him to treat the questions a little more seriously in view of his experience in this place.

If the Prime Minister had faced up to this issue, or his Minister had faced up to this issue, depending on when the Prime Minister knew, these questions would not have been placed to the Minister today.

When the Minister of Energy, Mines and Resources was reappointed to the Cabinet, the Prime Minister declared him to be a hero. He went into the Minister's riding, celebrations were held everywhere. However, the letter should have been made public. The country should have been told the whole truth.

I ask the Acting Prime Minister to take this question seriously. What standards does the Prime Minister expect of his Ministers? What degree of truth does he expect his Ministers to convey? Does he think that a Minister who would conveniently hide an important, relevant fact from him is worthy to remain in his Cabinet, or is it the Prime Minister's view that anything goes as long as you do not get caught?

• (1425)

**Some Hon. Members:** Hear, hear!

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, on the record, that is not the Prime Minister's view. The Right Hon. Leader of the Opposition can speak for himself.

[*Translation*]

## ACID RAIN

### GOVERNMENT'S STRATEGY *VIS-À-VIS* UNITED STATES

**Mrs. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, my question is directed to the Minister of the Environment.

In view of the fact that a major reduction in acid rain emissions is essential to the survival of our waters and forests, especially in Quebec, what concrete strategy will the Government be using to convince the Americans of the need for specific reductions, especially in the midwest, within the shortest possible time frame? What strategy is this Government using now, since the Americans refused to take any concrete action?

[*English*]

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, as the Hon. Member will know and the House will know as well, the Canadian Government has been seeking from the U.S. administration agreement on a proposal from our Government to slash American acid rain-causing emissions by 50 per cent by 1994 based on 1980 figures. That program would parallel exactly the program we have imposed on ourselves.

The Canadian negotiators went to Washington yesterday for a major meeting at which the American administration, through its negotiators, was to respond to our call. The initial response to our call for a bilateral accord was deeply disappointing. We are now discussing within the Cabinet, particularly among the Prime Minister, myself, and the Secretary of State for External Affairs, our options and we will keep the House informed as the issue progresses.

### GOVERNMENT INTENTIONS

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, the Minister must know that the answer is more than deeply disappointing, it is a disaster for Canada.

Plan A was the envoy process. Plan B was the very meager promise written into the script of President Reagan's address here in Canada last year. Plan C was a propaganda program which was withdrawn because it was offending the wrong people. Does the Government have a Plan D now?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, I should correct an essential facet of the premise of the Hon. Member's question. We have not withdrawn our communications program, to be aimed largely at Americans travelling into Canada as tourists. It includes as well major visitations by cabinet Ministers, not only myself, to the United States to influence American public opinion.

In fact, Mr. Speaker, may I draw to your attention that when we took office in September of 1984, Lou Harris polls indicated that only 63 per cent of Americans were aware of the acid rain problem. A recent Lou Harris poll shows that 95 per cent of Americans are now not only aware of the problem but also cognizant that it is a serious transboundary problem. That increase is attributable in very large measure to the efforts of the Canadian Government to raise the profile of this serious pollution problem in the United States.

• (1430)

### REQUEST THAT CANADA BREAK OFF NEGOTIATIONS WITH UNITED STATES

**Ms. Lynn McDonald (Broadview—Greenwood):** Will the Minister now respond to environmentalists in Canada and at the very least break off negotiations with the Americans, sending a clear message to the United States, to our friends in Congress and to environmentalists in the United States, that this constant playing along with the refusal to take concrete action by way of timetables and targets is unacceptable? Will the negotiations be broken off so we can start with a clean slate when we have a new President to deal with, one who might take our concerns seriously?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the Hon. Member has some mistaken impression that the Canadian effort and that of Canada as a whole is aimed exclusively at the American President and his administration. It is not. We have had numerous meetings with prominent political leaders in the United States, in the Senate and in the House of Representatives alike. I, for example, have met most recently with Congressman Gerry Sikorski, with Congressman Sherwood Boehlert, with Senator George Mitchell, and other names which could be mentioned.

We have had a very extensive round of meetings with editorial boards, for example, *Time* magazine, *Sports Illustrated*, the *U.S. National Public Press*, the *New York Times*, the *Wall Street Journal*, the *Chicago Tribune*. Our efforts at convincing the Americans that this is a serious environmental problem on both sides of the border are aimed at American public opinion, at both Houses of Congress, in addition to the U.S. administration, and our total efforts should be judged by that standard.

### REQUEST THAT CANADA PRESENT BILL FOR DAMAGES TO UNITED STATES

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs who, I am sure, is not impressed by these exhortations and incantations on the part of the Minister of the Environment. The Secretary of State for External Affairs knows that if the Government continues to pretend that there is hope for negotiation on acid rain with the United States in the near future, it is fooling itself. It has been for some time abundantly clear that the Government made a mistake in endorsing the five-year U.S. clean coal technology program.

Will the Prime Minister on behalf of Canadians present at the next summit a bill for damages to our resources, human

health, buildings and structures, as a result of the transboundary pollution coming from the United States into Canada daily? Will he do that?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the Hon. Member for Davenport keeps coming into the House with these grand ideas which he did not act upon when he was Minister of the Environment—

**Some Hon. Members:** Right on.

**Mr. McMillan:** —which were not even proposed much less acted upon when he was a member of the Government. Nor were they acted upon by any Minister of the Environment during the entire period when the Liberals were in office. Indeed, I draw to your attention, Mr. Speaker, that the Liberal Party of Canada was in office during most of the time that Ronald Reagan has been President to date. In fact, it was in office for 1,335 days, compared to 1,229 days of our administration.

**Some Hon. Members:** Oh, oh!

**Mr. McMillan:** Why did the Hon. Member for Davenport not act upon his ideas when he had a chance to act upon them?

**Mr. Caccia:** The Minister of the Environment forgets that his Government has been around for almost four years. His memory is pretty short. He should know that at least the Liberal Government initiated a global initiative which paid good dividends for Canada, bringing 21 nations to sign the Helsinki Accord in 1985. That was a result of Liberal initiative, and he should know that if he reads his own papers.

GLOBAL INITIATIVE—CANADIAN POSITION

**Hon. Chas. L. Caccia (Davenport):** Since this Government abandoned Canada's initiative to bring the acid rain issue to the table as a global concern, will the Secretary of State for External Affairs again put that initiative on the table and resume that global initiative to bring the United States to an agreement, as we wanted the Government to do since 1984?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, the premise of the question is fundamentally flawed. The Hon. Member suggests that the Canadian Government has dropped the Helsinki initiative, the 30 per cent club. It is not true. The Hon. Member was in the audience when I raised that very issue on the floor of the United Nations General Assembly. He knows I have met with every single Environment Minister from Europe. He knows, for example, that I travelled to London to meet with the two Ministers of the Environment in the United Kingdom to raise the same subject. He knows as well as anyone, and if he does not, he should, that the matter is one of the top priorities in our total global initiative on acid rain.

## CANADA ELECTIONS ACT

FORMER COMMISSIONER OF ELECTIONS' LETTER—PRIME MINISTER'S KNOWLEDGE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, my question is directed to the Acting Prime Minister. The Acting Prime Minister, as well as everyone, is now aware of the secret letter of the former Commissioner of Elections, where it is explained that the Minister of Energy, Mines and Resources, the Hon. Member for Frontenac, violated the Elections Act, that he broke the law. The question is not what Mr. Gorman recommended. According to Mr. Gorman the Minister had violated the Act. My question has nothing to do with Mr. Gorman's recommendations. When was the Prime Minister aware of the fact that the Minister of Energy, Mines and Resources violated the Elections Act? When was he aware of that?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, repeating falsehoods doesn't make them accurate. The Hon. Member is asking a question based upon a version of events which did not occur.

TIMING OF NOTIFICATION OF PRIME MINISTER

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, let me be very specific, then, in my question to the Acting Prime Minister. When was the Prime Minister made aware of the fact that the then Commissioner of Elections found that the Minister of Energy, Mines and Resources had violated the Elections Act? When was the Prime Minister made aware of that fact?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I will have to verify when the Prime Minister became precisely aware of the decision by the responsible officer, established by this Parliament, that no action should be taken with respect to the allegations made against my colleague, the Minister of Energy, Mines and Resources.

**Ms. Mitchell:** That is not good enough.

* * *

## CANADA LANDS COMPANY

SALE OF MIRABEL PROPERTIES

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Acting Prime Minister and it concerns the Canada Lands Company at Mirabel. Can the Acting Prime Minister tell us today what the Prime Minister refused to tell us here in this House yesterday? When and why did the Prime Minister authorize the former Minister of Public Works, the Hon. Member for Joliette, to overrule established practices of the Department of Public Works and the Treasury Board, which were to sell government properties at fair market value?

Will the Government now come clean with the people of Canada and tell us why the Prime Minister authorized the looting of taxpayers' coffers to reward Tories?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, let me understand the complaint of the Hon. Member. Is it that this Government brought stability and harmony to an area where there was economic and social chaos? Or is it that we gave Gervais Desrochers one contract for $25,000 and the Hon. Member's Government gave Gervais Desrochers three contracts for $68,000? Or is it that $1 million of investment by this Government produced private sector initiatives of over $21 million and 225 jobs? Or is it that we were cutting short the life of this corporation which the former Government had planned to extend to the year 2000? We are terminating it in a very few months with a saving of $10 million a year.

What is the complaint of the Hon. Member? Tell the people of Mirabel. Tell the people of Quebec.

**Mr. Boudria:** I will tell the Minister what my complaint is. It is that people have been treated unfairly and Tories have been rewarded.

[*Translation*]

REQUEST FOR EXPLANATION OF ALLEGED MISSPENDING OF $20,000

**Mr. Don Boudria (Glengarry—Prescott—Russell):** My supplementary is directed to the Minister of Public Works. Canadians know that the mandate of Canada Lands Company in Mirabel is the resale of Mirabel lands to Mirabel residents, a mandate that has not even been honored. In view of that mandate, how can the Minister explain the $20,000 wasted on trips to Africa and Israel by the cousin of the Hon. Member for Joliette, Mr. Pierre Hardy and his group? Did he try to sell Mirabel lands in Tel Aviv?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, it might be useful for the Hon. Member to know about those trips to which he has referred, which were taken by employees of the corporation. First, the trip to Togo resulted in sales of agriculture machinery, tractors, and the largest export contract of mineral water in Canadian history. All of these products came from the Mirabel area. There was a trip to Israel which resulted in a $13 million Canadian services contract for the development of the Israeli dairy industry.

**Mr. Gauthier:** Come on!

**Mr. McInnes:** This resulted in benefits of $2.5 million to the people of Mirabel.

[*Translation*]

## EXTERNAL AFFAIRS

SITUATION IN HAITI—APPOINTMENT OF TRIPARTITE DELEGATION—GOVERNMENT POSITION

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister received yesterday a proposal from New Democrat Members for the establishment of a three-party delegation that would go to Haiti to find a Canadian answer to problems in that country. Since the Minister is about to leave, can he give an answer before his trip to Africa?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, yesterday I received a letter from the Hon. Member stressing the need for a non-partisan approach to the matter of Canada-Haiti relations and suggesting the establishment of a parliamentary delegation that could be fully involved. That in my view is a good idea, and it is my intention to put in place such a parliamentary delegation. I had an opportunity to hold preliminary discussions with spokesmen from all three Parties in this House, and I hope to be in a position before I leave for Africa to establish such a delegation.

I must stress that in my view it is in the best tradition of this Parliament to have suggestions put forward in good faith by Hon. Members, as the Hon. Member did yesterday.

* * *

• (1440)

[*English*]

## LABOUR RELATIONS

RAILWAY DISPUTE—ARBITRATOR'S ACTIONS

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Labour. In August, Parliament passed back-to-work legislation with regard to the railway unions, giving an arbitrator 60 days to make a final decision. Since then the Minister of Labour has extended the arbitrator's role until March 1.

Without any permission whatsoever the arbitrator himself has now set up meetings for March 7, March 28, April 5, April 18, and May 2. Will the Parliamentary Secretary tell us if the Minister of Labour has authorized the arbitrator to go beyond his time limit, therefore holding back any benefits to those workers whom the Government ordered back to work in August of last year?

**Mr. Joe Price (Parliamentary Secretary to Minister of Labour):** Mr. Speaker, I would like to inform the Hon. Member that to date there has not been a request from the arbitrator to extend the time allowed for the proceedings under arbitration. However, I should point out that under the

arbitrator's guidance the parties have been endeavouring to resolve some of the outstanding issues with respect to this dispute and meetings extended into the weekend as late as midday Saturday and were suspended at the request of the union. At this point in time the arbitrator is awaiting a response from the union before he can resume negotiations, if indeed that is possible.

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## EXTERNAL AFFAIRS

### SOUTH AFRICA—MEETING OF COMMONWEALTH FOREIGN MINISTERS

**Mr. Barry Turner (Ottawa—Carleton):** Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. This afternoon in Question Period the Minister mentioned that he is going to Africa. What are the Minister's expectations and what continued Commonwealth role does he see as he goes to Lusaka to chair the Commonwealth Special Committee of Foreign Ministers on South Africa?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, we will be beginning on Monday of next week the first meeting of the Special Committee of the Commonwealth Foreign Ministers on South Africa. The agenda will involve a review of the areas set out for action by the Commonwealth Conference at Vancouver, including means by which we can look at ways of making sanctions that are in place more effective. Ways of encouraging greater dialogue between opponents of apartheid who live inside and outside South Africa will also be included. We will also be looking at ways in which we can encourage more productive dialogue within the region itself.

This is the first meeting in a process. It is designed not only to continue pressure upon the Government of South Africa to change the apartheid system but also to expand the capacities of those of us who are, as are all in this House, committed to an end to apartheid, to find ways in which real change might be encouraged.

[*Translation*]

### INSTITUTION OF DEMOCRACY IN HAITI—MARIGAT REGIME—CANADIAN POSITION

**Hon. André Ouellet (Papineau):** Although I wish the Secretary of State for External Affairs a pleasant journey and favourable winds, Mr. Speaker, I would have appreciated it if he had made a statement, thereby making it possible for representatives of the Opposition Parties to contribute to this trip which he wishes to make as successful as possible.

In any case, I shall await until he comes back to ask him some precise questions concerning South Africa. For the time being, may I remind him that, on January 18, he made in the House the following statement: «We shall review our relations with Haiti, including our development assistance». The Minister is certainly aware that he has created a tremendous feeling of hope among those who truely want democracy established in Haiti. Yesterday, unfortunately, he recognized *de facto* the regime of Mr. Leslie Marigat. He has apparently decided to abandon all those who wanted to see the establishment of true democracy in Haiti. Why has he changed his mind and given up?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I have not changed my mind. The Canadian Government wants to reach two objectives with regard to the Haitian people. The first is to encourage democracy in Haiti, and the second is to continue to help the most deprived people in our hemisphere. To help the poor, there must exist state-to-state relations, and this is clear for every realistic person who looks at the issue. We have reviewed and will continue to review our relations with Haiti. We have decided to set aside the planification of our bilateral assistance program to Haiti.

As I have just said to my friend the Hon. Member for Winnipeg—Birds Hill, I am prepared to agree to and work with a Parliamentary delegation which could approach the issue in a non partisan fashion to achieve the goal of all Canadians which is to help the Haitian people.

### REQUEST FOR CLARIFICATION OF POSSIBILITY OF PARLIAMENTARIANS VISITING HAITI WITHOUT DANGER

**Hon. André Ouellet (Papineau):** Mr. Speaker, I have a supplementary. If the Minister wants to help the Haitian people, he can certainly count on the support of the Liberal Official Opposition.

The Minister seems to agree with the idea of a delegation of parliamentarians, so I would like to know whether he has already consulted the Haitian authorities about this, especially since a few months ago, a number of Canadians went to Haiti to take part in an operation that was supposed to be a democratic election. We know what happened then. Canadians risked their lives and got little or no thanks for their efforts from the military junta. What guarantees does the Secretary of State for External Affairs have today that parliamentarians can safely go to Haiti and will be welcomed by the Haitian authorities? Has he spoken to Mr. Marigat?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** The answer is no, Mr. Speaker. Yesterday, I received a proposal from the New Democratic Party. As the Hon. Member pointed out, I am leaving today on a trip to Africa. I have had some brief preliminary discussions with the Hon. Member and his colleagues of the New Democratic Party. He has raised an important point. We must be sure we will be able to have useful contacts with the citizens and the authorities of Haiti. I hope it will be possible to make certain arrangements that will lead to effective consultation. That is our objective, and I am confident all Members of this House will agree.

• (1450)

[*English*]

## ATLANTIC CANADA OPPORTUNITIES AGENCY

DELIVERY OF PROGRAMS—NON-PUBLICATION OF REPORT

**Mr. Jack Harris (St. John's East):** Mr. Speaker, my question is directed to the Minister responsible for the Atlantic Canada Opportunities Agency, and in his absence I direct the question to the Acting Prime Minister.

I have a copy of a report made to the Prime Minister's Office and presented in May, 1987, by Donald Savoie, who was asked by the Government to design this new Atlantic Canada Opportunities Agency which was announced more than 15 months ago.

The Government has failed to follow the recommendations contained in this report in many important ways, particularly regarding the decentralization of delivery of the programs to the Atlantic Provinces and the provincial Governments.

Why has the Government, specifically the Prime Minister's Office, refused to make this study public? Why has this report been kept from the House which is called upon to examine this agency's formation?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, if I may be permitted to reply to my colleague's question, I think the Hon. Member knows, having participated in the debate and knowing the legislation, that this Government has created an agency which is particularly suited to meet the needs of Atlantic Canada, which has decision-making flexibility, and access to resources which is absolutely unprecedented in regional development policy up to this point.

Dr. Savoie, as well as other eminent persons, have had the benefit of consultations. They chose the particular instrument of ACOA after considering many other alternatives.

DECISION-MAKING PROCESS

**Mr. Jack Harris (St. John's East):** Mr. Speaker, this report expresses concern that the agency could become one big slush fund, and recommended insulating it from political control and staying away from the delivery of programs directly.

Instead, the Government has appointed numerous well-known Tories to the board. Senator Murray has publicly stated that the decisions on projects will be made here in Ottawa by him and six Atlantic cabinet Ministers.

Has the Government not assured that this agency will become a political slush fund?

**Hon. Elmer M. MacKay (Minister of National Revenue):** No, Mr. Speaker. The Government has done no such thing. At a meeting of the board of directors which I and colleagues attended last night, the vast majority of the board of directors were very satisfied that they have a unique advisory capacity, that they have the flexibility, and they have a perfectly understandable role, as does the President, Donald McPhail, and the Minister.

This instrument is a far better entrée into Government on behalf of Atlantic Canada than any other scheme that has been put forward up to this point.

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## CANADA LANDS COMPANY

AUDIT OF ACTIVITIES—REVIEW OF DOCUMENTS

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Acting Prime Minister. The Acting Prime Minister knows that the Minister of Public Works has often cited the November, 1987, internal audit carried out by Public Works Canada as evidence that everything is and has been operating above-board at Canada Lands Corporation at Mirabel.

On page 4 of the audit it states, «Our review of selected documentation supplied to us by the corporation—indicated deficiencies—»

Why were only selected documents provided to the auditors by Canada Lands Corporation? Does the selective nature of those documents not indicate the need for a full, open public commission of inquiry into the Canada Lands operations at Mirabel, the role of current and former Ministers, and the role of the Prime Minister in overturning established Public Works practices for divesting public property?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I would remind the Hon. Member that every transaction has received Treasury Board approval—

**Mr. Boudria:** No.

**Mr. McInnes:** —and every transaction over $75,000 has been audited by the Comptroller General.

Let me read from the same report referred to by the Hon. Member, which states, «To achieve its mandate the new management of the corporation followed management practices and controls examined during this review. In the areas of land sales and agricultural renewal a structured and controlled process was put in place in accordance with Treasury Board terms and conditions and regularly monitored by central agencies. The corporation complied with the approved process and produced complete documentation in support of the decisions and approvals».

REQUEST THAT COMMISSION OF INQUIRY BE APPOINTED

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my supplementary question is directed to the Acting Prime Minister. The facts in this case are painfully clear. We have all heard the former Minister of Public Works proclaim loudly and with great pride that the Prime Minister personally

overruled established practices by Public Works in divesting public property, and personally approved of the nature of the operations of Canada Lands Corporation at Mirabel.

Canadians have a right to know why the Prime Minister personally approved a raid on the public Treasury. Given the facts and given the scandal that has been played in the newspapers, television, and across the floor of the House of Commons over the last week, why will the Government not announce a full, open public commission of inquiry into this raid of the taxpayer's purse conducted at Mirabel by Canada Lands Corporation, and approved by the Prime Minister of this nation?

**Hon. Stewart McInnes (Minister of Public Works):** Do I understand from the Hon. Member that he is disappointed that those who have made inquiries have been able to identify only three Tories out of 1,500 people who bought property from the corporation?

The reason that the Prime Minister intervened and gave very specific directions to the former Minister of Public Works was because of the anarchy and the social injustice that had been perpetuated on the people of this particular area. I ask the Hon. Member to ask anyone in the Mirabel region, anybody in Quebec, if they do not find full favour with the procedures adopted by this Government.

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## THE BUDGET

DATE OF PRESENTATION

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, my question is directed to the Minister of Finance. The Minister has had a policy of presenting his Budget in February of every year. I wonder if today he is able to set a date for the presentation of the Budget for this year?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am quite taken aback by the perceptive nature of the Hon. Member's question.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** As it happens, in the Priorities and Planning Committee meeting this morning we did discuss the timing of the Budget. I will be presenting it to the House on February 10.

## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON WOMEN IN SERVICE SECTOR

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, my question is directed to the Minister of State responsible for women. Most women in Canada work in the service sector. Yet a credit risk analysis by the Bank of Nova Scotia states that the service sector will be hurt hardest by the Prime Minister's deal.

Rather than defending this deal so vigorously, why is the Minister not fighting the deal since women will be hurt so badly by it?

**Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)):** Mr. Speaker, I understand the study that was done by the Bank of Nova Scotia was done some five months before the deal was signed. After the Bank of Nova Scotia people had a chance to look at this particular deal, their chief economist came out in favour of it.

The services sector is one of the fastest growing sectors in Canada. We are among the leading industries in the world. Based on this particular deal, there are real opportunities for women that will come about as a result, because they are the experts.

As a Government we want to ensure that they are not only employed in the services sector, but that they are upgrading their skills and creating new opportunities for themselves by taking things like management courses, and so on, in order that they are not just in the services sector. They are participating in a stronger way and a non-traditional way, and they will do that in a growing services industry.

**Mr. Langdon:** In fact this study by the Bank of Nova Scotia indicated that the services sector should be left out of the trade deal because of the benefits that we would get as a country.

[*Translation*]

GOVERNMENT POLICY—REQUEST FOR JUSTIFICATION

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I have a supplementary. This study also indicates some serious problems with respect to small businesses.

Why has this Government set up a policy that supports the multinationals and not small businesses?

[*English*]

**Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)):** Mr. Speaker, that is absolute nonsense. I can't believe what I am hearing from over there. This study from the Bank of Nova Scotia was done last June—June, read my lips!

• (1500)

The deal was initialled in October, and it was signed in December. The report about which the Hon. Member is talking has nothing to do with the deal which was signed.

The people who are going to do well out of this deal are people like women and people like small and medium sized businesses, who incidentally are supporting the free trade deal in large numbers. I cannot understand why they cannot face up to the fact that this is a good deal for Canada and therefore a bad deal for the NDP.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

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## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

AWARDING OF ALL-NEWS TELEVISION CHANNEL LICENCE TO CBC

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, with reference to the CRTC decision to award a Canadian all-news service to the CBC, the Prime Minister is reported to have said about the CBC that «there is no way this Government is going to allow that flawed decision to stand. Instead of hammering us two hours a day they will be hammering us 24 hours a day».

My question is for the Acting Prime Minister. Does he not realize that the Prime Minister's comments are not only prejudicial to journalistic integrity and prevent fair cabinet review but would be the most direct political interference ever in the well-established arm's length relationship between the Government, the public broadcaster, and the independent regulator?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, the Hon. Member dwells in a fantasy land from which she emerges from time to time. I would ask her to consider seriously the announcement that has been made by the CRTC and indeed the consideration that is being given to it by Cabinet.

As you know, Mr. Speaker, a number of appeals and petitions have been presented to Cabinet. Others may still be forthcoming, and because of that I have no comment to make at present on the decisions which have been announced by the CRTC.

**Mr. Speaker:** The Hon. Member on a very short supplementary.

**Mrs. Finestone:** If we are talking about fantasy land, the film policy is still in fantasy land and has not appeared on the scene as yet.

*Immigration Act, 1976*

MINISTER'S POSITION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, there is a question of policy and natural justice about the issuing of a licence by the CRTC to the CBC for a specialty television news service, for neither the Minister, nor the standing committee, nor the special task force on broadcasting, has said that special permission was necessary, nor have they ever not known about the fact that since 1986—

**Mr. Speaker:** I would ask the Hon. Member to put her question, given the time.

**Mrs. Finestone:** My question is for the Minister of Communications. Is it not true that the Minister met with the CBC, had full knowledge of their intentions to make an application for an all-news channel, and that she did not dissuade or object to their proceeding?

**Hon. Flora MacDonald (Minister of Communications):** I am sure, Mr. Speaker, that you realize the CRTC does have the authority as an independent agency to call for applications whether they are for specialty services or for other services.

I am equally sure, Mr. Speaker, that neither you nor the Hon. Member would want me to say to the CRTC that it should or should not do such and such a thing in calling for services. We have a process which is established in law, and I would think the Hon. Member would want to respect that.

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# GOVERNMENT ORDERS

[*Translation*]

## IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House proceeded to the consideration of amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof.

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, I rise before the House today to move the adoption of the reply to the other place on Bill C-84. The Government proposes several amendments to the report before us.

Bill C-84 addresses an issue of grave concern to Canadians—the growing abuse of Canada's refugee claims process. The number of refugee claims received in Canada has grown from some 1,600 in 1980 to almost 30,000 in 1987. We have a backlog of more than 40,000 claims pending. The backlog is growing by 2,500 claims or more every month. Thousands of recent claimants have arrived with fraudulent documents or no documents at all. We cannot allow this situation to deteriorate even further.

Bill C-84 and Bill C-55 are essential parts of this Government's strategy for restoring the integrity of Canada's immigration and refugee programs. The passage of Bill C-55 will establish a new refugee determination system in Canada.

Bill C-84 was introduced to send a message world-wide that Canada would no longer tolerate abuse and would deal with security risks.

[*English*]

I met with the Senate committee on December 8 at the conclusion of more than three months of hearings on the Bill. I informed the Senators that I would not change the principles or objectives of the Bill, but that I was willing to consider changes about which lawyers would have less to argue. I was also willing to consider any proposals that would clarify the Bill and further the achievement of our objectives.

Let me restate the objectives of Bill C-84. The primary objective of the Bill, as is stated in its preamble, is to protect genuine refugees. The Bill seeks to deter the wholesale abuse of the refugee claims system that has taken place over the last 10 years and to create a scheme of penalties to ensure that abusers are properly punished.

These provisions do not affect thousands of genuine refugees whom we bring to Canada each year. In short, they do not make it more difficult for people who need our help to obtain it.

Bill C-84 deals, however, with sanctions and penalties for persons who encourage illegal immigration to Canada and who knowingly abet the abuse of the refugee claims process. The Bill closes a loophole through which people who are criminals or terrorists can use the refugee claims system to defer their removal from Canada for many years.

The Bill also deals with detention for those who are security risks to the Canadian public, or those who conceal or destroy their identity documents so that we cannot easily discover who they are or from where they came.

We know that some 14,000 people have arrived in Canada with forged documents or no documents at all over the last two years. Most of these persons were not using forged documents in order to escape from the country in which they faced persecution, but rather to conceal the fact that they already had a safe haven somewhere else or that they had no real claim to refugee status at all.

[*Translation*]

This Bill, Madam Speaker, provides stiffer fines and jail terms for those who abuse Canada's immigration laws. Under existing legislation, for instance, the captain of the *Amelie*, the ship that arrived last year in Nova Scotia, could only be fined $5,000 and receive a maximum sentence of two years.

This is an insignificant penalty when 174 people are each prepared to pay several thousand dollars for an unauthorized voyage to Canada. When I spoke to the Senate committee in December, I addressed the issue that was most frequently raised by the committee and its witnesses—the issue of Bill C-84's compliance with the Charter of Rights and Freedoms.

As I told the senators, during all of the months of the Government's consideration of solutions to abuse of the immigration program, Charter compliance was foremost in our minds. I rejected any suggestion that the Charter simply should not apply to persons who are not Canadian citizens or permanent residents of Canada. The Charter applies equally to all people regardless of their status in Canada. That is the law and Bill C-84 is consistent with the law. This view was affirmed by the expert counsel I have received from the Department of Justice.

As I also told the Senators, I do not want any person to be able to escape the operation of our laws because of a technical deficiency. I told the senators that I would be happy to consider any amendment that would give lawyers less to argue about—provided such an amendment does not weaken the operation of the Bill.

The Senate has now reported and I have reviewed the Message from the Senate carefully; there are 20 amendments, under 13 headings. Nine of the Senate's proposals are acceptable to the Government, at least in principle, but minor amendments to some of these proposals are necessary in order to ensure that the Bill will achieve its purposes, and to ensure that the amendments will fit the technical scheme of the Bill.

• (1510)

[*English*]

The amendments I am prepared to accept are these. One, to substitute the term «illegal entry» for the word «smuggling» in the Bill's statement of objectives. This will ensure consistency between the English and French text. Two, to amend the English version of Subsection 103.02(1), changing, for issuing a search warrant, from «evidence may be found» to «evidence will be found». This amendment corrects a technical flaw in the English version of the Bill; to permit the judge to review the reasonableness of the security certificate. This change clarifies what had been intended from the outset, and makes it clear that the review will be made on the basis of all the information available. Three, to provide discretion to the Federal Court judge with regard to the persons of the person concerned at hearings involving alleged security risks. This is a change which emphasizes considerations of fundamental justice in a system of security review that is stronger than that which currently exists.

[*Translation*]

To require the personal, written consent of the Attorney General of Canada or the Deputy Attorney General for the prosecution of those who organize illegal migration. This amendment adds further substance to the Government's undertaking that a person who violates the Act in the cause of rendering needed humanitarian assistance to refugees will not be prosecuted.

To provide for a weekly review of the detention of unidentified arrivals and suspected security risks by an adjudicator. This change maintains the additional powers for detention, but ensures compliance with the Canadian law that every person detained by the government has their detention reviewed by independent tribunal.

Other amendments which would alter the principles and objectives of Bill C-84, I cannot accept.

First, security risks—right to claim. The Senate wants us to grant the right to make a refugee claim to persons who have committed a serious crime or who pose a risk to the security of Canada. It also wants us, Madam Speaker, to provide special detention review hearings for those held on ministerial certificates endorsed by the Solicitor General and myself.

[*English*]

This makes no sense whatsoever. No country has an obligation to protect a person who is a serious criminal or who constitutes a threat to its security. The Senate has already accepted this principle in the case of war criminals and, in any event, the 1951 Geneva Convention on refugees specifically excludes such persons from the benefits of the conventions. Even if we give such people access to the refugee board for a hearing on the merits of their claims—and even if they are found to be refugees—we are not obligated to let them stay in Canada. They should and will be removed whether or not they are refugees. The Senate proposals guarantee that such persons will claim, because they will be able to litigate against removal for months if not years, and the Canadian public will bear the risk and the expense. All this will do is ensure that those security risks who do not wish to leave will be able to retain a foothold in Canada. For this reason, Madam Speaker, I cannot accept the Senate's proposal.

Let me turn now to the matter of power to turn ships away. The Senate wants to rescind any power by which I could turn ships away. It is important to note that this provision provides the power to turn ships away. It does not stipulate that such measures must be used in all cases. It is very important to understand that this power must be retained to send a clear message world-wide that Canada will no longer tolerate abuse of our refugee determination system.

It is true that some genuine refugees must use boats to flee their country of origin and to find asylum in a neighboring country. The Vietnamese boat people provide an example with which everyone is familiar. That is not the kind of situation in which we would consider turning ships away. Our concern is with ships that bring illegal immigrants to Canada from safe countries, those which are signatories to the refugee convention and which have good records of compliance with their obligations toward refugees.

Let us remember that people who use ships to come to Canada illegally from safe countries are not fleeing for their lives. They are not escaping from oppression or inhumane conditions. They are simply seeking to improve their economic circumstances. They have all the characteristics of those who want to immigrate to Canada, but who are not willing to submit to the legal processes in order to do so.

[*Translation*]

It as been argued, Madam Speaker, that the most effective deterrent would be to bring the ship into port and to confiscate it. I cannot agree. Such a «half-measure» would still permit large numbers of persons to enter Canada illegally.

By retaining the power to turn ships around—even if that power is used only on rare occasions—we will be depriving the racketeers who promote such schemes of their main selling point: guaranteed entry to Canada.

By casting doubt on the success of these ventures, we will reduce the incentive for people to pay the high price which the racketeers demand, and we will diminish the appeal of such schemes.

For this reason, I cannot accept any changes to this provision. In order to provide yet another safeguard, however, I am proposing an amendment which will insure that the decision to use this power will be taken personally by the responsible Minister.

Because this amendment is not within the scope of the Senate's message to the House, I must seek unanimous consent from the House to incorporate it into my message to the Senate. I urge all Members to support this amendment.

I will also be seeking unanimous consent for an amendment that will make the definition of «exigent circumstances» more precise by substituting the word «means» for «includes» in Clause 11 of the Bill.

Other provisions which the Senate wants to change are equally important.

The Senate wants to limit prosecution for misrepresentation only in those cases where the claims are manifestly unfounded. I think this proposal is simply unworkable. We need to be able to curb misrepresentation as soon as it is detected. The restrictions proposed by the Senate mean that we would not be able to do so. Prosecution would only take place after the Government proves that a claim is unfounded, which may be weeks or months after the offence is detected.

• (1520)

[*English*]

The Senate also wants to limit the powers of search and seizure to daytime hours and to confine warrantless search to instances where lives are at risk. If we accept the amendment, we will seriously hamper the ability of our officers to apprehend and prosecute those who organize groups of illegal migrants. Transborder schemes would be conducted mainly at night so the perpetrators could escape Canadian jurisdiction if something went wrong.

This proposal means that in winter months when darkness comes early, the time of day during which effective action could be taken would be greatly reduced. What could we say about the North where sometimes there is one hour of daylight a day?

Finally, the Senate wants to restrict the penalties for organizing illegal migration to those events carried out in a clandestine manner. If we adopt this proposal, we would see ships steam right into Halifax next summer with unauthorized passengers and we would not have the power to do anything about it. The practices we are trying to deter are not always clandestine. We want to deter all forms of illegal entry. Therefore, we cannot accept this Senate amendment.

I have, however, accepted the Senate's proposal that all prosecutions under this provision should receive the consent in writing of the Attorney General of Canada. This measure, as stated earlier, adds further substance to the Government's undertaking that a person who violates the Act in the cause of rendering needed humanitarian assistance to refugees will not be prosecuted.

[*Translation*]

In conclusion, Madam Speaker, I will not accept any amendments to Bill C-84 that change the principles or objectives of the Bill. The amendments I am ready to accept will meet the basic concerns raised in the Senate's report.

I do not believe that we need to go further. Indeed, we cannot go further.

[*English*]

Canada's refugee determination system is strained to the breaking point. Bill C-84 aims to solve a clearly understood problem of abuse and to do so through the full application of the Charter. Parliament was recalled in August to deal with the urgent problem of a refugee determination system under siege. That urgency remains. We cannot permit further delay of our efforts to deal with it.

[*Translation*]

I would therefore call upon the House to deal quickly with the motions that I am introducing. I urge this House to accept those amendments that are in accordance with our objectives and to reject those that would impair the effectiveness of Bill C-84.

Madam Speaker, I move the following amendments:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendments 8 and 13(e) made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, but disagrees with amendments 4, 5(a), (b) and (c), 6(a) and (b), 9, 10, 11, 12, and 13(a), because this House believes they contradict the principles of the Bill for the following reasons:

Amendment 4 would exclude only criminals and war criminals from the refugee determination process, but would allow terrorists, spies and subversives to pursue a claim to refugee status, notwithstanding the fact that Article 33 the UN Convention would permit the removal of these latter individuals to their countries of nationality or permanent residence, even if they were determined to be Convention refugees.

Amendment 5(a) would eliminate the authority of the Minister to direct a ship to leave or not to enter Canadian waters. This amendment would reopen a significant gap in Canada's ability to control its borders.

Amendments 5(b) and (c) arise out of Senate amendment 5(a), which is not acceptable, and are therefore inappropriate.

Amendments 6(a) and (b) would reverse the policy on which the Immigration Act, 1976 was based, which policy was not changed in the Bill as passed by this House. The amendments jeopardize the possibility of successfully prosecuting persons who profit from organizing illegal migration and from counselling fraud among refugee claimants.

Amendments 9 and 10 would restrict the ability of peace officers and immigration officers to act quickly to search for evidence of major offences under the Immigration Act, 1976, in exigent circumstances, where lives are at risk or where evidence with respect to those offences may be lost or destroyed.

Amendments 11 and 12 would restrict the ability of peace officers and immigration officers to execute search warrants which have been duly authorized by a Justice of the Peace, by denying explicit autority to break open containers where it is reasonably believed evidence will be found and by limiting the authority to execute these warrants at night.

Amendment 13(a) would reduce the initial period of detention without review from seven days to forty-eight hours, which would allow insufficient time for the gathering of information to substantiate allegations or to identify the individual, particularly when large groups of undocumented persons arrive at one time.

And, that this House agrees with the principles set out in amendments 1, 2(a), 3, 7, and 13(b), (c) and (d), but would propose the following amendments:

Amendment 1 be amended to read as follows: «Strike out lines 22 to 23 on page 1, and substitute the following:

(c) to deter those who assist in the illegal entry of persons into Canada and thereby minimize the»

Amendment 2(a) be amended to read as follows: «Strike out lines 29 to 39, on page 4, and substitute the following:

(a) examine within seven days, *in camera*, the security or criminal intelligence reports considered by the Minister and the Solicitor General and hear any other evidence or information that may be presented by or on behalf of those Ministers and may, on the request of the Minister or the Solicitor General, hear all or part of such evidence or information in the absence of the person named in the certificate and any counsel representing the person where, in the opinion of the Chief Justice or the designated judge, as the case may be, the evidence or information should not be disclosed on the grounds that such disclosure would be injurious to national security or to the safety of person;»

Amendment 3 be amended to read as follows: «Strike out lines 7 to 12, on page 5, and substitute the following:

(d) determine whether the certificate filed by the Minister and the Solicitor General is reasonable on the basis of the evidence and information available to the Chief Justice or the designated judge, as the case may be, and, if found not to be reasonable, quash the certificate; and»

Amendment 7 be amended to read as follows: «Add, immediately after lines 6, on page 10, the following:

95.21 No proceedings for an offence under section 95.1 or section 95.2 shall be instituted except by or with the personal consent in writing of the Attorney General of Canada or Deputy Attorney General of Canada.»

Amendment 13(b) be amended to read as follows: «Strike out lines 1 to 22, on page 21, and substitute the following:

(2) Where, with respect to a person detained under subsection (1), the Minister certifies in writing

(a) that

(i) the person's identity has not been established, or

(ii) the Minister has reason to suspect that the person may be a member of an inadmissible class described in paragraphed 19(1)(e), (f) or (g), and

(b) that an additional period of detention is required to investigate the matter referred to in subparagraph (a) (i) or (ii), the person shall be brought before an adjudicator forthwith and at least once during every seven day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention.»

Amendment 13(c) be amended to read as follows: «Strike out lines 23 to 47, on page 21, and substitute the following:

(2.1) Where the Minister has issued a certificate under subsection (2), the Minister may amend the certificate to which the detention relates to include any matter referred to in subparagraph (2) (a) (i) or (ii), following which the person shall be brought before an adjudicator forthwith and at least once during every seven period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention.

(3) Where a person is detained under subsection (1) and the Minister has not issued a certificate under subsection (2), the person shall be brought before an adjudicator forthwith after the expiration of the period during which the person is being detained and that person shall be brought before an adjudicator at least once during every seven day period thereafter, at which times the reasons for continued detention shall be reviewed.»

Amendment 13(d) be amended to read as follows: «Strike out lines 48 to 50, on page 21, and lines 1 to 18, on page 22, and substitute the following:

(4) Where an adjudicator who conducts a review under subsection (2) or (2.1) is satisfied that reasonable efforts are being made by the Minister to investigate the matter referred to in subparagraph (2) (a) (i) or (ii), the adjudicator shall continue the person's detention.

(4.1) Every review under subsection (2) or (2.1) of the detention of a person suspected of being a member of an inadmissible class described in paragraph 19(1)(e), (f), or (g) shall be conducted *in camera*.

(4.2) Where (a) the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at any review under subsection (2) or (2.1) of the detention of a person referred to in subsection (4.1) should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons, and (b) a request therefore is made by the Minister, the adjudicator shall order that the review or any part thereof be conducted in the absence of the person and any counsel representing the person.

(4.3) Any person excluded by an order under subsection (4.2) from the whole or any part of the review under subsection (2) or (2.1) may apply to the Chief Justice of the Federal Court or to a judge of that Court designated by the Chief Justice for the purposes of this subsection to have the order quashed and sections 36.1 and 36.2 of the *Canada Evidence Act* shall apply, with such modifications as the circumstances may require, to such applications.

(4.4) Unless quashed, an order under subsection (4.2) shall, with respect to the person to whom the order relates, apply to every review under subsection (2) or (2.1), or part thereof, at which the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at the review, or part thereof, should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons.

(5) Where the adjudicator who conducts a review under subsection (2) or (2.1) does not continue a person's detention under subsection (4), the adjudicator shall make the appropriate order under subsection 104(3).

(6) An adjudicator who conducts a review under subsection (3) shall make the appropriate order under subsection 104(3).»

• (1530)

[*English*]

**Mr. Sergio Marchi (York West):** Madam Speaker, on behalf of the Liberal Party I am pleased to respond to the motion just put before the House of Commons by the Minister. I would like to begin my remarks with a commendation for the work done by the Senate. It should be noted that Liberal Members of the Senate have not moved amendments to the Bill in order to delay or as a tactic to frustrate the will of the House of Commons. Rather, this is a position adopted unanimously by all Senators on the Committee on Legal and Constitutional Affairs, including Conservative Members of the Senate. That speaks volumes about the kinds of amendments that have been moved. On this issue the Senators were not moved by any partisan feelings on Bill C-84, but were genuinely moved to improve a piece of legislation which was flawed seriously.

I would also like to congratulate the Senate for paying attention to the many deputations, representations, and witnesses which came before the Senate committee. There were many groups, individuals, and representations which were denied an opportunity for input because in the summer months the Government rushed the Bill through committee and through the House of Commons. At the very least the Senate deliberations provided a forum for those, particularly from the regions of the country, who were unable, on such short notice, to change their schedules, come to Ottawa, and make their views known.

I would like to pay special tribute to the Chairman of the Senate Legal and Constitutional Affairs Committee, Senator Joan Neiman, who was a pivotal and very sensitive factor throughout the deliberations of the Senate. In short, democracy was well served by the report of the Senators in the other place.

There are a number of clauses in Bill C-84 which have no business being there. There have been a number of changes adopted by the Minister, although those changes are less of a priority when compared to some of the bigger ticket items which the Government refused to move on. However, it is still a sign that the Government was prepared to show more flexibility than it did during the summer months when this debate came to the fore with great passion and emotion.

There was a trickle of understanding and warmth which was completely absent during the debate in the summer. That recognition emanated since the summer debate and is a by-product of a Government which has reflected upon what it did. The Government has seen that the piece of legislation introduced in the House in the summer was overkill. It went far beyond the necessity to update legislation. When discussing this issue with Canadians last month they gave a different view than they did in the heat of the moment. I believe that Members, if not Ministers, of the Government have recognized that they went too far with that piece of legislation.

Therefore, even though the changes are few and of less priority than some of the other items in the legislation, there is still a recognition that the Government erred in its approach, in its contact, and in communicating to the Canadian public what we were dealing with. I believe the Government feels a certain amount of remorse for having fabricated that crisis, remorse

for having brought Parliament together. The Minister says that we are still in an urgent or emergency situation. Yet in discussions with the Senate committee and with the Senators we find there was absolutely no pressure, no signals from the Government of the day that it wanted that legislation quickly. There was no order from the Government to the Senators on that committee to rush through that committee as Bill C-84 was rushed through the legislative committee of the House of Commons. I believe that when the Government stepped back it began to realize that the crisis was a figment of its public relations imagination this past summer when its poll ratings were at 22 per cent at best. That was the impetus for the fabrication of the so-called crisis.

• (1540)

That brings into play the question of the role of Government if it is not to educate, to inform and to mobilize a progressive, understandable and calm public relation opinion towards very sensitive issues of the day, of which the immigration and refugee policy is an important part. Instead there is no leadership offered. The Prime Minister (Mr. Mulroney) talked about queue jumpers and illegal aliens. We had the situation in the last number of years where family immigration is down and entrepreneur immigration with the $250,000 capital investment is doubled. We are in a mess with respect to the backlog in refugee applications, and we have seen the spectacle of three or four high profile individuals who were clearly undesirable and who had come into this country notwithstanding. Therefore, we had a confusion of priorities, a lack of direction and a bankruptcy of leadership. That has bled the public confidence. That is really where the haemorrhaging is.

When we look at this piece of legislation, we must compare it with other issues. We must put into perspective the 330 individuals who came in by boat and asked for refugee asylum. I will admit that perhaps a few of those individuals, who knows, might not have been legitimate. A few might not have been true refugees, and a few perhaps should not have received the compassion of this country. Time will tell which of those individuals, if any, fall into that category. But we must compare the reaction of this Government to the reaction of the Government headed by the then Prime Minister, the Hon. Member for Yellowhead (Mr. Clark), in 1979, followed by the Government of Pierre Elliott Trudeau in 1980. What was their reaction when the world was asking its countries to come in and collectively help out with the Vietnamese boat refugee crisis? What was the reaction of our country then? We accepted over a two-year period, be it under the former Prime Minister, the Hon. Member for Yellowhead, or former Prime Minister Pierre Elliott Trudeau, 106,000 Vietnamese refugees. That was above and beyond every other aspect of the program. There were 50,000 sponsored by the two Governments, and the other 50,000 were sponsored by communities.

I ask you, Madam Speaker, was it not a challenge of the Governments of that day to educate the Canadian public as to why we should try to help out in this world crisis? Should we not have educated the public as to why communities should open up their doors and their hearts to these individuals? These communities did that, and these are the same Canadians who live in our communities across the country today. These 106,000 refugees were allowed into the country with understanding and a sense of compassion and pride, and they are now integrated into Canadian society. They hold good jobs. Many of them own their own homes. Many of them have businesses, and their children, by and large, are doing extremely well. That is a successful and proud example of a people complemented by the best political leadership.

I ask myself where that leadership was when this Government was faced with a response to 300 people over two summers. The Senate began its deliberations and when it presented its recommendations, which represented the views of both the Conservative Party and the Liberal Party, I think the recommendations had two things in mind. The first was to try to maintain and keep the traditions that have made us a world leader in terms of assisting the plight of refugees. Therefore, the Senate wanted to instil some modifications in the Bill in order to try to have a piece of legislation which was moderate and in keeping with the progressive attitude that has shaped our policies over the long course.

I recall the words of Rabbi Gunther Plaut who came before our committee during the summer and gave a very moving testimony before the committee. He said: «I think the Bill was drawn in undue haste. This is why I think we need just a little more leisure to write legislation that makes sense». He said: «I think Draconian and emergency legislation gives the wrong signal not only to the world but to our own people in Canada». He asked the members of the committee to look carefully at some of the amendments suggested. He said: «Do not follow the worst instincts of people, but follow their best instincts». I think those words really provided guidance to members of the Senate committee who took those words to heart and made the changes that would allow that legislation to be in keeping with those traditions.

I believe the second impetus was to ensure that we would not be getting into any constitutional crisis *vis-à-vis* our Charter and laws. There was the fear that upon proclamation of this Bill into law, lawyers across this country would challenge this piece of legislation in the courts as a violation of certain aspects and sections of our Charter. What would happen then if one of those courts agreed with those arguments? It would cripple and paralyze the refugee policy yet once again. What would Canadians say then after being told by the Government that their concerns were taken care of? It would bleed confidence all the more. It would make the haemorrhaging problem even greater.

Therefore, we must recognize as parliamentarians that when adding up all the things we do, from constituency case files to speaking up on the floor of the House of Commons and in committee, we have two responsibilities that really dominate our work in this place. First, we must collect tax dollars and spend them wisely. Second, we must create and draw up good

legislation in keeping with our Constitution and Charter to govern Canadian citizens. I submit to you, Madam Speaker, with all due respect, that it is simply unacceptable for the Government to bring forward a Bill, in the full knowledge that there are serious legal and constitutional flaws in that piece of legislation. Rather than racing through this legislation only to be sorry later, the message from the Senate, and, indeed, the message we departed with in the summer, was to take care of those legal flaws now in order to avoid complications later on.

I would also like to take a moment to discuss some of the amendments and recommendations for changes that were not approved by the Minister in his statement only moments ago. He mentioned that he did not agree with some of the statements since they were against the principles of the Bill. I question what the principles of the Bill actually are in light of the fact that some of the recommendations made by the Senate are sensible and in keeping with the very premise and objective of the Bill.

• (1550)

The first recommendation he rejected was with respect to the clause put in by his Government that would enable a Minister or the Government to turn back a boat. In the summer we felt, and we feel now, as the Senators do, that this is the wrong clause to have in any legislation. It offers no due process to those people who may be on board a boat. The Minister talked about the fact that people on these boats are largely economic refugees. How does the Minister know this? How will he know how many are on board? How will he know who is on board? How will he know from where they are coming? How will he know what are their ages? How will he know what their health is on board the boat? The whole question of the unknown is a big variable that the Government simply cannot dismiss.

We cannot have the Minister woken up one morning by a call from his Deputy Minister saying to him, «Turn the boat back». There is human cargo on these boats. Their cargo is not wheat or some raw material. They are not carrying shipments of steel. There are human beings on board who may in fact be legitimate refugees. We cannot afford to be flippant about this type of human cargo.

If the Minister is allowed to turn back a boat, then clearly the operative words become «mode of transportation». If a relative of mine were to flee his country as a refugee and come by air to land at Pearson International then he would be processed once he said, «I am a refugee». If another relative of mine from the other side of the world, who also may be a refugee, were to take a boat, that person would not receive the time of day. How can we allow the mode of transportation to dictate how the system will process such a person? Such a thing cannot be allowed. There is but one system and one law. There is but one category and one class of refugee. There are not two classes dependent upon whether one arrives by boat, plane, bus, or whether one arrives riding a bicycle across the border from Buffalo. The fact of the matter is that there should be one response by the system to a person, irrespective of how he or she come into the country.

The last aspect of this whole matter is the most curious. My contention is that turning back a boat does not discourage the manipulators or the traffickers of human flesh about whom the Minister spoke. According to his statements today he stated in his press release that some amendments, including turning back a boat, attempt to change the principles of the Bill, and that some do not support its over-all intent. He said therefore that he could not accept these amendments.

My question to the Minister is this. How will this turning back of a boat discourage smugglers and traffickers from trying the whole process again? As the legislation is written now the Minister can turn back a boat. He seems to think that that will discourage another boat from arriving. I ask Hon. Members to put themselves in the place of a smuggler, the captain of a boat. All he has to lose is the fact that he might be turned away. Thus there is a 50 per cent chance that he will dump his human cargo in Canada and a 50 per cent chance that he will be turned away.

If he is turned away, then perhaps he will dump his cargo a little further out, or else he will dump it on another part of the coastline, or even take his cargo to another country. The captain, the smuggler, does not care because he has received cash on delivery. By this point in time he has already pocketed the $10,000, $15,000 or $20,000 fee. He really does not give a hoot as long as he has the dollars in his pocket. If there were a second captain about to leave from another port, would he be discouraged from leaving with a new shipment of refugees? I think not.

What does the Senate suggest? It articulated the recommendation that rather than turning back a boat it be escorted into port. If we want to punish these smugglers of human misery then we should bring the boat in, confiscate it and sell it, and punish the captain by imposing a fine upon him or by placing him in prison. If we were to do that with a boat which arrived today and the message went back to all ports that the captain had lost his boat and is in prison, do Hon. Members think that another captain would leave harbour risking imprisonment and losing his livelihood? I think not.

The discouragement is greater if we bring the boat in and then punish the culprits. We will also be more wise since we will be able to question the captains. We can even try to break down the rings and the networks that are operating throughout the world. How wise would we be just to turn back a boat? It would not discourage anyone. We would only find the next morning another boat in another harbour.

When the Minister says that these recommendations do not fulfil the principles of the Bill he is wrong. In part, one of the principles was to discourage human smugglers. Turning back a boat does not discourage human smugglers at all. What it does is to offer a public relations gimmick to the Government to try to communicate the message that somehow it is doing something about the so-called problem.

Our suggestion is that the Government accept the recommendation to take in the boat and to punish those who need to be punished, allowing those who are on board the due process of law. We are not suggesting that, because someone is on a boat, that person is automatically a refugee. No one has suggested that, not the Senators, not myself, nor members of my Party. It will have to be established through due process whether or not these people deserve to stay in the country.

In this Bill the Government has created a new offence, a new fine and a new prison term for those who help refugees who might not have a valid visa. In addition to the question of turning back a boat, the recommendation in this regard probably summarizes the frustration that Canadians have with this piece of legislation. I would be embarrassed if my Party forced me as the Minister to put such measures in the legislation. What will be done through the implementation of such measures is to create civil disobedience for those such as priests, nuns, or the average layman who helps a refugee come into the country without the proper documentation.

Does the Government realize the impact of such a measure? Does it know the reality of the true refugee? I think that after a period of time in his position the Minister should know that sometimes the true refugees do not have the time to line up to obtain a visa document. Sometimes they have to forge such documents in order to get through the Customs of the country they are fleeing. Sometimes they do not even have the time to do that as they are being pursued. They simply get on the first plane or boat and get out of that country. Therefore they come to Canada without the proper documents that Members of Parliament, our families and other Canadians have six months to validate.

• (1600)

This measure puts the operative word on the document. It goes beyond that and states that if a priest were to help someone to come into the country who did not have a legitimate visa, he or she would face a possible fine or prison term. That runs counter to the life of the true refugee. It is offensive. It is offensive to those organizations and religious institutions that have made it a career and interest to help those refugees.

When one thinks about other issues, it has been the churches together with many organizations that have been at the forefront of the social issues. It has not been the Government, regardless of its stripe, but the churches that have attempted to feed the hungry and started the phenomenon of food banks in order to help. It is the churches and other organizations that have given shelter to the homeless. It is the churches and others who have helped the aged, the lonely, and the depressed. Now they are also helping those who do not have a country, not because of choice, but because of pressure, torture, assassinations, and threats.

They are now going to be punished if those individuals do not have the proper documentation. I find that offensive and embarrassing, even as a member of the Opposition. It will go down in the history of Canada that it was this Parliament that passed such a regressive piece of legislation with such an offensive clause to make it civil disobedience if a priest or nun helps an individual come through without the proper visa.

We suggested wording changes. As did the Senate, we suggested that it should be illegal for any church or other member of Canadian society to counsel individuals on fraudulent claims, or to advise individuals on fraudulent applications, or to establish, forge, or write the wrong visa documents.

They told us before both committees of the House and of the Senate that they would accept that. They do not want to be above the law. I have heard the Minister of Immigration on numerous occasions suggesting that somehow they want to be above the law. They want to be within the law. But we want to create a law that is respectable and a reflection of Canada in 1987-88 and not some sense of a society as it was back in the days when anything went.

This clause should not be looked at in a flippant manner. Many of those organizations will in fact be breaking the law. They have told us so themselves. I recall the words of Nancy Pocock from the Inter-Church Committee for Refugees who stated:

> If my Government tells me it is a crime to help these people, I will have to say I am obeying a higher law and I am going to continue to help them when they need me.

Therefore, there are citizens who have been forced to say that they are prepared to break the law. They are prepared to break the law not because they do not want to preserve a sense of order and fair play in this country, but because they do not respect the law. They do not respect the impetus behind the creation of this law, and they do not believe that it is just and fair and that it should be part of our system.

I was taken aback that, on those two primary recommendations about escorting the ship into port as opposed to sending it back, and not to create a new offence for those aiding and abetting legitimately, the Government did not move on those two aspects to bring it into line with the Charter, with the Constitution, and with the premise of the Bill.

Another area of contention was the search and seizure. The Minister mentioned that he did not want simply to use a warrant during the day, he wanted it in the evenings. He suggested that the Senators were saying that once it hits four o'clock in the afternoon they are not allowed to get a warrant because it is part of the evening. The Senate said no such thing. The Senate was suggesting that it would be more in keeping with trying to get the warrants during the day. But if the situation merited it, if the ship was getting away and it was eight o'clock at night, there was nothing in their recommendations that stopped the Minister or the Government from executing such a search and seizure.

There too the clauses went far beyond the need and the necessity of this legislation. It was almost suggesting that they wished to make immigration officials into Rambo-like people rampaging the country, opening and breaking at their leisure. Is this the type of country that Canadians want? Are those the type of laws that we have developed and nurtured over the years? Of course, they are not. The laws and regulations that we as a society have nurtured have been far more moderate, tolerant, and intelligent than simply providing wide powers that one day may be abused by some Minister or Government, regardless of political stripe.

Therefore, we thought that some of the recommendations proposed by the Senate with respect to the search and seizure powers would be taken back somewhat. Not for one moment do we want to take away the tools of any Government to ensure the security of our country. There are tools presently in place to look after our country. After all, I think that we have been doing a pretty good job all these years. There must be something in place that has allowed us to protect our borders. The tools are there now. We should improve those tools, yes, changing with the times to meet the new challenges, but certainly not galloping ahead into regulations that leave open the serious possible abuse of rights of Canadians citizens and non-citizens alike.

Another similar aspect of the Bill was the detainment provisions. This summer Senators, including government Senators and Members of Parliament, pleaded for some moderation in terms of the tools that they wanted in place. The existing regulations provide that anyone can be detained for good reasons for up to 48 hours without any questions asked. In order to continue to detain the person following 48 hours, the law requests that the Government must get approval from an adjudicator. That approval will be granted for one week, at which time that approval needs to be re-established.

Therefore, if there are good grounds for detainment, for example, if the identity papers have not come in from some other country, or if there has been a delay or questions, the adjudicator will provide an extension. No adjudicator in this country will abandon the security considerations of Canada because it is also their country. Any adjudicator worth his or her salt will obviously have to balance the interests of the country from a security viewpoint and the variables of individual rights. He or she will weigh them.

But let us remove and depoliticize that decision-making. Let us have a politically disinterested person, that is, an adjudicator making the decision as opposed to a politically motivated individual, for example, a cabinet Minister or a deputy minister.

Our system would be far healthier if that were the course taken, rather than giving great powers vested in a Minister who can basically detain at whim, simply with a rubber stamp. The proceedings are that seven days would be automatically granted, following which a 21-day period must be granted if they so desire because there is no discretion offered to the adjudicator to change that.

The Minister of State for Immigration (Mr. Weiner) is present in the House. During the lifetime of this debate in the House I ask him to reconsider perhaps the moderation aspect with respect to both search and seizure and detainment.

• (1610)

Another aspect was the whole question of security. To start with, it is a very sensitive issue. It is even more sensitive following on the experience with which the country has had to live in the last year in respect of the granting of immigrant status to a convicted terrorist. It is an extremely sensitive and emotional issue.

The Government suggested that anyone suspected of a security flaw should not have access to the refugee process or the refugee system. The Senate came back and said: «We believe that that should be the case for those who are convicted of a serious crime, for terrorism, and for convicted war criminals». It indicated that those people should not have access to our refugee system to buy more time or to abuse the compassion of our country. I would agree with that. However, the Government wanted to go beyond that and talk about people it may suspect of some wrongdoing. Currently it wants to incorporate under Subsections 19(1)(c), (e), (f), and (g) of the Immigration Act people suspected of undermining security or people suspected of having done so in the past. It is all based on suspicion. As the Prime Minister mentioned a number of times this week, we have in our system the presumption of innocence until proven guilty. Our point is that we cannot simply detain or order people out of the country based upon suspicions. It must be much more valid than that. We must also define what we mean by «subversive».

Is Nelson Mandela a terrorist because he has tried to obtain freedom for himself and his people in South Africa? According to the definition, Nelson Mandela would be one of those individuals who would be seen to be undermining a Government of another land. He would be seen as going against the system. Currently Nelson Mandela is in prison and has been convicted of what South Africa thinks is a crime and what we would reward with a medal, namely, the seeking of one's democracy and freedom. Therefore we must try to define what constitutes subversive activities.

Our position has been that we need more than simply suspicion, and at the end of my remarks I will be moving an amendment which plays to that fact. On the one hand people convicted of serious crime have no business being in our country, let alone applying for refugee status. That is one extreme. The Government is going to the other extreme and saying: «Look, give us the power so that if we suspect somebody we can get rid of him rather than having them apply for refugee status». That is the other extreme, and it is too much of an extreme because it can be abused. My amendment, which I will read into the record at the end of my speech, would do the following.

If the Government had a suspicion about someone in Canada undermining the security of our country or having done so and not having been convicted in another country, the Government would have to begin deportation proceedings and allow for due process. If the deportation proceedings were upheld, that is to say, if it can be proven that the suspicions are true, I would agree that thereafter the door could be closed and that they should not be given a second opportunity to buy more time for a second merry-go-round by saying: «I am a refugee».

If the Government had suspicions about people who have not yet been convicted but are undermining security, we are mandating the Government to begin deportation proceedings immediately, which would trigger due process and a hearing. If the hearing concludes that they are a threat to Canadian security, following that judgment they should not be able to make a refugee claim. I think we are prepared to support that amendment.

We are also putting it forward in the spirit that I believe the country has learned something about our security system in the last two weeks about which I wish we did not have to learn. It is a balanced compromise which says that those who are convicted must leave the country and certainly have should not been allowed to apply for refugee status. Second, those who are suspected must have the due process of deportation proceedings, at the end of which they must leave or have their refugee application treated accordingly.

In conclusion, we wish to say that in part the objective is to curb abuse of the system. We have never said that everyone who has applied for refugee status is a legitimate refugee. We have never said that there has been no abuse. I wish we could have said that. We cannot afford to say that realistically about any aspect of Government. If we look at the unemployment insurance program we find abuse. If we look at the Canada Pension Plan disability provision, we find that there is abuse if people collect even though their backs or knees really do not hurt. We also know that there is abuse in terms of workers' compensation cases. Government tries to eliminate abuse without making disparaging remarks about the majority of cases which are legitimate ones. Therefore, if we have not turfed out the workers' compensation program, or the UIC program, or the CPP disability program, why should we turn the refugee program upside down because a number of individuals may have abused the system?

We are saying that no one should welcome, support, or reward those people who wish to abuse refugee procedures. At the same time we are asking the Government not to undermine what has taken many years to build up—a system of which Canadians are proud, a system which needs reform but, in the world context, is looked at with awe and envy in all corners of the globe.

During this debate we wish to submit a second conclusion to the Government. It should not get lost with the short term and think that this is a temporary piece of legislation. It has a larger long-term perspective. The Government should be educating the Canadian public, not trying to undermine or decrease public confidence in the system. Immigration and refugee policy is a very important area which can help to make Canada a better, bigger, and more prosperous country. The Government should not ruin in the short term what is there for the long term.

It should also discuss with Canadians in a mature way the following facts. We have a dwindling birth rate, an aging population, 50,000 people leave the country every year, rates of immigration are higher in terms of targets than the actual number of people coming into the country, and we need individuals because our educational system is still not producing a sufficient number. For example, we still go to Great Britain to import tool and die-makers.

When we add together all these variables, we see that we cannot sacrifice educating Canadians on those needs. They can see the merits of immigration, that it has an important role to play in coming years. They know that Canada will continue to search, to promote, and to invite people to its shores to join in the building of the country, which never stops because we are always building and always have an eye to the future.

Let the Government not deny that future, that potential which is there for immigration to add to Canada, by inciting and fabricating a crisis which does not exist. Let us be more positive. Let us be more statesmanlike. Let us be more outward looking. That is our second message to the Government today.

• (1620)

Our third message is that policy is not only a domestic policy; but it is also a window to the world. It has international implications. We must recognize that as Canadians sometimes we do not promote ourselves or our policies as aggressively or as actively as we should, as Americans do, for example. We should recognize that here is an example of international diplomacy, a recognition of international leadership in trying to combat what is a world problem. This is not a problem only akin to Canada; this is a world-wide problem in need of a world-wide solution. Let us not again be followers as opposed to leaders. Let us continue to lead. Bill C-84 is not leadership. It is a message to the world that we are loosening the resolve of trying to combat this terrible problem of where people have to go when they are on the run. This is a message to Great Britain, to the United States and to Europe that they too can become lax. If Canada is being lax it must be right.

I ask you with all due respect, Madam Speaker, where is the international solution if all those countries take away what is there now? What will we have if we have that long corridor of internationally locked doors? Will it make the problem go away, or will it make the problem greater? Will it lessen the frustration of the refugees who see those locked doors, or will they become more desperate and will more of them run to underworld manipulators?

Therefore, the international message is rather than loosening the resolve, rather than softening the political international will, we should be putting out a strong message. If there was ever a time to strengthen that resolve, it is now. Canada cannot accept 10 to 15 million refugees. No one is saying that. It would be impossible physically and politically. We know that. The world together must solve the problem, but this type of legislation begins to undo that resolve.

Rather than creating Bill C-84s we should be calling for an international conference. We should be bringing together the Ministers of Immigration and the Foreign Affairs Ministers who should be looking each other in the eye and saying. «Are we still as resolved?» Does the Geneva Convention really mean a damn at the end of the road? Is the Geneva Convention simply becoming an empty piece of paper that is manipulated by every Government or opposition Party which points to the Geneva Convention? Everyone mentions the Geneva Convention in his or her argument to justify the argument. That to me makes it meaningless because it does not have a significant, realistic impact at the end. If we want to restore the Geneva Convention to its proper stature, we need that political resolve internationally. We cannot do it alone, and we know that. Canadians do know that. Canadians are proud of past Governments of whatever stripe which have had the courage and the conviction to stand up and be counted in trying to get an increasingly stubborn world dealing with this human dilemma before us all.

Those are the three messages we would like to deposit into the records of the House of Commons for the benefit of the Ministers and the Government to try to convince them that there are other recommendations, a major one in the Senate report, that will preserve our traditions, keep intact our leadership and promote the pride that Canadians feel about our policies. Reform the system, yes. Improve it, yes. Cut out abuse, yes. But devastate the policy, no. The message from Ottawa to the country and to the world must be an unequivocal, resounding no. We are staying our ground and leading the world in the right direction.

History is created by monumental decisions that we look back to. If Bill C-84 is allowed to stand as it is now, people will not look back to this Parliament in 30 or 50 years in any good way; just as we looked back to the Parliament which turned back a boatload of Jews many years ago. That action might have been popular then, but it is disgusting now. We have the ability to learn from our experience and to ensure that future Members of Parliament and Ministers will look back upon this legislation as a building block as opposed to a stumbling block.

Pursuant to my earlier discussion in moving an amendment to clarify the security aspect of the Senate amendments, I move, seconded by the Hon. Member for Bourassa (Mr. Rossi):

That the message of the House of Commons to the Senate be amended by:

a) deleting, in paragraph one, the reference to Senate amendment 4;

b) deleting paragraph two;

c) adding to paragraph nine a reference to Senate amendment 4; and

d) adding after amendment 3 the following:

«That amendment 4 of the Senate be amended by deleting the said amendment and by striking out line 16 on page 7 of the Bill and substituting the following therefor:

«(2)(c) and against whom a deportation order has been upheld by the Board; or"»

With those words, Madam Speaker, I conclude my remarks and I look forward to discussing this amendment with the Government. I look forward to further changes and further flexibility exhibited thus far on some of the more minor amendments. We also need movement and change on the basic tenets of this legislation.

**The Acting Speaker (Mrs. Champagne):** The Hon. Member will allow the Chair to look at the amendment and reserve as to the admissibility of the amendment until later on this afternoon.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mrs. Champagne):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York West (Mr. Marchi)—Immigration—Admittance of convicted terrorist—Newspaper report / Service of deportation papers; the Hon. Member for Comox—Powell River (Mr. Skelly)—The census—Alleged release of confidential medical information / Request for amendment of census forms—Right to refuse in-depth interviews; the Hon. Member for York East (Mr. Redway)—Refugees—Cost of welfare for refugee claimants in Toronto.

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## GOVERNMENT ORDERS

[*English*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, and the motion of Mr. Bouchard (p. 12300).

**Mr. Dan Heap (Spadina):** Madam Speaker, I am pleased to have the opportunity to respond on behalf of the New Democratic Party to the Government's motion. I welcome the amendments that were adopted unanimously by the Senate. They follow very closely the amendments which my Party moved when this matter was debated in the House. They would, in fact, correct the main flaws of this Bill. Therefore, I regret that the Government has rejected the great bulk of the amendments of the Senate, including ones in which it said it accepted in principle but whittled away most of the meaning of the amendments from the principle. I regret that the Government has chosen after months of delay to rush this Bill in with so little time for Members to read it before the debate begins. I will take the opportunity later in the debate to assist members of my caucus in moving any appropriate amendments.

• (1630)

What the Government's action against the Senate amendments demonstrates is that this Government has chosen to stick by its policy of overkill reflected in Bill C-84 and Bill C-55. The Minister, in his speech, pleaded that there is an overload of refugees, and so there is. But he fails entirely to acknowledge that this has arisen largely because for several years, including the administration of his Government and the administration of the preceding Government, the backlog was allowed to grow by negligence, either in not applying staff where it could have kept the thing in pace with the need or by not applying necessary restrictions in immigration, which this Government did apply but much too late. It is using that overload cynically to build up hysteria in support of Bill C-84 and Bill C-55. It did that in a massive way last summer and it has begun to do it again.

Many people are wondering why just at this time somebody, high in the Department with access to CSIS reports, somebody leaked the case of Mahmoud Mohammad to the press so that all last week the headlines were filled with hysteria about terrorists. The timing was very interesting, and it is reminiscent of what was done last summer when there were certain well-timed leaks that had the effect, and some people think the intent, of creating more and uninformed hysteria on the part of the public. But it has not only been lateral leaks. Last Wednesday, the Minister of State for Immigration (Mr. Weiner) said that we should be talking with members of the other Chamber about Bill C-84 to see if it could be advanced quickly. He said, «It is possible that some of those who have spoken against it now want to speak in favour of what we, the Government, are trying to do, which is to keep terrorists, saboteurs and spies out of the country».

That is a shameful misrepresentation of the facts. I am not saying that it was intentional because this Minister has often given me grounds to conclude that he has no idea of what he is talking about, or that perhaps somebody else writes his speeches and he only reads them. But in fact the case of Mahmoud had nothing to do with refugees, and it was utterly slanderous for the Minister to introduce the matter of refugees in the discussion of his Department's egregious goof in allowing a person in without the normal security check.

But that has been the pattern of this Government for a year now, the pattern of both Ministers and the pattern of senior officials. It has been noticed far and wide. I quote from the Winnipeg *Free Press* of January 22:

> These are the ministers who claim that Canada needs tough new immigration laws which could be used to send genuine political refugees back to face potential imprisonment, torture or death. Their action demonstrates that, far from draconian new laws, what this country needs most is the competent and honest enforcement of the ones we have.

The Winnipeg *Free Press* in that case is dead on. However, the fact is that this Government set its agenda as long ago as about two and a half years ago, in the middle of 1985.

We find the agenda set by this Government in the Nielsen report, the cost-cutting report, in which, when he came to immigration, he said he could cut $60 million out of the Department and he would do it, of course, mainly by cutting back on humanitarian work. One of his recommendations, he called them options, was to insist that claims for refugee status be made only when the person is abroad except for those in hot flight, people arriving by direct transport from the country from which they are fleeing. That was proposed in a report dated October, 1985. In other words, it was prepared behind closed doors by the senior immigration officials with the then Deputy Prime Minister, notwithstanding the fact that the Standing Committee of Parliament on Labour, Employment and Immigration was then completing its work as asked by the then Minister of Employment and Immigration and by Parliament, its work of reporting on the recommendations of Rabbi Plaut, the commissioner who had reported to the Minister early in 1985.

So while the committee, dominated of course by members of the Conservative Party, was carrying out the mandate of Parliament at the request of the Minister, the Deputy Prime Minister was working out a totally different and opposite program. The report that we were asked to report on, Rabbi Plaut's report, was a pioneer work of humanitarian principle, and the committee followed his report very closely.

The Government ignored the Labour, Employment and Immigration Committee's report, violated the Standing Orders of this House by refusing to report on it. In two and a half years they have not reported on it because, it is clear now, they had their agenda fixed. They do not want any refugees in Canada except those who are selected overseas as good economic immigrants by our embassies or those who come in hot flight, that is by direct transport from their country of origin, and in fact it is fairly well known that it is almost impossible for a refugee to come in that manner from any country except the communist countries.

In other words, this Government chooses a sneaky, administrative means to shut out refugees from most of the countries of the world where refugees are being created such as in Latin America, the Caribbean, Africa, Asia and the islands of the Pacific. The Government does not want those non-white refugees in Canada. They only want white anti-communist refugees or ones who are considered economically very advantageous to Canada. That has been their agenda for two and a half years. That is why they ignored illegally the recommendations or the report of the parliamentary committee and that is the report that they followed in drafting Bill C-55 and Bill C-84.

I want to comment on the handling of the recommendations in this Bill. The first recommendation of the committee was to replace the word «smuggling» with «clandestine entry». The Government claims to accept that in principle, but in fact it does not. By replacing it with «illegal entry», what they do in fact is to continue the same policy as was put forward by the Minister of Employment and Immigration (Mr. Bouchard) to the legislative committee last summer in which he said that the phrase «illegal entry» will mean that anybody who helps a refugee, a real refugee who lacks a visa, is committing a crime. In other words, the Government has not changed its policy by pretending to accept, with the weasel phrase «in principle», the first amendment of the Senate.

The second amendment on security certificates, yes, the Government has accepted that amendment. That means that the Government will revert to the standard practice of justice in this country and let the court decide rather than some ministerial official, on the question of security certificates, that a person who is the subject of a security certificate should have the chance to be present during the presentation of the Government's case to the judge except where the judge, not the Minister, decides there are compelling reasons for exclusion. I am glad that the Government has accepted that amendment.

That was amendment 2(a). The second part of 2(a), however, the Government rejects. That really negates the value of the first amendment which they have accepted. That is, they will let the judge hear the case but they will not let him make a decision which he is qualified to make. They are saying that the amendment of the Senate would provide for a review of detention on the sole grounds of danger to the public. They say that that is too narrow and they will not let the court, the impartial court, override the decision of the Minister.

• (1640)

On Amendment no. 3, in the matter of security certificates, they have a rewording which may be adequate. They do not want to give us time to do a careful study of this. It may be that I will find, when I have had opportunity for further study on this during the next day or two, that there are problems there, but for the time being it looks adequate to say that this amendment would confirm that the judge is to assess the reasonableness of the certificate on the basis of all the evidence available to the judge.

Now we come to Amendment no. 4 which would allow people who are found to be security risks to make a refugee claim. Contrary to what the Minister and people on his side keep repeating, that is required of us by the treaty we signed 20 years ago with 100 other nations of the United Nations. Article 32 on expulsion reads as follows:

> 1. The Contracting States shall not expel a refugee lawfully in their territory save on grounds of national security or public order.
>
> 2. The expulsion of such a refugee shall be only in pursuance of a decision reached in accordance with due process of law.

There is no due process of law there, Mr. Speaker.

> Except where compelling reasons of national security otherwise require, the refugee shall be allowed to submit evidence to clear himself, and to appeal to and be represented for the purpose before competent authority or a person or persons specially designated by the competent authority.

Section 3 of Article 32 is the one where the Government fails in its international obligation by treaty. It says:

> 3. The Contracting States shall allow such a refugee a reasonable period within which to seek legal admission into another country.

That is the reason for letting him make a refugee claim and have it decided whether or not he is a refugee, because if he is found to be a refugee he has a right under international law, by the treaty we have signed, to a reasonable time to find another country that will accept him. It goes on to say:

> The Contracting States reserve the right to apply during that period such internal measures as they may deem necessary.

That could include detention if they are worried about what he might do while they are finding another country.

It is very ironic, Mr. Speaker, that the Secretary of State for External Affairs (Mr. Clark) a few weeks ago, when he was in Central America, suggested that Canada might take in some of the Contras. Some of the people who have killed, burned, and carried on war against the Government and the people of Nicaragua might be accepted as refugees in Canada, according to a statement by the Secretary of State. He later qualified the statement, but it is very interesting that it depends upon whose ox is gored. In other words, when he is in Central America as an ally of the United States he is willing to bend the rules and allow people in who should be excluded by this Bill.

I think the Secretary of State for External Affairs ought to talk to his colleague, the Minister of Employment and Immigration, and point out that Canada should amend this Bill as the Senate asked in order not to violate our international obligations under the United Nations Convention regarding the status of refugees which we signed 20 years ago.

We then come to the matter of turning the ships around. We find that even a good Tory newspaper, *The Globe and Mail*, agrees with the Senate and not with the Minister. In their editorial on January 5 they say:

> Bill C-84 would, for instance, let the Minister turn ships away from Canadian waters if he thought they might be smuggling passengers—a response more dangerous to those passengers, and less intimidating to the captain, than seizing the ship and arresting the crew when the boat landed.

They go on to object, likewise, to further clauses of the Bill. They point out that what we should be doing is to bring the ship to shore, charge the captain with any offence that we believe he has committed, and deal with the passengers accordingly. That would have the effect of drying up the illegal traffic.

However, the principle of turning the ships away is part of Erik Nielsen's principle of hot flight only. In other words, the Government wishes to turn refugees away because they come from the wrong countries and they have the wrong colour of skin and perhaps the wrong politics. So the ship turning amendments, (a) and (b), have been rejected by the Minister and likewise amendment (c).

We now come to the infamous amendment on aiding and abetting. This says, in effect, that anybody who helps a refugee can be prosecuted for doing so if the refugee did not have a visa to enter Canada. Madam Speaker, it has been said time and again by everyone who knows about refugees that refugees most often cannot get visas, certainly not valid visas. This means to try to intimidate ordinary Canadians from doing what thousands of them have been doing and what thousands of them continue to do to this day, to intimidate them with the threat of a jail sentence.

The Minister claims that he has to do that, that he will not apply it to everybody but he has to do that to catch the guilty ones. In other words, the Minister is saying that our Department of Justice is so incompetent that it cannot define a crime. He has no confidence in the legal experts of our Department of Justice. There are 35,000 lawyers in the land who attack that clause through the Bar Association. I am sure they could easily provide the legal expertise, and I believe some of them would do it for free on a matter of conscience. The Minister is so contemptuous of the legal expertise of our Department of Justice that he says they cannot write a law that describes the illegal actions that violate our immigration security without attacking thousands of people whom he says he would not prosecute.

In Section 7 again the Minister weasels. He says he accepts in principle the amendment that would require the personal written consent of the Attorney General of Canada before a prosecution could be launched. That is what he actually proposed, so I understand, when he spoke to the Senate. But then, of course, he backed off from that and decided that that was not good enough, that it has to be the Attorney General and his deputy. He now has it that the Attorney General or the Deputy Attorney General can initiate the charge. In other words, he does not deal straight, even with his Conservative colleagues in the Senate.

Amendment no. 8 is accepted, and I am glad of that. They probably could not do any less since the Supreme Court, in the *Hunter versus Southam* case, made it quite clear that a search warrant should only be issued where there are reasonable grounds to believe that evidence will be found. In other words, the Government knows that it is prohibited from going on a fishing trip, from searching and seizing, in the hope that it might find some evidence. That is illegal and I am glad the Government has admitted it.

With regard to Amendment no. 9 on search and seizure, it is very interesting that in his message to the Senate the Minister misrepresents the nature of that amendment. That is very interesting, Madam Speaker. In speaking of Amendments nos. 9 and 10 he says they would restrict the ability of peace officers and immigration officers to act quickly to search for evidence of major offences under the Immigration Act in exigent circumstances where lives are at risk or where evidence with respect to those offences may be lost or destroyed. The amendment expressly says that where lives are at risk it may be done. They expressly allow for that, and the Minister has misrepresented them in order to justify his refusal.

• (1650)

I see you are signalling to me, Madam Speaker, that my time is nearly finished. I am very sorry that such a large subject as this is presented in such a hurry. I will have to rely on my colleagues to bring out some of the further faults. I wish merely to summarize by saying that this motion of the Minister must be rejected because it is contrary to our Charter of Rights as the Senate has explained in page after page of its explanations.

It is contrary to our treaty with the United Nations and a hundred other members of the United Nations with respect to the protection of refugees. It is a shameful and unacknowledged application of the policy of restricting refugees to people in «hot flight», that is only from a very few countries, or to people chosen as immigrants for their economic value. It has a bias against racial equality in the selection of refugees thereby, and makes use of hysteria and fear to try to get public support for passing it. Public support for this Bill has been waning for many months. The Government would be very lucky if it could find a way out of this mess it has gotten itself into and not have to pass this resolution.

**Mr. Marchi:** Madam Speaker, I listened with some interest to my colleague, the Hon. Member for Spadina (Mr. Heap), who is the critic for the New Democratic Party on immigration. I also want to take a moment to say he worked very diligently during the summer months in terms of trying to come to grips with Bill C-84.

I know it is a bit unfair because I have not had time to bring him a copy of my amendment, but I wonder, since he only had 20 minutes to speak on the Bill, whether it might afford him a few more minutes to discuss the amendment I moved in the sense that the essence of the amendment is to try to reach a compromise between the Government's position that a person who is convicted of a criminal offence or of war crimes is ineligible to access a refugee claim, and the Government saying that if we suspect anyone of any security breach or uprising, however it may wish to define it, those people will not be able to access the refugee claim.

The intent of my amendment was simply to put in place that if there are legitimate suspicions of individuals, at least they be given the chance to defend themselves through a deportation inquiry hearing, at which time their side of the story will be brought to bear. If in fact the deportation inquiry confirms and upholds the order for deportation, at that stage I believe those individuals should not be able to access the refugee system or buy more time, but in fact should be asked to leave the country. From that viewpoint, and I will not go into it any further, will the Hon. Member tell us what his initial position would be toward that amendment?

**Mr. Heap:** Madam Speaker, I respect the work the Hon. Member has done and the many points he made during his address. However, I will not give a final opinion on his amendment for two reasons. First, it appears to me to violate Article 32 of the Convention, and this is a treaty that Canada has signed. It appears to violated the Convention because it would deny a person a chance to make a refugee claim. The United Nations is quite firm on that.

This is pioneering legislation on individual human rights. As a democratic socialist, I find it very illuminating that it is a Tory Government that attacks individual human rights internationally. This follows the Declaration on Human Rights by the United Nations in 1948, Article 13. It follows the Convention on the Status of Refugees of 1951, and the Protocol of 1967 signed by us in 1968. What that says is that a person has a right to seek asylum and protection from his own Government if it is persecuting him or allowing persecution. He has a right in law. We agreed with that law. Therefore, we should not deny it even though it is a little inconvenient or expensive.

We can keep him in detention if we are afraid of him or her, but we should not deny their right because it can make a difference to what happens after, and this brings me to my second point. He has to have a chance to choose another country, not necessarily to be sent back to, say, the Pinochet regime, which could declare him to be a terrorist or criminal on grounds that would not hold in Canada.

**Mr. Friesen:** Madam Speaker, I once had a colleague who said that those who preached tolerance many times are the most intolerant, and members of the New Democratic Party want to be the champions of tolerance. Very often, we find the only ones they want to be tolerant of are those people who happen to agree with them, and if they do not agree with them, they quickly resort to name calling and epithets. Witness, for example, the provincial election campaign in British Columbia about 18 months ago. Practically on the day the writ was dropped, the now Premier of British Columbia was called names. There were racist slurs against him by the then Leader of the New Democratic Party.

**Mr. Heap:** Madam Speaker, I rise on a point of order. I believe we are discussing Bill C-84 and not the Premier of British Columbia. I would ask that the Hon. Member stick to the subject.

**The Acting Speaker (Mrs. Champagne):** I am sure the Hon. Member will very quickly make a link between his comments and the Bill that is being studied right now.

**Mr. Friesen:** The Hon. Member for Spadina (Mr. Heap) in his speech again made accusations against the Government which had the nature of racism wrapped around them when he said this Bill included provisions that were designed to keep non-whites out of Canada. That is reprehensible on the part of a Member who has worked well in this House on this legislation. It is a reprehensible remark. There is nothing in the legislation that deals with this. There is nothing in the record of the Government that would indicate that. It is an unconscionable slur on the part of that Member against the Government.

I want to give the Hon. Member an opportunity to retract the statements he made in his speech regarding racism in this legislation. He has done that in his speech today. He has done it during Question Period. I invite him to look at the record. It is this Government that introduced a policy that allowed at least 50,000 Vietnamese to come to Canada in 1979 and 1980. It is this Government that has kept the policy of immigration open for people from Southeast Asia and Africa to come to Canada under its immigration policies. I would invite the Hon. Member to withdraw the statements regarding racism which he has levelled against this Government.

**The Acting Speaker (Mrs. Champagne):** The Hon. Member for Spadina (Mr. Heap) on a very short comment.

**Mr. Heap:** Madam Speaker, my reference in the Question Period of last week was a reference to the slanderous remark of the Minister of State for Immigration (Mr. Weiner) attributing to refugees something that the RCMP had not been able to find. My reference to racism was a reference to the legislation first proposed by the Deputy Prime Minister (Mr. Mazankowski) in the Nielsen report and which is now being implemented in Bill C-55 and Bill C-84. The facts speak for themselves. The effect of those two Bills is to prevent refugees from coming from the kind of countries to which the Hon. Member has just referred. They would no longer be able to come because they could not come directly from those countries.

• (1700)

**The Acting Speaker (Mrs. Champagne):** It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

## PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

### NATIONAL ANTHEM ACT

MEASURE TO AMEND

**Mr. Howard Crosby (Halifax West)** moved that Bill C-232, an Act to amend the National Anthem Act, be read the second time and referred to a legislative committee.

He said: Madam Speaker, let me begin by taking one minute to record the purpose of this amendment to the National Anthem Act proposed by Bill C-232. Simply stated, the Bill deletes a reference to «my sons» in the national anthem so that *O Canada* will read «True patriot love in all of us command».

Why make this change? Again, simply stated, the existing words, «command», exclude female persons and can be interpreted as suggesting that patriot love, the love of one's country, is not required of female persons.

Let us face it, 100 years ago only the sons of Canada, not the daughters, were expected to go forth to do battle for their homeland. In two great wars women were not expected to enter hostile action. But, today, 1988, we welcome women in all phases of national life, including in a very special way Canada's Armed Forces. It is time for other changes. This evolution should be reflected in the national anthem.

The point is this. Whether or not one regards the reference to «our sons» as implying male superiority, everyone should agree that elimination of the reference is consistent with equality of the sexes in Canada. Equality is a legislative principle now enshrined in the Canadian Charter of Rights and Freedoms with the consent and concurrence of virtually all Canadians. Why not extend that principle of sex equality to the national anthem?

It would be appropriate if I mentioned at this point two other points by way of clarification. First, the National Anthem Act in its French version differs substantially from the English version in terms of the words. There is no problem with sexual references in the French version. Thus I can say to my Francophone colleagues that they need not be concerned with this particular point.

Second, I should point out that the official national anthem, *O Canada*, as designated in the National Anthem Act, contains only one stanza. It is that stanza with which we are now dealing. Other verses of *O Canada* do not have official status. Thus I ask Hon. Members to keep this in mind while debating the particular words of the Bill. We are talking about the one official stanza.

I want to proceed with the presentation but I think, Madam Speaker, you would understand me if I, while taking a high road in this debate, mention some of the difficulties that one encounters on a subject such as equality of rights as related to the women of Canada. I have to admit that there still is abroad in the country—indeed, in the Parliament of Canada—a degree of chauvinism that will take subjects of this kind in a rather lighter vein. I should mention in passing that this particular amendment to the National Anthem Act was before the Standing Committee on Private Members' Business. It was rejected for special treatment under the new Standing Orders. That special treatment would allow this amendment to the National Anthem Act to come before the House and to be voted upon. That process was rejected by the committee.

On the more chauvinistic side, I think I cannot resist the opportunity to refer to remarks by one Earl McRae in today's *The Ottawa Citizen*. I should mention that Earl McRae is a sports writer whose major concern is the losing streak of the Toronto Maple Leafs. He goes into deep analysis of that and related subjects. But when it comes to the change in the national anthem, he pooh-poohs it and defeats it as a meaningless thing and asks if I have not better things to do.

I want to say to Earl McRae and to all others like him that I have many more important things to do and many less important things to do. However, I regard equality of rights as one of the more important subjects for the Parliament of Canada. I regard this change to the national anthem that I propose as an extension of that equality of rights. So, Mr. Earl McRae and all other Canadian chauvinists, I do not apologize for bringing this matter before the Parliament of Canada. Indeed, I intend to pursue the objectives of this Bill regardless of the outcome of today. I do it without any concern for those who regard this to be an unworthy occupation for Members of Parliament or unworthy of the time of the House of Commons.

Having said that, let me deal with the history of the National Anthem Act and the official version of *O Canada*. We can go back almost 100 years ago when Robert Stanley Weir put together the words that now substantially are the verses of *O Canada*. There was never an official version of *O Canada*, although the current version, or something very close to it, was used in the Diamond Jubilee celebrations, and it was printed in connection with the royal visit of 1939. However, the current version of *O Canada* did not really achieve its prominence until 1968 when a Special Joint Committee of the Senate and the House of Commons on the National and Royal Anthem agreed upon the words that are now present in the National Anthem Act. The committee did that after much deliberation, but for reasons unclear to me it allowed the words and the reference to «all my sons» to continue in the official version.

We can update all this to 1980 since no real action was taken with respect to that 1968 parliamentary committee report until 1980 when, I might point out to Hon. Members, our colleague, the Hon. Member for Simcoe South (Mr. Stewart), who is still a Member of this House and representing the constituency of Simcoe South, introduced a Private Members' Bill, Bill C-20, which would have allowed *O Canada*, the Weir version so-called, to be adopted as the national anthem.

The matter was debated in the House of Commons, as it is being debated today as a Private Members' matter. At that point the Secretary of State indicated that if the Bill were withdrawn and the subject matter presented to a committee he would undertake to give government support to the measure and to produce an alternative Bill in the very near future.

In fact, he did that. In June of 1980, Bill C-36, which is the Bill that enacted the current National Anthem Act, was introduced and passed. As I have said, it is more than a historic note with respect to the procedure that took place in June of 1980 because that Bill was passed with the consent and concurrence of all the Parties in the House of Commons. However, it was on the particular understanding that the words provided for in Bill C-36 were not to be written in stone. Further changes were to be considered.

In fact, it was on the record of the House of Commons that it was anticipated that Private Members, through the medium of Private Members' Bills, would introduce changes in the House of Commons. Thus I want to use that to deal with this point. Some people say, «Do not change the national anthem. It is part of our history. It is changing our traditions». That is not so. Anyone who knows the history of *O Canada* and the national anthem simply does not accept that as either factual or proper in theory or in terms of heritage. The *O Canada* was not adopted by the House of Commons until 1980. There was no official version until the National Anthem Act was passed in that year. It was clearly on the understanding that there would be changes from time to time, and particularly on the understanding that those changes would be brought to the House of Commons by way of a Private Members' Bill. We are exactly on course. There are changes in the National Anthem Act that I think are required with the evolution of our society. I believe they should be made. I believe the change removing the reference to «thy sons» is one of those changes that was contemplated when the National Anthem Act was adopted.

• (1710)

I wish to refer briefly to the constitutional process that has taken place in Canada over the last decade. I wish to remind Members that we all agreed to the Constitution Act of 1982. Some did not, some voted against it, but the great majority agreed with the Canadian Charter of Rights and Freedoms. In Section 28 it enacted the assurance that there would be equal rights for men and women, that there would be no discrimination based on sex.

I ask Members of the House of Commons how, on the one hand, they can see fit to enact Section 28 as part of our constitutional record, and reject the amendment that I proposed? It is not consistent. I have looked at the matter and I have come to that conclusion. I do not believe there is any justification for any other conclusion.

That brings me to my personal involvement with this issue. It was not a matter that I discovered. I did not go looking for reasons to change the national anthem. I was approached by representatives of Mount Saint Vincent. It is an institution in the federal constituency of Halifax West that contains the mother house of the Sisters of Charity and a university of higher education dedicated to the interests of women. It accepts men as students, but everyone knows that Mount Saint Vincent University is the leading women's institution in Canada. It was suggested to me that this reference in *O Canada* was not consistent with our pattern of evolution in terms of equality rights for men and women. On examination I agreed that that statement was correct.

As a result, on June 14, 1984, I introduced Bill C-247 in the House of Commons, which is exactly the same as the Bill now before us. On the prorogation of that particular session I reintroduced the Bill in 1985, one year later. The whole matter has a history that did not start yesterday, but this is the opportunity to pursue and act upon the contents and substance of this Bill amending the National Anthem Act.

It is important that I cover the legislative process that might apply to Bill C-232 and its action before the House of Commons. As everybody knows, the motion is for second reading of the Bill and reference to a legislative committee.

Quite often when Private Members' measures gain acceptance in the House of Commons, the Member is asked to withdraw the Bill and consent to a reference of the subject matter to a standing committee of the House of Commons. I have had that happen in the past. It happened with respect to missing children's legislation that I introduced. It happened with respect to victims of crime legislation that I introduced by way of a Private Members' Bill.

That process is not appropriate to this Bill. I cannot help but think that anyone suggesting that the subject matter be referred to a standing committee of the House of Commons rather than reference of the Bill itself to a legislative committee, is really trying to assist in the process that would bring about this legislative change. I wish to tell you why, Madam Speaker.

Under the new rules standing committees that have an interest or jurisdiction over an area can deal with any matter they want. They do not need a reference from the House of Commons. If the committee responsible for the Secretary of State is interested in this change, it can go ahead and pursue it. It does not need a reference from the House of Commons.

I come here asking the House of Commons and my colleagues in this Chamber to refer this matter, this request for a change in the wording of our national anthem, *O Canada*, to a legislative committee. I do not think anything less than that reference to a legislative committee is acceptable. I do not think any Member will do any favour to the women of Canada who are interested in this issue, and all other persons who believe the issue should be acted upon, by suggesting any other course of action.

I ask Members to take this matter in a serious vein, allow it today to go to the legislative committee. I am not wedded to the words that constitute the change. I simply believe that the change must be made. It is the only conclusion consistent with our endorsement of equality for the sexes. If we do any other action we will be called into ridicule by those interested outside.

We do not change the national anthem recklessly or without regard to the heritage of Canada and Canadians. We adopted the National Anthem Act in the House of Commons in 1980. We said it would be changed. That was part of the agreement by which it was enacted. Now it is time to give effect to those changes.

There may be other changes, but I present to the House one that I think is necessary and desirable. For those who would say, «Don't change it. Let it go. Do it another day. It is now part of our history», I say that it is not yet part of our history. It will become part of our history, but it will only become an essential and honoured part of our history if we get the words right. Therefore, if we get the words right in 1988, *O Canada* will be sung for years, decades, and centuries to come by our sons and by our daughters with pride in the words and pride in the meaning. We will not be faced with these ludicrous distinctions.

I suggest to any Member of this House who wants to challenge me on this subject, who wants to pooh-pooh it, who says it is not necessary, it doesn't mean anything, my mother-in-law likes it, or my sister likes it that that is not the point. I say to Members and I say to everybody that, if you do not understand this point, if you do not take this point to heart, you do not understand equality.

I have found it to be the case, most unfortunately, that those people who denigrate a change like this are not in the forefront when it comes to equal pay for work of equal value. I find they are not there when it comes to positive action, employment opportunities for women, or any of those issues which are vital to the women of Canada. I do not want to suggest that this is an issue that is vital to the women of Canada, but it is a demonstration of the will of Parliament to give real meaning to equality, to give a meaning to equality, in this case to the sexes, but in another case to the equality of all Canadians.

Members of Parliament and colleagues in the House of Commons do not number yourself with those who stand against equality. Count yourself with those who stand for equality. Let this amendment go to the legislative committee, and we can all be proud of our national anthem.

[*Translation*]

**Mr. David Berger (Laurier):** Madam Speaker, I wish to be counted among those who are in favour of equality as advocated by the Hon. Member for Halifax West (Mr. Crosby) by supporting his Bill.

To begin with, Madam Speaker, I should like to say that I have a personal interest at stake, because it is proper during the consideration of bills to advise the House about such personal interest. I should like to state that my personal interest is due to the fact that for almost a year I have become the father of a young girl, Laura, who will be one-year old next week. Moreover, I have five nieces in my family and up to now there is no nephew among the progeny of my parents.

I also wanted to say that I agree with the Member for Halifax West when he said that it is an important symbol because I had the opportunity during recent years to see girls of two, three or four years of age learn our national anthem in school.

Madam Speaker what can be the effect of the words «in all our sons command» on a young girl learning our national anthem? One could argue that it is a trifle or an unimportant matter, but who can deny that it could have some effect on young girls who could perhaps feel they are excluded in that important symbol of our country?

• (1720)

[*English*]

I heard the Hon. Member mention the comments of sports writer Earl McRae who denigrated, it would seem, the importance of debating this matter. Perhaps it is from the world of sports that we should take our lead in this debate and remind ourselves that several weeks ago a young woman from Toronto, after two years or three years of legal battles, succeeded in participating in a boys' hockey team. I think that we all remember her name is Justine Blaney. When she went on to the ice, and it was reported in the newspaper, I could not help but think to myself: «Good for you, Miss Blaney». She had to put up with a lot and she had to fight hard to achieve what she wanted to achieve, that is, basically to play with the best of them and to the best of her ability.

I think the Hon. Member's analysis is correct when he referred to the passing of the National Anthem Act in 1980. He said that the understanding at that time was that the words were not to be written in stone, that there would be changes from time to time, and that these changes would be brought to the House in the form of a Private Members' Bill. I was in the House at that time and, without having checked the record, I recall that that general consensus prevailed in 1980.

I also think that the reference he made to the people from Mount Saint Vincent University who came to see him was an apt one. Obviously the matter is of concern to well thinking, honest people concerned about the effect of symbols on equality in society. It seems that it would be appropriate for the House to join with the Hon. Member and support his motion.

Therefore, I wish to support him in the hope that, with not much debate, we can refer the matter to a legislative committee where, as he said, the exact words could be open for debate and perhaps to suggestions from expert witnesses. It is appropriate that we proceed with the matter and that the precious time of the House be not wasted.

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Madam Speaker, for the benefit of the House I would like to reflect briefly on Bill C-232, introduced by the Hon. Member for Halifax West (Mr. Crosby). The purpose of this Bill is to change, in the English version only, the words «thy sons» to the words «of us», in order to remove any sexist reference from our national anthem. I would also like to thank the Bill's sponsor for giving us this opportunity to consider a question that to some people may seem far less important then the major economic issues the Conservative Government has been dealing with for almost three years, as you well know, Madam Speaker, and the major social issues that same Government has been dealing with for over three years.

Madam Speaker, I realize the Opposition gets upset at good news, but there has been a lot of good news in the past three years. They will have to live with it.

**An Hon. Member:** What about the polls?

**Mr. Vincent:** What about them? Look at the results of the poll in Trois-Rivières!

We are talking about a question we deal with regularly, but to many Canadian women and perhaps some Canadian men, it has become a matter of principle. This question is of vital importance because it concerns the concept of justice and equality for all the citizens of this country.

The Bill before the House today is reminiscent of another Bill, introduced on various occasions and again just recently in the House. Its purpose was to change the official name of the Province of Nova Scotia, this time in the French version. Although the respective purposes of these two Bills are quite different in nature, there are enough similarities for us to be able to draw some conclusions that will be useful in considering the latest Bill.

The Hon. Member for Halifax West would like to see the words «thy sons» in the English version of our national anthem replaced by «of us», in order to avoid the sexist connotation of the former term. I would say, Madam Speaker that the purpose is in fact to neutralize an expression the Hon. Member judges to be undesirable because it is essentially masculine in nature and therefore sexist.

In fact, with today's major waves of feminist claims, Madam Speaker, this is the sort of difficulty we must face every day when we speak either in French or in English. I have nothing against making the necessary effort to find alternatives. Quite the contrary, I feel that our languages must keep up with the times.

We had a most significant example of this about a year ago when the time came to find a name for the «Museum of Man». I felt that the construction of this new building which would host the exibits in Hull was a perfect opportunity to re-think the name of this noble institution which is part of our national heritage.

I congratulate the people in charge of our national museums for the name which was finally selected. The old museum will be referred to as the «Museum of Man» and the new one as the «Canadian Museum of Civilizations», these two terms having a connotation not only with different cultural and linguistic eras, but also with realities as concrete as architectural designs.

I have had the opportunity to research the history of our National Anthem. I want to emphasize two facts: the original version of O Canada in French, was composed and sung for the first time in 1880, over a century ago; the English version, although not quite so old, goes back some time as well. With lyrics composed in 1908 by Robert Stanley Weir on the original music by Calixa Lavallée, it spread during the years which followed World War I and was fairly quickly adopted by Anglophone Canadians generally as the true national anthem of our country.

We are also impressed by the long parliamentary debate which resulted in the official adoption of our national anthem.

The whole thing began in 1964 when Parliament dealt seriously with the issue of the national anthem with the creation of the first Special Joint Committee of the House and the Senate. Another parliamentary committee, created in 1967, recommended that the music composed by Calixa Lavallée be adopted as music for our national anthem and that the lyrics, those in French by Adolphe Routhier, and those in English by Robert Stanly Weir, be officially adopted with minor changes in the latter case, for the sole purpose of avoiding some unfortunate repetitions.

The House had to deal with the Bill on the national anthem at least half a dozen times before adopting it. Finally it was only in 1980 after agreement had been reached among the three Party leaders that it was possible to adopt the current version of the national anthem, on the basis of recommendations made by the parliamentary committee 12 years earlier.

Madam Speaker, the interesting aspect of this story is that the people of Canada did in fact choose their national anthem long before our predecessors in this Parliament even began to deal with the national anthem issue. And as I see it, Madam Speaker, Canadians were well-advised to act as they did.

In light of the Bill we are debating today I can certainly understand the concern of my colleague from Halifax West and those of some of the Canadian men and women he represents.

But as lawmakers we have to do our utmost to promote the cause of women. In that respect our Government's performance stands as an example. Madam Speaker, you are witness to this . . . without extending my remarks. We must be ever more vigilant concerning the words we use and the decisions which have an impact on our collective future. As I pointed out earlier, that is the kind of approach we took concerning the future Museum of Civilizations.

Still I am not at all sure that we are on the right track when we try to correct the past as we see it today. On the basis of that principle, just how far should we go?

Our national anthem is the product of popular tradition, it is part and parcel of our common heritage. Of course we must do our best to ensure that our society and our country continues to prosper, and to a certain extent we must plan the future on the basis of today's values and ideals. Yet at the same time, Madam Speaker, I would suggest that we have to show respect for the integrity of such symbols as time and tradition may have left us. As it happens, they are among the better sources of enlightenment because they enable us to identify with our own times and steer our future course.

Madam Speaker, I conclude with this question: What would our children and our descendants think if they came to realize that we were so pretentious and bold as to disguise our ancestral heritage in the hope of making it better?

• (1730)

[*English*]

**Mr. William G. Lesick (Edmonton East):** Madam Speaker, in writing to speak in this debate I must first declare that I am in sympathy with the Bill proposed by the Hon. Member for Halifax West (Mr. Crosby). I heard his impassioned plea for reason and I highly respect that. If the anthem is to be a symbol of our cohesion, then what it says must be consistent with what Canadians as a whole believe and value. No one should feel that *O Canada* is not meant for him or for her. There is no doubt that national symbols, such as flags, anthems, emblems, holidays and the like, play a very important role in our lives. They represent and project an image of our country. They link us to our heritage and, in this manner, give us a feeling of continuity and serve to evoke in each of us a clear understanding of our identity as Canadians. They remind us of what we hold to be important and communicate that to the world.

*O Canada*, the symbol under discussion here today, has its roots in the early days of this land. Its beginnings go back to 1880 when it was suggested that a competition be held for the composition of a national anthem. Some of the principals involved in the evolution of *O Canada* were Calixa Lavalée, Canada's leading music figure of the day who composed the music for *O Canada*, and Adolphe-Basile Routhier, a judge of the Superior Court of Quebec who wrote the French lyrics.

It was not until after the turn of century, in 1908, that an English version composed by Robert Stanley Weir began to come into use. In 1924, the Association of Canadian Clubs endorsed Weir's version as a suitable anthem to be sung at all Canadian Club meetings. At the same time, the Lavalée-Routhier-Weir version was given official recognition by the federal and provincial Governments on many important occasions.

This version was used to mark the fiftieth anniversary of Confederation on July 1, 1917. In 1948, by Order in Council, it became the anthem of Canada's Armed Forces. In May, 1967, a special joint committee of Parliament was constituted to study the question of a national anthem. In its report in February of the following year, the committee recommended the adoption of *O Canada* as this country's national anthem. The members of the committee agreed that the music composed in 1880 by Calixa-Lavalée should be adopted as the melody. They agreed that the first verse of the poem *O Canada*, written by Judge Routhier, should be adopted as the French lyrics. They agreed further that a slightly modified version written by Robert Stanley Weir should be adopted as the English lyrics for our national anthem.

The first Bill, proposing the adoption of *O Canada* along the lines of the recommendations of the committee, was presented by the Secretary of State in February, 1972. This Bill died on the Order Paper. However, in May, 1980, 100 years after the composition of *O Canada*, the Hon. Member for Joliette (Mr. La Salle) introduced a motion urging the Government to present legislation recognizing *O Canada* as the national anthem of this country. The three House Leaders at the time agreed to limit debate on second reading to one speaker from each Party, and, at the same time, not to propose any amendment to the English version of the anthem which would replace «sons» or «native» or «north» or «land» or even «God». These words were not acceptable to some because of sexist or racist overtones and unacceptable to others who wanted to see Canadian waters as well as the Canadian south, west and east mentioned. Still others preferred that no mention of faith or belief in a supreme being be made. So, however, unsatisfactory the wording of *O Canada* may have been, legislation was adopted and *O Canada* was officially proclaimed as our national anthem on July 1, 1980.

Our anthem, like our Constitution and our flag, has evolved very slowly. For some reason we Canadians do not get all wrought up about documents and symbols that define who we are as a country. Ringing declarations about Canadian nationhood are likely to leave many of us feeling a little embarrassed. As frustrating as this reticence may sometimes be, I think we do well to remember that this reluctance to define Canada and Canadians in a clear and passionate way is rooted in the same reserve that abhors jingoism, imperialism and «me first» nationalism.

The purpose of the Bill before us today is to change, in the English version only, the words «thy sons» to the words «of us» in order to remove any sexist reference from our national anthem. The reasons for this were very eloquently spoken by the mover of this motion, the Hon. Member for Halifax West. The abolition of sexist references and sexist behaviour is a goal we all wish to achieve, nobody more so than the Prime Minister (Mr. Mulroney) and his cabinet colleagues.

For nearly four decades success at federal Governments have affirmed a commitment, both nationally and internationally to advancing the equality of women. Many initiatives, too numerous for me to go into here, have been undertaken by the federal Government to promote sexual equality. As the Hon. Minister responsible for the status of women has stated:

> We intend to provide women with a full range of choices and opportunities to use their talents and to benefit from their use, whether in the home, the workplace, the community or the world at large.

I want to assure the Member for Halifax West that I, too, am committed to the goal of equality. But the issue here, I believe, is a recognition that our national anthem is part of our collective heritage, our identity as Canadians. It is that heritage that we all, as Canadians, should be proud to pass on to our children to be protected, respected and cherished.

**Ms. Margaret Mitchell (Vancouver East):** Madam Speaker, first, I would like to congratulate the Hon. Member for Halifax West (Mr. Crosby) on a very excellent change to an important document which is the National Anthem Act. I agree wholeheartedly, certainly my Party would support this, with the very progressive change the Member is proposing which at long last recognizes in our national anthem that not all of us are sons of Canada and that daughters of Canada also are capable of patriotic love for our country. I believe that the deletion of the words «thy sons» from the English version to be replaced with the words «of us» is a very excellent change. On behalf of the daughters of Canada, I would like to thank the Hon. Member for this Bill which would, I am sure, be supported by the 52 per cent of our population who happen to be daughters.

• (1740)

I am sure all Hon. Members agree that this is not a token or a nit-picking change but quite a symbolic and significant gesture that is important to women in Canada. The Canadian Charter of Rights and Freedoms, in Section 15, states that every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination and in particular without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

I thank the Hon. Member for bringing to our attention once again how disgraceful it is that our national anthem, the song in which we portray ourselves as Canadians to the world, contains within it sexist language which in a subtle way perpetuates discrimination against women. The use of sexist language is insidious because it is often thought to be very harmless or perhaps merely annoying and certainly not a big problem that should be given priority by many people.

I know my colleagues in the House and even my colleagues in caucus often get a little tired of those of us who remind them that terms which for many, many years were thought to be generic are masculine and therefore exclude women. We do this rather deliberately and not to be offensive, as I am sure you will appreciate, Madam Speaker, but because it is a trick of the mind to which we have been acculturated. It is important that we be a little more conscious of language changes.

The fact is that sexist language, when left unchallenged, does tend to perpetuate without any thought on our part certain views which are no longer accurate. My colleague who spoke a few minutes ago said that the wording of our national anthem came from the roots of our land many years ago. Of course it did, but let us not forget that it originated in an era in history which was a patriarchal society. In that day, women did not have the vote and indeed were not legally considered persons. We have come a long way since those days and it is important that our language be updated to reflect that.

Indeed, I have mentioned on numerous occasions in this House that it is time we changed the language of our very legislation which still, out of British tradition, uses masculine language expecting that «his and him» automatically refers to all of us.

When we say, «our sons» in the national anthem, does it really mean that our daughters are not important? If some daughters really thought about it, they might feel that way. Does this mean that our daughters are incapable of loving Canada, our country? Some say that it really means nothing, that actually «sons» is not a generic term.

Let us consider the reverse use of such sexist language. What would men feel about this? Would they be happy if our national anthem said: «in all our daughters command,» and left them out?

There are, of course, two sexes, and half the population is of each gender. We want to recognize that in all our literature and especially in our national anthem. When we use a general term for Canadians, we want to be sure that we refer to all Canadians.

The use of male language which ignores the female sex is a subtle way to denigrate that sex. That is why we object to this and try to have consciousness-raising about language. It is to say to our daughters that in some way they do not exist and no matter what standards of excellence they personally strive for and achieve, in this country perhaps only the sons count for anything in the long run. In the public eye, they are the ones who love their country. None of us agree with that and none of us intend that to be the interpretation, but I think that by changing the language, we automatically include everyone. Again, I thank the Hon. Member for proposing these changes.

I thank the Hon. Member for making us consider, as a result of his Bill, one other point. I did not realize until I went over it today, as a matter of fact, that there is another change in language which I hope the Hon. Member for Halifax West would consider when this Bill is referred to committee. There is another very inaccurate word in our national anthem. This matter was referred to me by the Hon. Member for the Yukon (Ms. McLaughlin) who heard representations on this matter from one of her constituents, an immigrant who was born in the United Kingdom.

This constituent wrote to the Hon. Member objecting to the phrase «native land» in the opening lines of our national anthem which reads: «O Canada, our home and native land». He objected because the word «native» refers to the land of a person's birth and excludes immigrants to Canada who cannot refer to Canada as their native land.

I believe this appeal, which was made on behalf of all immigrants who have chosen to come to Canada and have become Canadian citizens, is completely justified. I would like to point out that the *The Oxford Dictionary* defines the adjective «native» as meaning: «of one's birth, where one was born, belonging to one by right of birth or indigenous». I think it is quite clear that when we are talking about our native land, we are referring to people who were born in Canada, not to people who chose to become Canadians but were born in other lands.

In view of this inaccuracy, I would like to ask the Hon. Member for Halifax West if he would include an additional proposed change in wording when this Bill is referred to committee. I propose that the word «native» be changed to «cherished» so that our national anthem would then read: «O Canada, our home and cherished land», a simple change which would include a significant number of immigrant Canadians.

This second change in wording would, I think, be a significant gesture just as the Hon. Member's word change is to women. It would assure Canadians who were born in other lands that they indeed are first-class citizens in Canada and are not excluded from our national anthem or from anything else.

In conclusion, I thank the Hon. Member for proposing this Bill. Certainly we do support it and hope that it will go to committee and will include the second change I mentioned.

**Mr. Felix Holtmann (Selkirk—Interlake):** Madam Speaker, it is indeed a pleasure to participate in debate on the Bill brought forward by my colleague, the Hon. Member for Halifax West (Mr. Crosby). I, like my colleague from Edmonton East, have a different opinion and view of his proposal. It just so happens that the Hon. Member for Vancouver East (Ms. Mitchell), at the last moment, brought forth a very valid point of view.

The Hon. Member for Halifax West proposed a change and the Hon. Member for Vancouver East found another change. I thought that we finally had a national anthem that could last us for a couple hundred years and become a very historic and nationalistic thing for all Canadians, but here we are changing something again.

The Hon. Member for Vancouver East brought forward someone's concern about the use of the word «native». Let us look at that concern in a different light. Many people consider the native people as the first people of Canada, people who have been here for thousands of years. They might object if we took that word out of the national anthem. In many cases, they think they have not been fairly treated and might perceive this in a different way.

Then there may be Canadians who do not believe in God and are wondering why they would hope God would keep this land. That is a possibility. Atheists have a right to live in this free land.

• (1750)

If you go one step further, Madam Speaker, it says «glorious and free». We do not have the free trade agreement yet. Some day this country will probably be free in that regard. Some people may consider that to be free means that we do not have to use any money. Surely we could find people who do not agree with the statement that Canada is free. It is not very specific and surely we could find people who would argue that point of view. Maybe in five years someone will stand up in the House and say that we should use «equal» rather than «free».

People may object to the biblical term «thee» which we use about four times. I kind of like «thee», it rhymes with «free». It was probably helpful when the national anthem was written to consider that it had to rhyme somewhat, that there had to be lyrics. I believe that during the famous debate when the official national anthem was accepted someone stood in the House of Commons and actually sang the national anthem. I would do the same thing but it would bring tears of nationalism to your eyes due to the very words. It would fill you with emotion. I happen to love the national anthem as it stands right now.

I did a little research. I phoned some women in my riding and asked them their honest opinion about this phrase change. I asked them how important it was. They said that perhaps we could change it but asked what it would do for the disparity which women now face. They asked what parliamentarians are doing about that, what we are doing about the women on North Main in Winnipeg who have to resort to prostitution. They believe that the Government should be helping those people.

**Mrs. Killens:** What are you doing about it?

**Ms. Mitchell:** What are you doing about it?

**Mr. Holtmann:** That should certainly take priority over changing our national anthem, because changing the national anthem will not take them off the street. We must consider that.

I can understand the Member for Halifax West wanting to make a change. It gives him some prestige and he could probably even run his next election campaign on it. However, I do not think women will vote for the Government because we made this change.

**Ms. Mitchell:** Do you think they're going to vote for you?

**Mr. Holtmann:** I do not think the women of Canada will vote for the Opposition because they support this motion. That will not give them a vote.

Where does this lead us, Madam Speaker? If you look around the House of Commons you will see lions and moose. Have you ever checked the sexes of them? They are all male. Some day someone will get up and suggest that we should desex these critters around the House of Commons. In the entrance way there are many statues of men. Where is the equality? Where is this going to lead?

In Manitoba we have a Museum of Man and Nature. It was decided that «man» also means «humanity». What is wrong with the word «man»? We do not have to change things for the sake of change. We have taken change too far. When the national anthem was written no one thought that women were not important, that they were not part of Canada. No one suggested or thought that.

I would like to come back to life in 200 years and find the national anthem just as it is. I am going to come back in 200 years. I am sure it will be an exciting time. I hope people are not sitting in this very House still trying to change some of these things.

Where does this all lead and when do we stop? Let us start doing things which are important to the economy. Let us get all people working and better the lives of all Canadians. That is what is important. Bringing this Bill forward puts the issue in the open once and for all. I know that my point of view will hold and we can get on with more important business of the House

**Mr. Gordon Towers (Red Deer):** Madam Speaker, at the time of Confederation the country was preoccupied with the mechanics of unification and asserting a unique identity among the family members of world nations.

After Confederation Canada grew steadily, but in an orderly fashion. It was not until 1917, 50 years after Confederation, that we finally established our true independence in the eyes of the rest of the world. During that year, at the Battle of Vimy Ridge, Canadians served for the first time as a wholly Canadian force, emerging with distinction as victors. Other nations at that point came to regard us as an autonomous nation with our own strengths, Government and national character.

At that time the red ensign graced flagpoles around our nation, side by side with the Union Jack. As the years passed the Parliament and people of Canada expressed the desire that we have a new flag that would be readily identified as a symbol of Canada throughout the world. Some people today are sorry that there is not a bit of blue in that flag because it is my understanding that blue stands for integrity, white stands for peace, and red stands for sacrifice.

Our own red and white banner of freedom and equality, with the distinctive Canadian maple leaf, was adopted by Parliament in 1964 and officially proclaimed on February 15, 1965, by the Queen. There are Members here today who were serving in Parliament at that time and I am certain each one of them remembers that day with fondness and pride.

Again, a fair amount of time passed before we obtained our own Constitution in 1982, but with the careful planning that went into that completely Canadian document we ended up with the finest and fairest declaration of self-identity in the world. We do things gradually, but we do get them right.

Madam Speaker, the story of our national anthem as well parallels such timely growth. Its inception dates back to 1880 when the French Canadian composer Calixa Lavallée wrote the music to a French text by Mr. Justice Routhier at the request of the Lieutenant Governor of Québec. For a while English Canadians would still sing *God Save the Queen* or *The Maple Leaf Forever.*

In 1908 the Hon. Robert Stanley Weir penned the English version which, over the years, was given recognition by federal and provincial Governments for ceremonial occasions. Forty years later this became the official anthem of the Canadian Armed Forces by way of Order in Council.

Finally, in 1980, the 100th anniversary year of the music, our House of Commons adopted a Bill proclaiming *O Canada* as our legal, official national anthem. We have fondness for centennials in Canada, Madam Speaker.

These inspiring lines still make our hearts swell with pride when we see our flag wave, when our athletes excel in international competition, and when we travel to foreign lands and hear people speak with such respect for this nation we call home.

**The Acting Speaker (Mrs. Champagne):** It is with deep regret that I must interrupt the Hon. Member.

[*Translation*]

Perhaps I might be allowed to make a very brief observation. It was with great pleasure that several times during the debate I heard the name Calixa Lavallée, a great Canadian, an outstanding former resident of the Saint-Hyacinthe region.

The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order shall be dropped from the Order Paper.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

*Adjournment Debate*

IMMIGRATION—ADMITTANCE OF CONVICTED TERRORIST—NEWSPAPER REPORT/SERVICE OF DEPORTATION PAPERS

**Mr. Sergio Marchi (York West):** Madam Speaker, I rise in my place during this late show opportunity to raise a further question pursuant to a question I raised in the House of Commons on January 21. My question was directed to the Solicitor General (Mr. Kelleher) and concerned an incident to which Canadians have been treated for the last 10 days or so, namely, the incredible bungling of extreme proportions involving the convicted terrorist who was allowed to come into this country and then granted landed immigrant status.

As you know, Madam Speaker, from your knowledge of the regulations, such an individual would be clearly inadmissable according to our Act, yet not only did he find himself in this country but the Government actually approved his landed immigrant papers.

The Government was negligent in three areas; first, it did not find out about the true background of this individual in Spain from CSIS, which has the responsibility in our immigration proceedings, of making sure all applicants are security cleared. There are two essential tests with respect to individuals who want to come into this country. First there is a health check and, second, a security check. Enough resources are allocated to this area that cases such as this should be discovered.

The second mistake was that despite a telex alerting Pearson International Airport that this gentleman was arriving, this individual was able to walk right past immigration and Customs officials at the airport in Toronto without any questions being asked. That was the second time he got past our officials.

The third mistake, in our submission, would be that he was allowed to live in a Canadian community without any questions asked. He is a convicted terrorist who, in the words of the Government, did not pose a security threat, something I find somewhat odd given the individual's background.

Another question we raised is what happened in Spain? At what point did the Government commit this serious error. The Government and its Ministers have been defending the situation, saying it was the individual who misled Canadian authorities and it was on those grounds he was approved. We asked the question that was raised by the *Toronto Star* which suggested in its January 20th edition that the American intelligence service and the Israeli secret service had advised our Canadian officials in Spain about the individual's true identity and about his terrorist record. Despite those warnings, it is alleged by the *Toronto Star* that those officials somehow, for some reason, still saw fit to give this individual a security approval.

Our question was very specific. At any time did the secret service or officials from the Israelis ever make representations to Canadian officials? We asked the Minister to confirm or deny. He chose to do neither, which I think is significant because if it clearly was a situation where there was no recommendation by these other two security forces, I think, politically and logically, the Minister would have taken the opportunity to deny the story. I hope the Parliamentary Secretary who will be responding tonight will inform us as to whether or not Canadian officials were advised and, in fact, requested by the other two security forces to not allow this person to get on board the plane. The *Toronto Star* states, according to its sources, that the officials knew of these recommendations even before the person boarded the plane.

The second part of the question was, if we give the benefit of the doubt to the Minister that the officials were misled, or ignored the individual's background, on what immigration criteria was this person allowed to come into the country? There are 12 factors including job, education, language, training, family, age, dependants and a number of other issues, which criteria must be met by all prospective immigrants.

• (1805)

Therefore, when one looks at this individual's unemployment situation in Canada, the fact that he is involved in a Manpower training program, and the fact that there are literally thousands of applicants with impeccable qualifications who get turned down every year with the story that they were misled, surely there must be some criteria by which this person was able to come into the country. We would like to know from the Parliamentary Secretary what that criteria was.

I look forward to the answer of the Parliamentary Secretary to both these very important questions.

**Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada):** Mr. Speaker, as the Hon. Member stated, he raised this matter last week. Security screening of prospective immigrants to Canada are conducted by CSIS under the following statutory authority: Section 14(B) of the CSIS Act which states:

> The Service may provide any Minister of the Crown with information relating to security matters or criminal activities that is relevant to the exercise of any power or the performance of any duty or function by that Minister under the Citizenship Act or the Immigration Act, 1976.

Section 15 of the Act authorizes the Service to «conduct such investigations as are required for the purpose of providing—advice pursuant to Section 14».

Responses to questions relating to this case have already been given by the Solicitor General (Mr. Kelleher) in the House of Commons. On January 19, 1988, the Minister said:

> We did a police security check on him in Europe based on false and misleading information which he gave to us. Based on that he was given his clearance and allowed to come to Canada.
>
> We received subsequent information. CSIS officials interviewed Mr. Mohammad the day after he arrived in Canada. He still denied that he was the known terrorist. Three days later the RCMP interviewed him.
>
> Fingerprints were taken which were sent to Europe, and no positive identification was made on that gentleman until May, 1987. That information was then turned over to Immigration officials in June and they began their investigation.

As a deportation hearing in this case is now going on, I want to ensure that Mr. Mohammad receives a fair hearing. For this reason I do not wish to comment further on this matter.

THE CENSUS—ALLEGED RELEASE OF CONFIDENTIAL MEDICAL INFORMATION/REQUEST FOR AMENDMENT OF CENSUS FORMS—RIGHT TO REFUSE IN-DEPTH INTERVIEWS

**Mr. Ray Skelly (Comox—Powell River):** Madam Speaker, the issue I would like to raise resulted from a question I asked on November 3, 1987, concerning the operation of the Canada census and, in particular, the interviews that stemmed from the health care section of it.

In the Young case in Powell River, two members of the Young family have chronic illnesses of a very different nature. They require very specific treatment and very specific medications that are, again, very different. The family members use different physicians in different communities. They purchase medication from different sources.

They went through the health care interview very carefully with the interviewer. After that time they received calls from a drug company, which had been given the information, offering to sell medication to both individuals. This matter was raised with the Minister. There has been a refusal to investigate adequately the matter.

This matter should very definitely be turned over to the RCMP. It should be thoroughly investigated to determine from where that information leaked out of the system and whether or not there are additional problems with it.

In the same community another family experienced some serious unacceptable harassment from the same interviewers. The harassment went on after the parents refused to co-operate in a discussion of a family member's medical problem. The health care interviewers contacted the children and attempted to interview them on the same matter. The parents were absolutely irate and to this date no action on the matter has been taken by the Minister responsible for the Canada census.

If in fact Canadians are going to have confidence in this program of gathering information about the population there will very definitely have to be co-operation from the Government to ensure that absolute confidentiality is in place. When people with a legitimate reason refuse to involve themselves in additional and supplemental material that is not necessary to the main census, there must be a respecting of the wishes of those citizens and certainly not attempts by the employees of Statistics Canada to circumvent what would be proper procedure. Those procedures are laid out very carefully.

• (1810)

There must be a referral of the one case to the RCMP, and basically there must be an apology to the individuals who have complained, and an assurance that this will not happen again.

**Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada):** Madam Speaker, on behalf of Supply and Services I would like to address the allegations made by the Hon. Member for Comox—Powell River (Mr. Skelly) that Statistics Canada staff passed confidential medical information about census respondents to drug company sales representatives. More specifically, that information about the Young family of Powell River was passed to a firm called Bridgewater Marketing Research.

These allegations are very serious. Upon being informed of them, Statistics Canada and the Minister responsible for Statistics Canada immediately launched a full-scale investigation.

Statistics Canada officials in Vancouver and in Ottawa searched federal, provincial, and municipal sources in an effort to locate the business enterprise identified by the Young family. An exhaustive search by Statistics Canada failed to locate a company operating under the name Bridgewater Marketing Research, or a variation thereof. When contacted again, the Young family was unable to provide additional information about this firm.

A thorough investigation into the procedures and conduct of the Statistics Canada interviewer was also undertaken. This investigation confirmed that the interviewer from Statistics Canada had adhered to proper procedures and had taken every measure to ensure that confidentiality was safeguarded. Furthermore, no other complaint was received from the other 95 households covered by this interviewer.

I can assure you, Madam Speaker, that the Minister responsible for Statistics Canada is completely satisfied with both the manner in which the Young family's questionnaire was handled by Statistics Canada and with the results of the investigation that were conducted by officials. The only way to obtain additional information would be to trace Bridgewater Marketing Research, the company which contacted the Young family. Until this can be done, it is completely unfair to accuse Statistics Canada of a breach of confidentiality. No evidence can be found linking a Statistics Canada employee to Bridgewater Marketing. In fact, no firm with such a name could be found.

The Minister and Statistics Canada recognize the Young's distress and can assure them that no violation of the information they entrusted to Statistics Canada has occurred. Should the Hon. Member have any additional information that would enable us to trace this company, we would appreciate receiving it.

REFUGEES—COST OF WELFARE FOR REFUGEE CLAIMANTS IN TORONTO

**Mr. Alan Redway (York East):** Madam Speaker, do you get home to your riding every weekend? I suspect that you try to get home. I certainly try to get home to my riding every weekend. When I do, one of the first things that I always do when I get home is to start to go through the massive amount of mail that has accumulated while I have been away.

I am sure you, Madam Speaker, receive a lot of mail. I receive a lot of mail at my constituency office, and I receive a lot here in Ottawa, but the mail I receive at home is of a certain variety. I suspect you know what I am referring to, Madam Speaker, that is bills! I suspect as well, Madam Speaker, that you may get a few bills in the mail, and you may have to write out some cheques when you get home to your constituency every weekend. I have that problem.

Last weekend when I went home and started opening my mail I found in those bills my real estate property tax bill for the first half of 1988. Not a very pleasant thought when I looked at the size of that bill and realized how that had escalated over the year. It disturbed me somewhat. In fact, it disturbed me a great deal. When I receive my property tax bill and look at it and think of what I am paying for in that bill, I think of policing. I am paying for the local police force. I think of the fire department. I am paying for the fire department. I am also paying for the garbage to be collected. I think of the local roads and sewers, and perhaps some of the recreation facilities and activities. These are the sorts of things for which I expect to be paying in my local property tax bill. I do not expect to pay for the cost of processing welfare payments to refugee claimants.

• (1815)

I do not know about you, Madam Speaker, but to me that seems to be something which really does not belong in the property tax. It does not seem as if when I pay my local taxes to the municipalities that I should have to pay for the cost of processing welfare payments to refugee claimants. It seems to me that some other level of Government should have that responsibility and, to my mind, it is the federal Government.

Before you say, Madam Speaker, that it is impossible that I should be paying for the processing of these welfare payments, let me tell you that the Metropolitan Toronto Community Services Department conducted a study on welfare claimants, in particular refugee claimants, back in July of 1987. It examined refugee claimants who were receiving welfare and found, in the month of July, that there were some 3,310 active cases of refugee claimants receiving welfare payments in Metropolitan Toronto. Just reflect on that number for a minute or two, Madam Speaker; 3,310 is the size of a good many communities and towns across the country.

Included in the costs of processing the payments for these cases were things like salaries and fringe benefits for employees, office space rental, and all that sort of thing. These 3,310 cases amounted in one month to $252,000 for the processing cost alone. I am not referring to the payments to the recipients, but just to the administrative costs of processing them—$252,000 for one month. That is over a quarter of a million dollars for one month and amounts to $3 million in one year.

As you may know, Madam Speaker, in the Province of Ontario the administrative costs of processing welfare payments are divided 50-50. The province and the federal Government pay 50 per cent of the cost and the local taxpayer pays the other 50 per cent. In this case the 50 per cent of the cost paid by local taxpayers through their property taxes for refugee claimants amounts to $1.5 million per year.

I want to stress that I am not talking about actual welfare payments to refugees, because there is some confusion in the department's mind on that, but I am talking about processing costs. The payments themselves are very substantially over that and are paid 100 per cent in the first year by the province and the federal Government. When we get to the processing costs, in fact only 50 per cent is paid by the province and the federal Government. I do not think that is a fair way of handling the processing of welfare payments to refugee claimants who are not, after all, the responsibility of municipalities but really fall within the jurisdiction and responsibility of the federal Government.

I do not know about you, Madam Speaker, but if you had to pay in Saint-Hyacinthe the processing costs of welfare payments for 3,300 refugee claimants, would you in fact think that it was fair? No, sirree, Madam Speaker, you would not think that that was fair. No, sirree, the Parliamentary Secretary who has a big smile on his face over there would not think it was fair if that were going on in Surrey, White Rock, or wherever.

I am expecting tonight that the Parliamentary Secretary will tell us that the federal Government will live up to its responsibilities in respect of refugees and ensure us that it will cover all the processing costs for the administration of welfare payments to refugee claimants and that it will relieve me and other property taxpayers of having to pay these costs through our real estate taxes.

• (1820)

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Madam Speaker, first I want to say that while all Members in the House have the right and the responsibility to raise questions that cover subjects of concern to them, the Hon. Member for York East (Mr. Redway) has earned the right over and above the normal rights that we have in that he comes from local government activity and therefore understands how federal activities can impinge on local governments. He has also consistently in the House asked questions about subjects such as this one. While every Member has the right to ask questions which they may choose, the Member from York East has displayed a pattern about showing concern for fiscal responsibility, particularly as those burdens could shift to the local Government if the other two levels of Government do not do their share of the work or carry their fair share.

I have noted the Hon. Member's question. Unfortunately the question focuses more intently on the $1.5 million cost sharing program between the federal and provincial Governments. It is easy to lose sight in the question that there is also the ingredient of the cost of processing that $1.5 million. The Member stated that Metropolitan Toronto had asked the federal Government to pay at least a portion of the $1.5 million. I understand that the issue of refugee claimants and their impact on municipal services in Metropolitan Toronto was first brought to the attention of the Minister of State for Immigration (Mr. Weiner) last June. A report prepared by the Commissioner of Community Services called for a tri-level government committee to deal with the influx of refugee claimants. This resolution was supported by the Minister of State for Immigration.

The Minister wrote to the clerk of the municipality of Metro Toronto offering the services of Canada Employment and Immigration officials in the Ontario region and welcoming the establishment of an intergovernmental committee to co-ordinate the planning of services to newcomers in Toronto. I understand that an introductory meeting has taken place which has set out parameters for the mandate of the committee and to establish membership.

As the Hon. Member is aware, the Canada Assistance Plan requires that provinces and the federal Government share the cost of income assistance on a 50-50 basis. As the Minister of Employment and Immigration (Mr. Bouchard) pointed out in his reply to the Hon. Member's question, agreements between the provincial level and the municipal level are decided by these two parties. Having paid its 50 per cent of the cost, the federal Government does not interfere in the provincial-municipal cost sharing arrangements.

Might I add, and I think the Member understands this, that if the other place will do its duty to Canadians and make certain that it accepts the motion put forward by the Minister of Immigration today on Bill C-84 and passes Bill C-55 speedily, most of the questions which the Hon. Member has raised regarding this subject could be solved. The refugee claimants could then move from positions of being claimants to being landed immigrants or being asked to leave the country. That would relieve the burden from cities like Toronto, Vancouver and Montreal and would resolve from those refugee claimants what is at present a life of tension for them. If the Senate would do its job, we could get the job done.

**The Acting Speaker (Mrs. Champagne):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

# HOUSE OF COMMONS

**Wednesday, January 27, 1988**

The House met at 2 p.m.

*Prayers*

## STATEMENTS PURSUANT TO S. O. 21

[*English*]

### INDUSTRY

CLOSURE OF FIRESTONE PLANT IN HAMILTON

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, this weekend a plant in my riding which employs 1,200 people is going to close its doors. This weekend the Minister who is responsible to help save that plant, is off fiddling in France. He didn't even have the courtesy to respond to a plea that I made to him last December regarding the retraining money. He put $6.5 million aside for retraining monies when it was going to go to an American company. Now it is going to go to the workers, it is only $545,000. It is peanuts.

I am a member of the Opposition. I know that there are at least two interested parties who would like to buy Firestone. I have personally seen a guarantee for a $30 million offer from a bank here in Canada, yet the Minister refuses to take seriously the possibility that Firestone may be sold, and he continues to bow to the will of Firestone in the United States to refuse to sell that company.

• (1405)

I am asking the Minister, as a Member of Parliament who is concerned about saving those jobs, to return from France to deal with the issue in the City of Hamilton, to take seriously an offer which could be up to $30 million for that plant in the city of Hamilton, and not to put out the kind of garbage that I received this morning in the form of a letter which basically said that he has written off not only the Firestone plant in Hamilton but the whole city.

I want answers from this Minister, and I want answers from this Government. Stop fiddling in France and come home and do your job.

### POLITICAL PARTIES

CRITICISM OF OPPOSITION PARTIES' POLICIES

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, hear these "flop-flips". After months of stonewalling Bill C-22, opposition Members of Parliament now rise in anger over recent drug price increases, even when they know that a quick passage to Bill C-22 would have established the Drug Price Review Board which would have monitored the cost of drugs.

And take the case of Mahmoud Mohammad, the Palestinian terrorist now living in southern Ontario. Wasn't it just a few short months ago that opposition Parties were assailing the Government over Bills C-84 and C-55, legislation designed to remove quickly those refugees who entered Canada by way of illegitimate means?

The current opposition squabble over the Mirabel land sales is another example. If only one Member on the opposition side could experience having his land and way of life expropriated so unceremoniously, I am sure they would be singing a different tune today.

Yes, Mr. Speaker, good opposition is hard to come by these days. I know the people of Alberta have taken note of these Liberal-NDP flip-flops. I know that the rest of Canada has too.

* * *

### INDIAN AFFAIRS

MANITOBA INDIAN BANDS' LAND CLAIMS

**Mr. Rod Murphy (Churchill):** Mr. Speaker, once again it is necessary to stand in the House and point out how the federal Government is neglecting its responsibilities to our native people. In Manitoba those bands involved in negotiations over treaty land entitlement are feeling extremely frustrated with the ongoing inaction of the federal Government. This weekend native leaders from the bands involved met in Thompson, Manitoba, in my riding of Churchill, to discuss their strategy for getting the Government to act.

Agreement has been reached between the provincial Government of Manitoba and these bands. Despite repeated requests on the part of the Manitoba Government, there still has not been action by the federal Government. Realizing that what is left to be negotiated lies with the federal and provincial

Governments, the bands have set a deadline at the end of March for this matter to be settled.

Last March the Minister of Indian Affairs (Mr. McKnight) refused to sign a land entitlement agreement to which the provinces and the bands had agreed. The Province of Manitoba is still trying to meet with the appropriate officials of the federal Department of Indian Affairs in order to meet the deadline. Repeated attempts have been made by the provincial Government to get negotiations moving, but all to no avail.

I have written the Minister of Indian Affairs a number of times and have raised this issue in the House. It is time for the Government to fulfil its obligations to the native people. Justice is being denied to the native people, and I believe that justice is long overdue.

* * *

[*Translation*]

## SHIPYARDS

GOVERNMENT'S PERFORMANCE

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, this week the socialist Member for Ottawa Centre (Mr. Cassidy) announced in Quebec that his Government would cancel New Brunswick's frigate contract.

We did not need help from a socialist to seal the fate of the Lauzon shipyards: they have a promising future in Quebec. They were standing idle and without contracts when we took over in 1984. My Government found an excellent buyer for the shipyards and they now have orders totalling close to $600 million and extending well into 1991. Through assistance for specializing and equipment upgrading, we managed to convince Marine Industries to buy and operate the Lauzon shipyards. Their future as provincial shipbuilders is now guaranteed.

There is no need for the Ottawa Centre socialist to cloud the issue, and the contradictory statement of his boss, the socialist leader, does not shed any light because he happens to be the man who once said he would have military equipment imported into rather than produced in Canada. How could he possibly build frigates under NATO programs since he wants Canada to withdraw from NATO?

Mr. Speaker, that was yet one more proof of the inconsistency of meaningless statements made by these socialists.

• (1410)

[*English*]

## CUSTOMS AND EXCISE

ST. REGIS INDIAN RESERVE—DANGEROUS POSITION OF CUSTOMS OFFICERS

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, I once again rise to draw the attention of the House to the very serious situation taking place at the St. Regis reserve near Cornwall, Ontario.

Canada Customs officers at the Customs office in St. Regis have been unable to do their jobs properly for the past two years because they have been expected to turn a blind eye to the taxation laws at this particular Customs crossing.

I call on the Government to establish a parliamentary inquiry into the problem at the St. Regis reserve. I urge the Government to act now and remove the Canada Customs office from the reserve and put it permanently in Cornwall. The 14 male and 4 female Canada Customs officers are all in a very dangerous position and fear for their safety due to the contraband and drug smuggling going on through the border at St. Regis.

The Government has known of this situation for the last two years and has done absolutely nothing. I believe that if the Government does not act now, immediately, and if the Minister of National Revenue (Mr. MacKay) does not act today, there is a very real possibility that serious injury will result.

I call on the Government to exercise responsible behaviour in the situation and to move forthwith with a parliamentary inquiry.

* * *

## OLYMPIC GAMES

FEDERAL SUPPORT FOR TORONTO'S BID TO HOST 1996 SUMMER GAMES

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, Toronto's bid for the 1996 Olympic Summer Games received a tremendous boost from the federal Government with yesterday's announcement of a $2.4 million commitment of support.

Toronto has the facilities, the organizational talent and enthusiasm to make the Olympic Summer Games an outstanding success, and following on the heels of the anticipated success in Calgary next month this could do much to enhance Canada's reputation as a host for international sporting events.

Our sports and cultural facilities are first-class and we can offer accommodation that is second to none. The cosmopolitan and multicultural nature of this world-class city will serve to make the many athletes and spectators from all over the world feel at home in Toronto.

I call upon all Members of the House to join with me in sending a strong message of support to the International Olympic Committee on behalf of Toronto's bid for the 1996 Summer Olympic Games.

* * *

## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON ENERGY INDUSTRY

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, the federal Government has now released its study on energy and the trade deal and it proves that Canada has lost tremendous freedom as a country under the deal, just as New Democrats have said.

If this sell-out deal is accepted, no export taxes on energy will be possible, no export bans to the United States could exist even if we are desperately short at home, and no lower Canadian price for energy could exist which is financed by an export tax. Meanwhile, the United States would keep its power under the Federal Energy Regulatory Commission to cut back and control Canadian oil and gas exports to the United States. The United States could use the national security clause to cut back our electricity exports.

So much for fairness. Canada got hosed on energy. Canadian provinces have lost key power over their resources, and Canadians have lost much economic freedom.

* * *

[*Translation*]

## NEW DEMOCRATIC PARTY

SOCIALISTS' POLICIES

**Mr. Jean-Guy Guilbault (Drummond):** Mr. Speaker, recently when New Democratic Party Members voted against the Supplementary Estimates and the allocation of additional monies, they voted against the grant of $93 million for price stabilization of agricultural products; against a $63 million increase of supply earmarked for the individuals drawing Old age security; against the $65 million to be used for the payment of Guaranteed Income Supplement; against the additional funds of $456 million earmarked for regional industrial expansion; against $111 million to meet the operating expenses of VIA Rail.

Moreover, they voted against the allotment of $84 million for spouse allowances. Socialists keep talking about regional development, about the lot of farmers, about research and health care. Their negative vote has shown their true colours. Who can have confidence in them after such a stand? Who can take the risk of voting for a NDP government? Who can risk the future of his children, his family and his parents by entrusting the future of the Canadian society with socialists?

* * *

[*English*]

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

AWARD OF ALL-NEWS TELEVISION CHANNEL LICENCE TO CBC—GOVERNMENT POSITION

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, we live in a society where the separation of Government, church and the media is vitally important to the traditions that we have built over the years. This morning, the Minister of Communications (Miss MacDonald), in a complete abdication of her responsibilities, put an end to one of those traditions.

• (1415)

This morning the Government of Canada, through the Minister, announced that it has quashed and put on hold the decision to grant a licence to CBC for a 24-hour news channel. The Government is admitting today that it has no broadcast policy for Canada, and the Minister is admitting that she has lost control of her department and has abdicated her responsibilities in favour of the back-benchers and caucus meetings of the Tory Party of Canada.

The Government has now served notice to every broadcasting network and radio and television station in Canada that they may, through independent means and under independent test, get a licence from the CRTC, but if they are not in good favour with the Government of the day, particularly the Tory Government, that licence can be revoked. That is a breach of the concept of separation of Government and media in Canada, a dangerous breach. The Minister of Communications ought to have the courage to repudiate it and, if necessary, to resign her position to protect that tradition.

* * *

## PORNOGRAPHY

SUPPORT URGED FOR BILL TO FIGHT SEXUAL EXPLOITATION OF CHILDREN

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, do you and the people of Canada know that at this time it is not against the law to use a child in the production of pornography? The lack of action by the previous administration on this issue was absolutely shameful.

Bill C-54 hits hardest at pornography showing violence, the degradation of women, and the sexual exploitation of children. It is about time that those in society who make personal gain

from the portrayal of physical and moral abuse of others are put behind bars, and for a long time. A great many of my constituents have contacted me urging speedy passage of Bill C-54. Today I urge all Hon. Members to join me in ensuring that this Bill is passed soon.

## ORAL QUESTION PERIOD

[*English*]

### CANADA ELECTIONS ACT

FORMER COMMISSIONER OF ELECTIONS' LETTER—REINSTATEMENT OF MINISTER IN CABINET

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, for a week the Prime Minister has refused to tell the House whether or not he was aware of the letter from Mr. Gorman to the Minister of Energy alleging that the Minister had violated the law. When the Prime Minister restored the Minister of Energy to his Cabinet, did he know about the full contents of that letter or did he not?

**Right Hon. Brian Mulroney (Prime Minister):** No, I did not, Mr. Speaker.

[*Translation*]

QUERY WHETHER MINISTER TOLD COMPLETE TRUTH TO PRIME MINISTER, AND WHEN

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, nothing this Prime Minister says would surprise me. In the circumstances, however, only the Prime Minister can tell us when he was apprised of the full text of the letter and what he did about it. Recently, he said he was proud of the fact he had brought the Minister of Energy, Mines and Resources back into Cabinet. If that is the case, why doesn't he tell us what he knew at the time?

Does he expect Canadians to believe that for over two years, the Minister failed to read a letter, a page and a half long, in which the Commissioner of Elections advised him he had violated the law?

Does he expect Canadians to believe that during that period, the Minister did not find time to advise the Prime Minister of the full contents of the letter?

Does he expect Canadians to believe that for more than two years, this letter lay undisturbed under a spare shirt in one of the desk drawers of the Minister of Energy, Mines and Resources?

Mr. Speaker, did the Minister tell the Prime Minister the whole truth or not? And when?

**Right Hon. Brian Mulroney (Prime Minister):** As far as the second question is concerned, namely, when was I apprised of the full text of the letter, the answer is when the letter was published in one of the papers.

As for the other questions the Leader of the Opposition seems anxious to ask, he will address these questions at the appropriate time to the appropriate person. I gave him a straight answer when he asked when I was apprised of the text of the letter.

• (1420)

[*English*]

MINISTER'S NON-DISCLOSURE OF LETTER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, several cabinet Ministers have had their ethical standards called into question during the life of the Government.

**Mr. Hnatyshyn:** So have you, John.

**Mr. Turner (Vancouver Quadra):** Some of those Ministers may have done nothing legally wrong within the narrow context of the law. Yet every time the Prime Minister himself compounds the problem by not being totally forthcoming with the people and this House about what is going on.

If it was a bad judgment call, say it was a bad judgment call. If it was carelessness, say it was carelessness. If it was totally improper, say it was totally improper. Do not consistently and repeatedly try to defend the indefensible. That is what we are saying to the Prime Minister.

**Some Hon. Members:** Hear, hear!

**Mr. Grisé:** Oh, sit down!

**Mr. Turner (Vancouver Quadra):** In the circumstances will the Prime Minister admit that it was wrong for the Minister of Energy not to immediately reveal to the Prime Minister the contents of that letter from the commissioner? Will he also admit it is wrong in those circumstances, that information having been withheld from the Prime Minister, for the Minister to remain in his Cabinet?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I understand that in past days and again today the Right Hon. Leader of the Opposition, while dealing with a sensitive human matter, has made reference to several Conservative cabinet Ministers who have resigned. That is true. In light of that, he might care to make reference to certain Liberal cabinet Ministers who resigned, including himself. He resigned, to the best of my knowledge, without providing an explanation to the House or the country as to why.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** Unbelievable!

**Mr. Mulroney:** To the best of my recollection, when an explanation was provided by the Right Hon. Leader of the Opposition during his leadership campaign, that explanation was repudiated by then Prime Minister Trudeau in a press

release issued that day. My right hon. friend who asks for understanding for people in public life should indicate a little more understanding himself for other Members of the House of Commons.

With respect to the conduct of the Minister of Energy, when he was apprised of the fact of an investigation pursuant to the federal Elections Act he did what was entirely proper and submitted his resignation. The investigation went on for two months, and an officer of Parliament reported that no charges should be laid against the Minister.

If my right hon. friend has questions about the composition of the letter, or questions about that judgment, the officer of Parliament signed the letter and I assume the House would be willing to interrogate him. The Government will be happy to have the committee consider this matter, and all relevant information can be discussed.

However, if my right hon. friend is asking me whether I believe in the circumstances, the decision having been rendered by an independent officer of Parliament, I did the right thing in inviting the Minister to rejoin the Government of Canada, on the basis of information I had and in light of the decision of that independent officer of Parliament, my answer is yes.

MINISTER'S ACTIONS

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I do not know if the Prime Minister means that hiding the contents of the letter from the people of Canada and the Prime Minister himself for a period of more than two years is commendable behaviour by the Minister. The sequence of events as related to us by the Minister has it that upon receiving the letter he only skimmed rapidly through it, then placed it in a drawer under one of his shirts before going to the Prime Minister's Office where he was summoned, and where obviously he did not spill the beans.

• (1425)

Will the Prime Minister now agree that by hiding the letter in his drawer under one of his shirts, instead of disclosing its contents to the Prime Minister, the Minister has in fact lost his shirt and lost the confidence of the people of Canada and should be dismissed from his position?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, inasmuch as the slurs of the Hon. Member are being recorded, the hon. gentleman can be assured that one day those words will be read to him. He will want to be very careful about the *procès d'intentions* that he is making in respect of another Hon. Member.

**Mr. Turner (Vancouver Quadra):** What kind of threat is that?

**Mr. Mulroney:** It is a statement of fact. The hon. gentleman indulges in slurs, in the *procès d'intentions*, in maligning character, and he objects to the fact that I find that offensive. I find his conduct offensive. I find it indulging in character assassination, and so do the people of Canada.

**Ms. Copps:** You're offensive.

**Mr. Mulroney:** The Member of Parliament stepped aside from cabinet responsibilities, sat on the sidelines and watched the interrogation go on for two months. He received a report saying that no charges were going to issue against him. My hon. friend seems to suggest that it is not a human reaction to take pleasure in the fact that one is not going to be charged and to proceed with one's normal parliamentary life. To not understand that, I think, is to not understand human nature.

**Ms. Copps:** That's your human nature, that's the problem.

**Mr. Mulroney:** This may be a deficiency but we happen to believe in the presumption of innocence. When an officer of Parliament, charged with the conduct of an inquiry, and who alone has the responsibility to make a determination as to whether a charge should or should not be made, comes to the conclusion that a charge should not issue, surely all Members of Parliament will want to give the Member the benefit of the doubt.

[*Translation*]

QUERY WHETHER TIME HAS ARRIVED TO RELIEVE MINISTER OF HIS DUTIES

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the problem is a lack of openness. We know now that the Minister doesn't have time to read important correspondence. He claimed he quickly glanced through the letter and slipped it in a drawer, under one of his shirts. Yesterday, to excuse the inexcusable, the fact that he failed to advise the Prime Minister of this letter, he simply said: Why should I have?

In the light of these facts, I would like to ask the Prime Minister whether he does not believe the time has come for him to act responsibly and release the Minister from his duties, which would give the Minister time to file his correspondence and straighten up his drawers.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, these comments are grossly unfair, and I may draw the attention of the Hon. Member to the fact that a mechanism exists that would allow Parliament to conduct a full investigation. That mechanism is a parliamentary committee. We are quite prepared to have the appropriate committee consider this matter and hear testimony by Mr. Gorman or other officials with his responsibility.

Finally, I would like to remind my hon. friend who since last Thursday has been accompanying his questions with the most derogatory remarks, that a Member of the Quebec Liberal caucus, the Hon. Pierre de Bané, said that the attacks on Mr. Masse were not justified and undermined the basic principles of our legal system. I suggest you listen to your caucus colleague!

• (1430)

[*English*]

RETENTION OF MINISTER IN CABINET

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Prime Minister. However, I want to say at the outset that the comparison he made between the resignation of the Leader of the Opposition when he was a cabinet Minister at a time that had absolutely nothing to do with scandals, and resignations of members of his own Government that had everything to do with scandals, is outrageous. All Canadians will feel that.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** There are two issues involved in this matter. One is to get an explanation for Mr. Gorman's unusual decision, on the surface, and the other is the Prime Minister's responsibility for ensuring that Ministers of the Crown not simply adhere to law but adhere to moral standards that go beyond law as the Prime Minister himself has often underlined. Since he now knows of the contents of the letter that the former Minister received, does he believe that a member of a Cabinet should be someone who is accused by a senior officer of the House of breaking the law, and should that member remain in the Cabinet when he did not inform the Prime Minister of the reception of such a serious letter?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think my hon. friend has perhaps put his finger on the problem. He is right. There has been an accusation in that letter to which he refers. That accusation was prepared in a statement that otherwise indicated no charges should be laid against the Minister.

The accusation was made by Mr. Gorman. Only Mr. Gorman can explain why he made those references and then concluded that no charges ought to be laid. In light of that, I think it is important as parliamentarians that we pursue the parliamentary opportunity of interrogating those who made these decisions, to call him before the House to explain why.

If my hon. friend has any problem with that decision, as he clearly does, the question ought to be put to the man who made that independent decision, and I would support him in that.

**Mr. Broadbent:** Mr. Speaker, I welcome that, since I suggested precisely the same thing last Thursday.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** It happens to be the case that I suggested last Thursday that Mr. Gorman be asked to appear before a committee to explain the decision. I hope we will have the occasion to experience that.

REQUEST THAT PRIME MINISTER CONTACT FORMER COMMISSIONER OF ELECTIONS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my supplementary question for the Prime Minister concerns his responsibilities. Does he not think it appropriate, now that he knows the contents of the letter and that the Minister did not reveal the contents to him, that he get in touch with Mr. Gorman and ask him why he reached the very serious judgment he did, that the Minister in fact broke the law? Why does the Prime Minister not do his job under the circumstances?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my hon. friend has again, with uncanny accuracy, put his finger on another part of the problem. He says the Prime Minister should get in touch with Mr. Gorman. Nothing could be more inappropriate for the Prime Minister, the Leader of a political Party, to get in touch with an independent officer of Parliament.

The independent officer of Parliament, who responds to Parliament, should be asked to come before a parliamentary committee to provide the explanations as to why he indicated that no charges should be laid against Mr. Masse and then put in that comment which *Le Devoir* properly referred to this morning as *une lettre empoisonnée* which violates the fundamental rights of a Member of Parliament and a fundamental right of any Canadian.

[*Translation*]

QUERY WHETHER PRIME MINISTER WILL ASK MINISTER REASON FOR HIS SILENCE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Prime Minister is suggesting now that this letter has violated the Minister's rights. He has completely changed his approach concerning this issue.

My question is simply this: Does he intend to ask point blank the Minister why he kept silent about this for two years, yes or no?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have absolutely not changed my position. Quite the contrary! The letter in question does not mention any charge. It does not recommend that a charge should be laid. Quite the contrary! The letter comes to the conclusion that no charge should be laid.

This notwithstanding, the letter clearly mentions an hypothetical situation which only the commissioner can explain.

In view of the fact that the commissioner is an independent officer of the Canadian Parliament, he is entilled, I think, to appear before the Committee to explain the reasons why he signed this letter which is ambiguous, to say the least.

Meanwhile, I urge the Hon. Member to grant his colleague and former Minister the benefit of the doubt, as all Canadians do!

* * *

[*English*]

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

AWARD OF ALL-NEWS TELEVISION CHANNEL LICENCE TO CBC—GOVERNMENT POSITION—REQUEST THAT MINISTER RESIGN

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, we just finished a press conference with the Minister of Communications. I will direct my question to her. The decision to put off to the end of November the all-news network awarded to the CBC seems to be an interference with a process of Government. Canadians will resent that the Minister indeed has killed all chances of having the All-News Network.

The Government, in a scandalous and, I suggest, shameful interference, has destroyed for all intents and purposes, any public broadcasting network—

**Mr. Speaker:** There has to be some sort of reasonable limit on the pejorative words used in the preamble. I am sure Hon. Members would know that. I would ask the Hon. Member to put his question.

**Mr. Gauthier:** Given that the Minister has lost control of her department and it is now being run by right-wing Tory backbenchers who are telling her how to run her Department, and by a Prime Minister who cannot stand bad news from the free press, will the Minister not resign?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, in answer to the question, no, I will not.

**Some Hon. Members:** Hear, hear!

**Miss MacDonald:** Because of the confusion which resulted from the wording of the decision regarding the appeal period, that question being raised with me by the CBC and others, I sought advice from the Department of Justice, and the Minister of Justice, on the question of the appeal. I was advised by the Minister of Justice who said: "I have concluded that the 60-day period within which the Governor in Council has jurisdiction to review this decision of the Commission commences on the day that the licence referred to in the decision issues and takes effect, that is September 1, 1988".

I felt that in this time period it was both fair and appropriate that the Government advise the President of the CBC of the concerns we have at the present time.

I wrote to the President about those concerns, namely, the degree to which the proposed licence might contribute to excessive concentration in the field of news programming. I said that this concern might be addressed by an alternative service embracing both the private and public sectors of the Canadian broadcasting system.

[*Translation*]

Second, an opportunity to get involved in a major expansion of the news broadcasting services.

[*English*]

**Mr. Speaker:** I might point out that questions that are, by their very nature, inquisitive of a wide ranging set of factors invite fairly long answers. I think it would be better if the Minister waits for the second question and summarizes what it is she has to say.

I am sure that before Hon. Members call for order too quickly, they will keep in mind that the question put is on a complex matter and the Minister should be given some latitude in answering.

[*Translation*]

FRANCOPHONE EQUIVALENCE—GOVERNMENT POSITION

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I might suggest that the Minister table the agreement, the decision and the opinions which she has, so that we may share their contents with her.

My supplementary question is directed to the Minister. Two reasons—concentration of media and lack of attention to the French language equivalence—were put forward by the Cabinet to the CBC to withhold the decision concerning the All News Network.

My question to the Minister is this: Concerning the French language equivalent, is she or her Government prepared to make available the necessary resources—money, equipment, human input—to set up a French network equivalent to the English only All-News Network?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I indicated there was another reason why I wrote to Mr. Juneau.

Second, would it be proper to get involved in a major expansion of the news broadcasting service in one of the official languages, without at the same time meeting the needs of the other linguistic group.

**Some Hon. Members:** Hear, hear!

**Miss MacDonald (Kingston and the Islands):** I think it is very important to have a balance between our two official languages in the area of broadcasting as with all the other policies.

I gave this advice to the President of the CBC.

**Some Hon. Members:** Hear, hear!

• (1440)

[*English*]

REQUEST THAT MINISTER RESIGN

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, an hour ago at the press conference the Hon. Member for Ottawa—Vanier would not join with me in calling for the Minister's resignation. I am glad to see he has changed his mind.

I would like to ask the Minister a question. If she cannot defend a CRTC decision, a decision of an independent agency, where the merits of the application that was approved were clearly superior to the merits of the application that was denied, if she cannot defend this decision against the goon squad in her own caucus—

**Some Hon. Members:** Oh, oh!

**Ms. McDonald:** —how can she usefully serve as Minister? Should she not now do the honourable thing and resign?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, one thing we do believe in doing is following the dictates of the law. That seems to be beyond the sensibilities of the Member who has just spoken. We have advice from the Department of Justice as to the procedures to be followed, but it is terribly important that we recognize the concerns that do exist. I mentioned one, the concentration. I just want to say as well to the Hon. Member that we also have a concern about services in both the French and English languages in this country.

[*Translation*]

I said that it was important to determine whether it was necessary for such an important federal Crown corporation to get involved in an endeavour of this magnitude before taking steps to meet the expectations of both our major linguistic communities.

[*English*]

MINISTER'S POSITION

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, I wonder that the Minister is not so interested in concentration of media when it comes to newspapers and cross-ownership issues. I would like to ask why she misled the press conference earlier today and came up with a false issue and stated that Francophone taxpayers would be required to pay for this service when that is contrary to what the CRTC said, that the money would come from advertising and subscribers? Why is the Minister setting the Francophone community against the Anglophone community in this case? Why does she not respond to the needs of the Francophone community, but act immediately now on the application which has been fully justified before the CRTC for the All-News Channel?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I would be glad to send a copy of the ruling of the Department of Justice to the Hon. Member so she will understand when the appeal period exists. I also want to say to her that as a Government we have recognized the needs of the French-speaking communities, in the Province of Quebec and all across the country. We will be seeing, through the introduction of our official languages legislation, just how important this is not only in the Province of Quebec, but elsewhere in Canada.

* * *

[*Translation*]

## THE SOLICITOR GENERAL

PROMISE CONCERNING ANTICIPATED PENSIONS AFTER 25 YEARS OF SERVICE FOR CORRECTIONAL SERVICES EMPLOYEES—GOVERNMENT POSITION

**Mr. Robert Toupin (Terrebonne):** Mr. Speaker, my question is for the Solicitor General of Canada. This Government promised early retirement to correctional officers after 25 years of service. I have been pleading with the Minister for nearly two and a half years. He did express his good intentions, but we have yet to see any concrete results. As a matter of fact, I introduced in the House a notice of motion which will force the Government to come clean. Can the Minister provide us today with a progress report on this question?

[*English*]

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I can advise the Hon. Member that I am, of course, as the Minister responsible for those officers, very much in favour of early retirement for those people, given the very difficult and stressful job they have. I am hopeful that legislation will be brought forward in the very near future which will assist them in this regard.

[*Translation*]

QUERY WHEN GOVERNMENT WILL INTRODUCE LEGISLATION

**Mr. Robert Toupin (Terrebonne):** The Minister is aware of the problems of our correctional officers. Good for him! Can the Minister give us a specific date when the Bill might be tabled? Can he also tell us whether he has secured the funds required from Treasury Board?

[*English*]

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I am not the Minister responsible for the legislation when and if it is brought forward, but I can say that I am hopeful that it will be brought forward in the very near future. Certainly I am strongly supportive of it, given the difficult task these people have and which they perform so well.

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

AWARD OF ALL-NEWS TELEVISION CHANNEL LICENCE TO CBC—GOVERNMENT POSITION

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Minister of Communications. The only thing more shameful than the Prime Minister's performance in this House today—

**Some Hon. Members:** Order!

**Mr. Tobin:** —was the performance of the Minister of Communications in defending the indefensible. I ask the Minister whether or not she realizes, in the face of the decision she has announced today on behalf of the Government of Canada, that the Government is in effect sending a signal to all electronic broadcasters in this country, both radio and television, that notwithstanding the independent judgment of a CRTC, which has an arm's length relationship with the Government, notwithstanding those decision-making powers, if those broadcasters do not behave, if they do not keep on the good side of this Government, licences that may be awarded by the CRTC will be taken away by the will of a Tory backbencher.

**Mr. Speaker:** Perhaps the Hon. Member could put his question.

**Mr. Tobin:** Does the Minister of Communications realize, as the Minister responsible for broadcast policy, that the decision taken today will be interpreted by Canadians and by broadcasters as a warning that if they do not behave and manage to engender and keep the good will of the Conservative backbench—

**Mr. Speaker:** I think we got that question earlier. The Hon. Minister will reply.

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I hate to disappoint the Hon. Member, but there was no decision taken today. I stated and read into the record, and I will outline to the Member again, that the appeal period takes place in the 60 days following September 1, 1988. That is when any decision will be taken by the Government. So I am just advising the Hon. Member that we did express two concerns that we had about this application. One had to do with concentration, the other with the lack of services in the French language.

It was very interesting to me to note that the other day in the debate on official languages in this House, the official spokesperson for the Liberal Party on communications, speaking of telecommunications and broadcast policy, said as reported at page 12252 of *Hansard*:

> It is very important that this country have a stamp and footprint across this land that states that English and French wherever you may live should be available and the potential to understand the information that is being disseminated should certainly be the primary concern.

What we are hearing today is that the Liberal Party, in its expressions to the country, has said that concerns about the French language are no longer of interest to it. That is what they are really saying.

• (1450)

REQUEST THAT MINISTER RESIGN

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, this Party is concerned about the bilingual nature of the country, but we are also concerned about the independence of the media and that it not be brought to heel by the Government.

As the Minister of Communications, if she is not prepared to defend the principle of the separation of Government and media in this country, and the independence of the CRTC, then will she do the honourable thing—because I know that this is very tough for her today—and resign, instead of making a mockery of her position?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I suppose because the Liberals are a little slow in understanding things that I will have to say twice what I have already said once in this House.

No, Mr. Speaker, I do not intend to resign. I wish that the Hon. Member who has just spoken would understand that. I also want him to understand that the concerns we have expressed and that I have conveyed to Mr. Juneau are very real concerns. They happen to be concerns expressed by people across this country about concentration, particularly from our colleagues in the Province of Quebec and French-speaking persons elsewhere in Canada about the lack of adequate services in the French language. That will continue to be a concern.

* * *

## AGRICULTURE

RUSSIAN WHEAT APHID—POSSIBLE IMPACT ON CANADIAN WHEAT PRODUCTION

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, my question is directed to the Minister of Agriculture. Recent press reports indicate that there is a pest known as the Russian wheat aphid that has spread rapidly from Russia through the Mediterranean countries, South Africa, into Mexico, and reached the southern part of the United States in 1986. In two growing seasons this pest has now reached the northern states with which we share a border.

Taking into consideration the future impact that this could have on wheat production in Canada, with crop losses in the U.S. reported as high as 100 per cent, would the Minister indicate to this House what measures his department is taking to monitor and control this very serious threat to Canadian wheat production?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I appreciate the question of the Hon. Member. I appreciate the fact that the Hon. Member did not ask for my resignation. That seems to be quite topical today.

**Some Hon. Members:** Oh, oh!

**Mr. Wise:** I also have received representations from my colleague, the Member for Mackenzie. I want to tell the House and the grain growers of Canada that I certainly share their concern, particularly in view of the fact that the Russian aphid has been in the United States for four or five years, and it is moving to the north. There are indications total crop losses could indeed reach 100 per cent.

Because of my concern over this potential problem, I have already instructed my Deputy Minister to move immediately on a task force basis to obtain as much information as possible so that if the Russian aphid does move from the United States into Canada, which we certainly hope it does not, then we will be in a position to have a safe and an effective control for that particular pest.

* * *

## CANADA ELECTIONS ACT

FORMER COMMISSIONER OF ELECTIONS' LETTER—MINISTER'S NON-DISCLOSURE

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Prime Minister. A number of times over the last couple of years the Prime Minister has insisted that his cabinet Ministers maintain the highest moral standards.

Does he believe that it is acceptable that, over the last two years, the Member for Frontenac, the Minister of Energy, did not tell the Prime Minister anything about the letter that he had received from Mr. Gorman?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have responded fully to that question. The letter in question was referred to by my friend, the Leader of the NDP, as an unusual letter, as it is indeed. I have indicated what, in the circumstances, justice would require be done with it.

I responded fully and completely to all of those questions.

PRIME MINISTER'S POSITION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, does the Prime Minister believe that it is acceptable behaviour by any of his cabinet Ministers not to fully inform him of a decision that is made by someone of the rank and position of Mr. Gorman?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I was informed of the decision by the Secretary of the Cabinet. The decision was that no charges were to be laid against the Member. That was the decision—

**Ms. Copps:** He committed an infraction.

**Mr. Mulroney:** In respect of an opinion, in respect of a surmise or a point of view—

**Ms. Copps:** It wasn't a surmise.

**Mr. Mulroney:** —that may or may not have been contained in the letter—

**Ms. Copps:** I thought you didn't read it.

**Mr. Mulroney:** —I think that it might be important to interrogate the signatory of the letter.

The only manner in which this can be done, inasmuch as the signatory is an officer of Parliament, and you would resist with the utmost vigour any attempt by me as Leader of the Party or Leader of the Government to interrogate him personally, is to call him before a House committee to ascertain any relevant facts in this and related cases.

We are fully happy on behalf of the government Party to indicate that we would consent to this type of procedure. I hope my—

**Ms. Copps:** Will you appear?

**Mr. Mulroney:** Mr. Speaker, I am attempting to respond to my hon. friend, yet the Member for Hamilton East persists in her comments.

I would be happy—

**Ms. Copps:** Will you appear?

**Mr. Mulroney:** —if the House desires—

**Mr. Nunziata:** Touchy, aren't you, Brian?

**Mr. Mulroney:** Mr. Speaker, in view of those affectionate remarks from the Member from Toronto, I think I better sit down. It is getting dangerous.

**Mr. Speaker:** It might be helpful when questions are being asked and answers are being given if other Members await their turn.

* * *

## CANADA LANDS COMPANY

REQUEST FOR APPOINTMENT OF ROYAL COMMISSION OF INQUIRY

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Prime Minister, and it concerns the Canada Lands Company at Mirabel. For the second time in two days Canadians have learned that their tax dollars have been wasted to supply junkets around the world for the chosen few.

Yesterday it was three officials of the Canada Lands Company, and today we discovered that $15,000 from the agricultural renewal program was spent on a trip to Israel to investigate how to breed and raise Holstein cows that can live in the desert.

I wish to ask the Prime Minister when will he put an end to the orgy of spending that has been going on, perpetrated by his Government against the people of Canada? When will he do the right thing and call a Royal commission of inquiry into the management, operation, and disposition of properties by the Canada Lands Company at Mirabel? Why will he not do it now?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, first the Hon. Member has criticized the administration of Mirabel Corporation, then he has been contemptuous of the policies of the Government for that particular area, and now he takes issue with the plight of the farmers of that area.

Let the record show, and let the people know that those Hon. Members have no regard for the welfare of the farmers of Mirabel.

[*Translation*]

QUERY REGARDING PERSON INTENDED TO BE PROTECTED

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Given his answer, my question is directed to the Minister of Public Works.

The day before yesterday he told the House:

> We have put in place a procedure to allow those people who had their lands expropriated unfairly to purchase their lands back on a fair and equitable basis.

How can the Minister make that statement and the one we heard today when Canadians know full well that 40 per cent of the lands ended up in the hands of speculators, a great many of whom are Conservatives? Why does the Minister continue to protect his predecessor? Who is he trying to protect: the Prime Minister, the Member for Joliette, or both?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** I think what the people of Canada want to know is that $250,000 was paid to the President of the Liberal Party of Canada, Michel Robert, for services during that particular Government's era.

**Some Hon. Members:** Shame, shame!

**Mr. McInnes:** Pierre Brien, the Vice-President of Mirabel and ex-provincial Liberal candidate for Anjou, took two trips in 1984 on behalf of the corporation in order to stimulate economic activity, without result.

**Mr. Tobin:** Answer the question.

**Mr. McInnes:** Mr. Jacques Corriveau was given an untendered contract for $29,000. Of course, Mr. Corriveau is now one of the vice-presidents of the Quebec wing of the federal Liberal Party.

I think that that is what the people of Canada want to know.

* * *

• (1500)

## ATLANTIC CANADA OPPORTUNITIES AGENCY

PROJECT ALLOCATIONS—EXPENDITURES IN NEWFOUNDLAND AND LABRADOR

**Mr. Jack Harris (St. John's East):** Mr. Speaker, my question is for the Prime Minister and concerns the Atlantic Canada Opportunities Agency. From the time that the formation of the Atlantic Canada Opportunities Agency was announced on June 8, 1987, to about December 31 of last year, $75 million worth of projects had been approved, projects under ACOA's administration.

Of this amount $6 million was approved for projects in Newfoundland and Labrador. At the same time Nova Scotia received $45 million, including $35 million for Cape Breton, and New Brunswick received over $20 million.

Could the Prime Minister explain why Newfoundland and Labrador has been short-changed in this way? What does he propose to do about it?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)):** Mr. Speaker, the Hon. Member is very selective in the numbers at which he chooses to look in terms of what the Government has done for the Province of Newfoundland. Maybe he is forgetting the earlier energy accord that was reached with the Province of Newfoundland and Labrador. He does not mention that.

He should also look at the rate of unemployment in Newfoundland and Labrador which is still high but has come down a tremendous amount since the Government took office.

The Atlantic Canada Opportunities Agency has been set up in Atlantic Canada to be dealt with by Atlantic Canadians in trying to address the fundamental problems of the economy in Atlantic Canada. We are going to work with Atlantic Canada. We are going to work with Atlantic Canadians. We are going to give the agency a chance to work, and hopefully we will see good results in that area of the country.

EQUITY BETWEEN PROVINCES

**Mr. Jack Harris (St. John's East):** Mr. Speaker, I believe the Minister is ignoring the fact that there is also an accord in Nova Scotia and all kinds of other government programs. This is the principal agency which the Government says will look after regional development.

In view of the concerns Dr. Savoie expressed in his report about the potential problems of political control of this agency, which have been ignored by the Government, will the Minister not admit that in the past and in the legislation that has been proposed he has failed to put sufficient safeguards in place to ensure equity among the provinces in regional development programs?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)):** Mr. Speaker, there is one thing that Atlantic Canadians can be sure of, and that is that while my socialist friends in the NDP go into Quebec and say that they will take away the contract from the New Brunswick shipyard, this Government will not take that contract away from Atlantic Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Valcourt:** I can tell the Hon. Member that the rhetoric of the NDP does not hold at all in Atlantic Canada.

## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

#### PROPOSED FREE TRADE

**Mr. George Henderson (Egmont):** Mr. Speaker, I have the honour to present a petition on behalf of a number of residents of various municipalities in Prince Edward Island.

They are protesting that the Mulroney Government has sold out Canada and received nothing in return. Canadian industries are still not protected from U.S. trade laws. The United States obtained everything that it wanted in key sectors, especially agriculture, energy, auto trade, financial services, and investment.

Whereas the jobs of thousands of Canadians are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers, the undersigned, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Canada-U.S. free trade agreement on October 4, 1987. As in duty-bound your petitioners ever pray.

I have two petitions which I will table under the same heading.

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I have seven petitions which I should like to table today. It is my duty to do so, because these petitions were signed by Canadians who would like to make their views known.

The petitioners state that whereas the Mulroney Government has sold out Canada and received nothing in return, whereas Canadian industries are still not protected from U.S. trade laws, whereas the United States obtained everything it wanted in all key sectors, especially agriculture, energy, auto trade, financial services, and investment, and whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan trade agreement.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have the privilege and responsibility of tabling a petition which points out that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement between Canada and the United States and that, in fact, the Prime Minister (Mr. Mulroney) promised in the course of his bilateral trade negotiations that Canadian sovereignty would not be compromised.

Furthermore, the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities among the regions.

Given all that, the petitioners call upon Parliament to dissolve and allow the people of Canada to decide in a general election whether or not they want a free trade agreement between Canada and the United States.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I have a petition which indicates that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States, that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, and that the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities among the regions.

The proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States.

The proposed trade agreement not only denies Canadians secure access to the U.S. market, which was the key objective in the negotiations, but threatens a loss of hundreds of thousands of Canadian jobs.

Therefore the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, pursuant to Standing Order 106, I have the honour and privilege to present a petition signed by constituents in Thunder Bay—Atikokan, residents of the West Fort area, the Ogden east end area of Thunder Bay, and the community of South Gillies, a rural community southwest of the City of Thunder Bay.

These petitioners are very concerned about the Mulroney-Reagan trade deal. They are concerned that it threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop our energy resources, et cetera, et cetera.

They complete the petition by calling upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

• (1510)

**Mr. Dan Heap (Spadina):** Mr. Speaker, I have a petition duly certified by the Clerk from a number of Canadians living in Montreal and elsewhere in Quebec who complain that the Government without any mandate from the Canadian people and having promised that it would defend Canadian sovereignty during the negotiations on free trade has, in fact, undermined Canadian economic sovereignty by removing the power of the Canadian Government to control foreign ownership.

The Government has also failed completely in the major objective of the negotiations, which was to secure access to the American market. The deal threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, your petitioners, humbly pray and call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national election.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I have a petition certified by the Clerk of Petitions. It was not signed strictly by members of the Canadian Labour Congress, it was signed by Canadians from other parts of this country. It expresses their concern with the fact that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine its ability to build a society distinct from that of the United States.

The petitioners also believe the proposed deal will deny Canadians secure access to the U.S. market which was the key objective in the negotiations. They also believe it threatens the loss of hundreds of thousands of Canadian jobs.

The people who have signed this petition call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade arrangement during a national general election.

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the duty and honour to present a petition signed by Canadians from Thunder Bay, Ontario, who are concerned that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty and thereby Canada loses its power to determine its own economic and social policies.

These petitioners, therefore, call upon Parliament to dissolve and allow the people of Canada to reject or accept this trade agreement during a national election.

* * *

[*Translation*]

## QUESTION PASSED AS ORDER FOR RETURN

**Mr. Jim Hawkes (Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, if Question No. 207 could be made an Order for Return, this return would be tabled immediately.

**Mr. Deputy Speaker:** Is it the pleasure of the House to have Question No. 207 deemed to have been made an Order for Return?

**Some Hon. Members:** Agreed.

[*Text*]

GRANTS AND/OR LOANS TO HURTIG PUBLISHERS

Question No. 207—**Mr. Shields:**

Since April 1968, have (*a*) grants (*b*) loans (*c*) loan guarantees (*d*) contracts been provided by the Government to Hurtig Publishers of Edmonton or other Hurtig enterprises and if so, how many and, in each case (i) on what date (ii) in what amount (iii) for what purpose?

Return tabled.

[*Translation*]

**Mr. Hawkes:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Deputy Speaker:** Shall the remaining questions stand?

**Some Hon. Members:** Agreed.

* * *

## MOTIONS FOR PAPERS

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**Mr. Deputy Speaker:** Shall all notices of motions stand?

**Some Hon. Members:** Agreed.

# GOVERNMENT ORDERS

[*English*]

## IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed from Tuesday, January 26, consideration of the motion of Mr. Bouchard:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendments 8 and 13(e) made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, but disagrees with amendments 4, 5(a), (b) and (c), 6(a) and (b), 9, 10, 11, 12 and 13(a) because this House believes they contradict the principles of the Bill for the following reasons:

Amendment 4 would exclude only criminals and war criminals from the refugee determination process, but would allow terrorists, spies and subversives to pursue a claim to refugee status, notwithstanding the fact that Article 33 of the UN Convention would permit the removal of these latter individuals to their countries of nationality or permanent residence, even if they were determined to be Convention refugees.

Amendment 5(a) would eliminate the authority of the Minister to direct a ship to leave or not to enter Canadian waters. This amendment would reopen a significant gap in Canada's ability to control its borders.

Amendments 5(b) and (c) arise out of Senate amendment 5(a), which is not acceptable, and are therefore inappropriate.

Amendments 6(a) and (b) would reverse the policy on which the Immigration Act, 1976 was based, which policy was not changed in the Bill as passed by this House. The amendments jeopardize the possibility of successfully prosecuting persons who profit from organizing illegal migration and from counselling fraud among refugee claimants.

Amendments 9 and 10 would restrict the ability of peace officers and immigration officers to act quickly to search for evidence of major offences under the Immigration Act, 1976, in exigent circumstances, where lives are at risk or where evidence with respect to those offences may be lost or destroyed.

Amendments 11 and 12 would restrict the ability of peace officers and immigration officers to execute search warrants which have been duly authorized by a justice of the peace, by denying explicit authority to break open containers where it is reasonably believed evidence will be found and by limiting the authority to execute these warrants at night.

Amendment 13(a) would reduce the initial period of detention without review from seven days to forty-eight hours, which would allow insufficient time for the gathering of information to substantiate allegations or to identify the individual, particularly when large groups of undocumented persons arrive at one time.

And that this House agrees with the principles set out in amendments 1, 2(a), 3, 7 and 13(b), (c) and (d), but would propose the following amendments:

Amendment 1 be amended to read as follows:

"Strike out lines 22 and 23 on page 1, and substitute the following:

(c) to deter those who assist in the illegal entry of persons into Canada and thereby minimize the"

Amendment 2(a) be amended to read as follows:

"Strike out lines 29 to 39, on page 4, and substitute the following:

(a) examine within seven days, *in camera*, the security or criminal intelligence reports considered by the Minister and the Solicitor General and hear any other evidence or information that may be presented by or on behalf of those Ministers and may, on the request of the Minister or the Solicitor General, hear all or part of such evidence or information in the absence of the person named in the certificate and any counsel representing the person where, in the opinion of the Chief Justice or the designated judge, as the case may be, the evidence or information should not be disclosed on the grounds that such disclosure would be injurious to national security or to the safety of persons;"

Amendment 3 be amended to read as follows:

"Strike out lines 7 to 12, on page 5, and substitute the following:

(d) determine whether the certificate filed by the Minister and the Solicitor General is reasonable on the basis of the evidence and information available to the Chief Justice or the designated judge, as the case may be, and, if found not to be reasonable, quash the certificate; and"

Amendment 7 be amended to read as follows:

"Add, and immediately after line 6, on page 10, the following:

95.21 No proceedings for an offence under Section 95.1 or Section 95.2 shall be instituted except by or with the personal consent in writing of the Attorney General of Canada or Deputy Attorney General of Canada."

Amendment 13(b) be amended to read as follows:

"Strike out lines 1 to 22, on page 21, and substitute the following:

(2) Where, with respect to a person detained under subsection (1), the Minister certifies in writing

(a) that

(i) the person's identity has not been established, or

(ii) the Minister has reason to suspect that the person may be a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g), and

(b) that an additional period of detention is required to investigate the matter referred to in subparagraph (a)(i) or (ii), the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention."

Amendment 13(c) be amended to read as follows:

"Strike out lines 23 to 47, on page 21, and substitute the following:

(2.1) Where the Minister has issued a certificate under subsection (2), the Minister may amend the certificate to which the detention relates to include any matter referred to in subparagraph (2)(a)(i) or (ii), following which the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention.

(3) Where a person is detained under subsection (1) and the Minister has not issued a certificate under subsection (2), the person shall be brought before an adjudicator forthwith after the expiration of the period during which the person is being detained and that person shall be brought before an adjudicator at least once during every seven-day period thereafter, at which times the reasons for continued detention shall be reviewed."

Amendment 13(d) be amended to read as follows:

"Strike out lines 48 to 50, on page 21, and lines 1 to 18, on page 22, and substitute the following:

(4) Where an adjudicator who conducts a review under subsection (2) or (2.1) is satisfied that reasonable efforts are being made by the Minister to investigate the matter referred to in subparagraph (2)(a)(i) or (ii), the adjudicator shall continue the person's detention.

(4.1) Every review under subsection (2) or (2.1) of the detention of a person suspected of being a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g) shall be conducted *in camera*.

(4.2) Where

(a) the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at any review under subsection (2) or (2.1) of the detention of a person referred to in subsection (4.1) should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons, and

(b) a request therefore is made by the minister, the adjudicator shall order that the review or any part thereof be conducted in the absence of the person and any counsel representing the person.

(4.3) Any person excluded by an order under subsection (4.2) from the whole or any part of the review under subsection (2) or (2.1) may apply to the Chief Justice of the Federal Court or to a judge of that Court designated by the Chief Justice for the purposes of this subsection to have the order quashed and sections 36.1 and 36.2 of the Canada Evidence Act shall apply, with such modifications as the circumstances may require, to such applications.

(4.4) Unless quashed, an order under subsection (4.2) shall, with respect to the person to whom the order relates, apply to every review under subsection (2) or (2.1), or part thereof, at which the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at the review, or part thereof, should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons.

(5) Where the adjudicator who conducts a review under subsection (2) or (2.1) does not continue a person's detention under subsection (4), the adjudicator shall make the appropriate order under subsection 104(3).

(6) An adjudicator who conducts a review under subsection (3) shall make the appropriate order under subsection 104(3)."

**Mr. Murphy:** Mr. Speaker, I rise on a point of order. We do not deny the Government's ability and right to introduce any legislation for debate that it wishes, however, I think it should be pointed out that there was a House Leaders meeting yesterday. The Government indicated the order of procedure for today which did not include Bill C-84. The Government has also changed the legislation to be considered for the rest of this week.

In the interests of working together to make sure that we deal with the legislation of the House in an orderly manner so that Members are in a position to be here and also serve on their committees, which they have to as Members of this Parliament, it is important that the Government not change the legislation of the day at the last possible moment in such a way that it hampers the ability of Members of Parliament to act. It also takes away the whole concept of House Leaders getting together to try to make sure that we as Members of Parliament know what is going on, and thus are able to work on legislation in a way which benefits not only ourselves but other Canadians who are interested.

**Mr. Hawkes:** Mr. Speaker, I hear my hon. friend, the Hon. Member for Churchill (Mr. Murphy). I think the record of this Government in trying to facilitate the work of all Members is comparable to any other in history. In fact, it is certainly better than most.

The House Leaders' meeting, as my friend suggested, occurred yesterday afternoon at about 3.30 p.m. There was a sense of anticipation of a different order for today. Members will recall that when the House Leaders' meeting was taking place Bill C-84 was before the House.

Members will also recall that the Speaker ruled last summer that the matter contained in Bill C-84 was pressing and urgent. The House was called back from summer vacation to deal with it. There was some hope in the government caucus that because we are now dealing with amendments proposed by the Senate which were laid upon the Table last year in the month of December that all Members would have had a chance to review and think about the amendments. The government response has been presented to the House. It would, indeed, have facilitated this very urgent matter if we had concluded it yesterday. We then could have proceeded with the planned Bill.

As the House will know, many Members wanted to speak on the Bill. I do not know how many have the intention to speak today, but this is an urgent and pressing matter. It deals with the security of the nation, the issue of detention and a problem which is not disappearing but is growing. It has been the subject matter recently of many front page stories. Members, I know, have been studying this issue for a number of years. We all have opinions and some of our opinions are widely different.

I do not know what is being gained by the Opposition in filibustering such an urgent matter. I think it is time for the House to decide and time for the House to send the matter back to the Senate. Hopefully the Senate will agree with the will of the elected people of the country and take our suggestion in return. The Government Order for today, because of the urgency of the matter, is Bill C-84.

**Mr. Berger:** Mr. Speaker, I want to concur with the remarks made by the Hon. Member for Churchill (Mr. Murphy). I want to point out that the legislation which is listed in today's Projected Order of Business is Bill C-33. As I understand it, we were only advised in the last hour or so that the order of business had been changed. If it was the Government's intention to change the order yesterday at the close of business, debate closed on this Bill at 5 p.m., there was plenty of time to advise Members of the House. I understand that was not done. There would not have been time, however, to print a corrected version of the Projected Order of Business which Members receive in their offices first thing in the morning.

I would like to comment about the urgency of this matter. I understand that the Government Leader in the other place, after the tabling of the Senate report which followed some two months of study and the appearance of many witnesses before the Senate committee, congratulated Hon. Members for their expeditious treatment of the matter. There does not seem to have been on the part of the Government House Leader the same sense of urgency.

I would like to mention, in reply to the Member who spoke about filibustering this important subject, that the Government's response to the Senate report was only given to us yesterday afternoon by the Minister of Employment and Immigration (Mr. Bouchard). This is a complex subject which deals with many legal and constitutional matters. It is only appropriate that Members of this House be given an adequate opportunity to debate this Bill prior to sending it back to the other place.

• (1520)

**Mr. Murphy:** Mr. Speaker, I do not want to belabour the issue, but the Parliamentary Secretary, in his reply, tried to indicate that we were filibustering Bill C-84 and that the

Government was surprised that debate took place yesterday. He indicated that the Government somehow expected that Bill C-84 would be dealt with yesterday. That is obviously not the case. The Government itself has scheduled Bill C-84 for debate on Thursday and Friday of this week. Obviously it expected the debate to continue.

I do not understand what the Parliamentary Secretary was getting at. Obviously, the Government did not expect the motion to be passed yesterday afternoon, an hour after the various House Leaders had met. It knew the debate would continue. The Government had planned to debate the motion later this week.

The point is that that motion was not the business planned for today. It does not help the House when legislation is changed at the last minute, causing problems for all Hon. Members and especially those who have very heavy committee assignments.

The Parliamentary Secretary said that the Bill had to be rushed through the House of Commons and that it was pressing legislation. The Parliamentary Secretary well knows that it was not the Government's intention to have the House sitting on January 27, 1988. Indeed, it had proposed that we extend the Christmas break until February. I do not see how the Government can be in that much of a rush with this piece of legislation.

**Mr. Deputy Speaker:** I thank the Hon. Member for his comments. As Hon. Members know, of course, it is the Government's prerogative to decide the order of business and the Government may change without any notice whatsoever the Projected Order of Business we receive every morning.

Yesterday during debate on Bill C-84 there was an amendment moved by Mr. Marchi which the Chair took under advisement. The Chair is now ready to rule that the amendment is indeed in order, so the Chair will put the amendment to the House. Mr. Marchi, seconded by Mr. Berger, moves:

> That the message of the House of Commons to the Senate be amended by:
>
> a) deleting, in paragraph one, the reference to Senate amendment 4;
>
> b) deleting paragraph two;
>
> c) adding to paragraph nine a reference to Senate amendment 4; and
>
> d) adding after amendment 3 the following:
>
> "That amendment 4 of the Senate be amended by deleting the said amendment and by striking out line 16 on page 7 of the Bill and substituting the following therefor:
>
> "(2)(c) and against whom a deportation order has been upheld by the Board; or""

Debate will now resume on the main motion and on the amendment of Mr. Marchi.

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, in order to deal with the question of filibustering, I think you would find the Government willing to forgo further government speakers since the opposition spokesmen have already voiced their opinions on this motion and have expressed their parties' positions. I think we could shorten the debate if the Opposition would be agreeable to holding a division this afternoon. We could deal with the legislation here and now and send the message back to the Senate.

If the Opposition is not disposed to do that, I would be prepared to speak. I see that the spokesperson for the Liberal Party is saying no. I take that to be a signal that we are to carry on this afternoon at least.

**Mr. Marchi:** Mr. Speaker, I rise on a point of order. It is correct that I signalled no on behalf of my colleagues, but in no way should the record show that that means that there is any filibustering as suggested by the Parliamentary Secretary. I think that was a cheap shot. If he has thoughts and wishes to deposit upon the floor of the House of Commons, I would welcome his doing so. Otherwise, he should sit down and allow other members from my Party and from the NDP who do have worth-while recommendations on this very sensitive Bill to speak.

**Mr. Deputy Speaker:** The Chair must find that a matter of debate and give the floor back to the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen).

**Mr. Friesen:** Mr. Speaker, I did not notice any cheap shots going across the floor.

Yesterday, the Minister tabled a motion which was in fact a message to the Senate responding to its message to the House about Bill C-84. In that message, the Minister pointed out that the Government was prepared to accept some of the amendments the Senate had proposed and to reject others. In fact, the Government has accepted almost 50 per cent of the Senate's amendments, but we certainly will not accept all of them.

I was present yesterday when the opposition spokesmen addressed the House and I think it is now time to underscore the Government's position on this matter. First, we must underscore the fact that Bill C-84 is not immigration legislation. I heard an awful lot of language in the opposition speeches purporting that Bill C-84 deals with immigration. In fact, it does not even deal with refugees, it deals with fraud in the refugee system. It is detention and deterrence legislation. I think it is important to clarify for Canadians that we are not dealing with immigration legislation, even though many people may have confused those two issues.

There was a time when we did not have to deal with this matter at all when we dealt with immigration. I was a member of the Green Paper committee which sat in the summer of 1975 and toured across Canada debating the 1977 Bill which became law in 1978. I think there are only three Members left in the House now who sat on that committee, the Hon. Member for Trinity (Miss Nicholson), the Minister of National Health and Welfare (Mr. Epp) and I.

The 1977 Bill did not deal extensively with fraud in the refugee system, because at that time very little fraud went on. In fact, there was very little refugee movement at that time. There were fewer refugees around the world and there was much less international movement. Finally and much more importantly, society at that time was much more orderly and held a much more law-oriented view of a process like refugee determination.

Since mid-century we have been seeing the results of a new definition of morality. I remember going to the University of Washington in the 1970s and watching the tumult on the university campus. Everything was being challenged. The most popular philosophers of the day were Sartre, Camus and Marcuse. Those philosophers had at least one thing in common. They had an existential view not only of life but of the individual, of man, and expressed the importance of the individual and his right to self-expression as the most important thing in life to that person and, by extension, to society. Self-expression and self-authentication were the most important things. To that extent, there was no longer any inherent or absolute morality.

Tangentially, this meant that every law not only could be challenged but had to be challenged. If we were to disagree with a particular piece of law we would be dishonest to ourselves if we did not challenge it. We would be denying our own morality if we did not challenge what we thought was wrong.

There accumulated a whole generation of people who challenged everything. They challenged the law, the authority and the Government. I am not saying that some of that was not necessary. It was necessary to make some improvements, but it became a point of morality and of personal integrity to act in that manner.

When I was on the campus of the University of Washington, I saw a crowd of students and off in the distance a police car. I watched the crowd pick up stones and throw them at the police car. The policeman had not arrested anyone. He had not even challenged anyone. However, it was just because the police car was there that it had to be challenged. I remember sitting in the library watching, I am sure, off-campus people coming through and pushing books off shelves. They were wantonly destroying university property. I remember them challenging the administration just because the administration was there. It was not that what the administration had decided was going to radically affect everyone's life. It was because the university administration was there and everything it decided had to be challenged.

• (1530)

We educated a whole generation of students that if we did not challenge everything we were being untrue to ourselves. A mentality developed which said that disobeying the law was a point of morality. For example, burning draft cards in the U.S. was a point of morality because it offended a government regulation, a government administration. Police were pigs. Authorities were the establishment. Government was authority and automatically wrong. Universities at that time cultivated a culture whose *raison d'être* was to oppose. Individual morality was more important than community values or the rule of law.

I raise that because the people who went to school in those days have now become professionals. In some cases they are lawyers. They may be teachers or doctors. They have come through the system with a mind-set and a way of looking at the world that has its own repercussions. That philosophy is now an international commodity. The Hon. Member for Winnipeg North Centre (Mr. Keeper) may laugh but it is true.

**Mr. Keeper:** What have you got against universities?

**Mr. Friesen:** I used to teach at a university so it cannot be all that bad.

We are now at the point where that kind of mind-set is an international commodity. On every front when it comes to refugee policy, or immigration policy for that matter, we see this kind of mentality. It manifests itself in declarations made by bogus claimants. It does not matter what you say, just as long as it might be acceptable and will get you into the country. Lying becomes a way of life if it will help you get into the country. The incidents of the last few weeks ought to underscore that.

We are redefining what constitutes a refugee. That redefinition is not supposed to be done by Canadians, it is supposed to be done by so-called refugees, you see. If you are facing economic deprivation in your country, then you are no longer dealing with refugees in a political sense. You have economic refugees and you are redefining for Canada what constitutes a refugee. If you have committed a crime, a capital offence in your country and are therefore afraid for your life, then you are entitled to call yourself a refugee because if you stay in your own country and the law has its way, you might be either incarcerated or face capital punishment. You are entitled to call yourself a refugee.

The decision is no longer supposed to be made by the Government, it is now supposed to be made by the refugee. We are seemingly supposed to accept holus-bolus that if someone comes to our borders and says "I am a refugee", the Government and people of Canada are automatically supposed to say, "Okay, if you say so, we will accept the fact that you are a refugee". Or, if a lobbyist makes a representation on behalf of a refugee or a group of refugees, we are supposed to accept that lobbyist's word that this person or this group are refugees.

If there is one phrase which has recurred over and over again in these debates and in committee hearings and in Senate committee hearings, it is: "You will be sending genuine refugees back to a hostile country." That is the recurring phrase. I am asking, how do you know that they are genuine refugees? Unless they have gone through the refugee determination system, how do you know in advance that they are genuine refugees?

The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is a former Minister of Immigration and I think he will understand the complexity. I think he would agree that it is understandable that people might want to prejudge who is a refugee and who is not, yet that cannot be the final judgment.

The NDP is always worried about our sovereignty. If Canada is going to express itself as a sovereign nation, Canada has the right to determine who is a refugee and what definition we use. Is it going to be decided by law, or on a whim? Are we going to decide by an equitable and universal standard, or are we going to let every interest group decide who is a refugee? Is it going to be decided by a refugee determination process, or is it going to be determined or predetermined by a particular lobbyist?

I suppose we might say that is the process we are going through right now. We are defining the nature of a refugee, and what I cannot understand is that certain lobby groups and special interest groups, while they may have good intentions and the best interests of people at heart, feel they have a right to determine ahead of time who is a refugee.

The most important quality of a refugee determination system is fairness. It seems to me that to be fair it must be even-handed. In order to be even-handed it has to be done by law. We cannot have individuals, just because they feel harassed by an economic situation, deciding on behalf of the Government and people of Canada ahead of time what constitutes a refugee or deciding that they in particular are refugees. It must be defined by law, otherwise we live by exceptions.

As I said at the outset, we are dealing here with legislation that deals with deterrence and detention. As I also said at the outset, there is a kind of new morality out there that says it is okay to circumvent the law. In fact, in some cases it is a point of morality to circumvent the law. However, we are saying it is not okay to try and beat the system. It is not okay to organize fraudulent claims. It is not okay to bring boatloads of people into the country clandestinely. That is simply an effort to beat the immigration system by declaring themselves refugees. That is not okay.

• (1540)

The people of Canada have a right to decide who is a refugee. In order to be fair, the decisions must be made through a legal process, a refugee determination process which is fair. There are those who have decided that morality and ethical superiority legitimizes a fraudulent process of bringing people into the country. The Government has the right to say that it is unfair to the rest of the population to allow that to happen.

Therefore, I give notice that the Government is taking charge. The Government is going to determine what is right for Canadian people. The Government is going to be as fair and humane as possible to every genuine refugee. We will not tolerate fraud. We will prosecute those who deal commercially in human misery. We are determined to make the system work so that genuine refugees who are fleeing persecution and have lost their freedom can find haven in Canada as 500,000 have since the end of World War II.

Those who apply legitimately at our borders will get a fair hearing and, I might add, will not have to face the stigma of a label which has become anathema to a broad section of our society. There are thousands of people across Canada who now equate refugee with fraud. That is unfair to the refugee. It is our determination to restore dignity to the refugee, to ensure that when he applies honestly and legally to become a refugee in Canada he can do it with the dignity God has given him and which the Canadian people will respect.

**Mr. Marchi:** Mr. Speaker, I was somewhat taken aback by the comments of the Parliamentary Secretary who said, toward the end of his speech, that the words "refugee" and "immigration" have adopted a bad name in this country. I ask the Parliamentary Secretary to do some soul-searching if he really wants to find the answer. He can start by looking at the record of his own Government.

A number of months have passed since the debate last summer and we can remove ourselves from the very heated and emotional exchange which Parliament witnessed. Why did the Government try to communicate to Canadians that the arrival of 300 individuals on our shores constituted a crisis and emergency?

We remember that only a few short years ago, led initially in 1979 by the then Prime Minister, the present Secretary of State for External Affairs (Mr. Clark), and followed up by the Government of Pierre Elliott Trudeau, we in this country accepted a plea from the international community to pitch in and help with the Vietnamese boat refugee crisis. In two years we accepted 106,000 individuals into our country. I know that the Member will say that they came in in an orderly way and that we went to them. The fact remains that those Governments, in partnership with Canadians, had the progressive will to accept within our society 106,000 people who are all integrated into the main stream of Canadian life as we speak today.

If 300 people constitute an emergency and a crisis, how would the present Government or Governments of the past have been able to lead Canadians to help out 106,000 people above and beyond all the other programs of the Department of Immigration at that time?

**Mr. Friesen:** Mr. Speaker, I want to emphasize that the most successful refugee program conducted in recent history was carried out under the Clark Government in 1979. It was successful because it was carried out partly by the Government and partly by the private sector. Social agencies, service clubs, and churches all across Canada sponsored a number of these people equal to the number sponsored by the Government. It was the finest display of government-private sector co-operation that we have seen in many years. That is why it

worked. It was an initiative of the Conservative Government carried on by the succeeding Government. It was successful because the refugees came into the country in an orderly process, were sponsored in an orderly way and, therefore, cared for in an orderly way.

If the Member wants to do some research, he would find that the refugees who were sponsored by churches, service clubs, and other such agencies made the most successful transition into Canadian society of any refugees who came into Canada. It was a very good program.

He asks why the matter of 300 people coming in by boat is a panic. In itself it is not. However, the day after the *Amelie* discharged its passengers on the Nova Scotia coast that made television news and front page headlines and pictures in Bangkok. I do not have to draw pictures for the Member. It so happens that Thailand is sanctuary for one of the largest refugee populations in the world.

Three hundred is not a panic, but there are 15 million refugees in the world and another 60 million to 70 million economic migrants, all of whom have now heard about Canada as a safe haven. It is a panic if the signal has gone throughout the world via electronic media that simply by chartering a boat you can land on the shores of Canada and beat the system. That becomes a cause of concern.

I think the Hon. Member knows that most of the people who came on the *Amelie* spent a number of years in Germany. Some of them were already declared refugees. He knows that the United Nations Commission on Refugees says that if you have already determined refugee status in a country the next host country does not have to accept you as a refugee. If they had gained refugee status in the Federal Republic of Germany, how could they be declared refugees from there to come to Canada?

**Mr. Marchi:** That is why we have a process.

**Mr. Friesen:** He says that that is what the process is for. I thought that they had already gone through the process and were already declared refugees in Germany. It seems to me that that is the nature of the fraud with which we are dealing. They give the impression that they have been fleeing from oppression, when actually they are coming from a very hospitable country which, incidentally, harboured 100,000 refugees in 1986, with a bill of $1.3 billion U.S.

• (1550)

West Germany has been very kind to refugees. I might add that it is because of the experience of West Germany, France and other European countries, and the fact that they have been facing this kind of abuse, that they have restricted entry into their countries. As as result of that, those who want to migrate around the world and look for a best haven have seen Canada as a good place to go. That is why this legislation is necessary. There are many people, such as the captain of the *Amelie*, who are willing to take money from those who are suffering anguish, and truck in that kind of human misery. That is why it is a serious issue.

**Mr. Orlikow:** Mr. Speaker, the Hon. Member knows that when the original Bill was before the House earlier it was condemned by organizations, including church organizations, community organizations, ethnic and labour organizations representing millions of people.

The Mennonite Church, the Roman Catholic Church, the Anglican, United and Presbyterian Churches, the Quakers, the Canadian Bar Association, the Canadian Jewish Congress, the Canadian Labour Congress are just a few of the organizations that found unacceptable the Bill that was debated months ago. They called for its withdrawal or at least for major amendments. They are reacting in exactly the same way, with exactly the same answers to what is before us today.

I have a document prepared by the Inter-Church Committee for Refugees. It is a document with the heading "Some Human Rights Aspects of Current Refugee Concerns" for discussion at consultations between non-governmental organizations and the Department of External Affairs in preparation for the forty-fourth session of the United Nations Commission on Human Rights which will be held in the next couple of months.

In the section entitled "Human Rights Agencies Must Act to Ensure Refugee Rights", they state:

> It is a matter of deep concern for this department—

The Department of External Affairs.

> —to launch a centre which focuses on Canada's interest in human rights overseas into the same parliamentary session which could pass refugee related Bill C-84 at home.

They say that this Bill, the one the Government is still trying to enact:

> —is a flagrant attack on fundamental rights and freedoms in Canada.

I say to the Hon. Parliamentary Secretary that he does not only have to explain, account for and defend to opposition Members what the Government is proposing to do—of course, he will say opposition Members of Parliament are raising objections and opposing this Bill for partisan political reasons—if he wants to deal with the real concerns of people, he must deal with the objections raised by all these very responsible organizations that do not take stands because of some political whim, but take a stand after they have given careful consideration to the facts and have listened to people from ethnic communities, the refugee community and the Government. They are as opposed to this legislation now as they were when it was originally brought in.

In fact, the Government has rejected all the serious amendments put forward for consideration by the other place. It simply said no and will continue to do exactly what it proposed in its original form. It is to those people that he should explain the Bill. He should go to his own community and explain it to

his own church and other organizations in British Columbia that are opposed to this legislation.

**Mr. Friesen:** Mr. Speaker, I hope the Member will not presume to instruct me about the Mennonite Church. I have a fair degree of familiarity with it. As a matter of fact, I will be speaking to a group of them in a few weeks and will raise the matter with them, just to clear the record.

I suspect that the Member for Winnipeg—Fort Garry recognizes the names of many of these organizations that the Member has listed, because I am sure he met them either in groups or individually when he was Minister of Immigration, and was opposed by them just as much as they oppose this Government now. This tends to underscore what I said before, that there are groups that oppose the Government simply because it is the Government. If they are not drafting the legislation, it will be bad legislation.

The Hon. Member says that these organizations represent millions of people. I am sure they represent many people, but I can tell him as well that they do not necessarily represent the rank and file of the people whom they purport to represent. Simply because they have official positions in a particular denomination or a particular organization does not automatically mean that they represent the rank and file of those people. For example, I know that almost 50 per cent of the Members of the New Democratic Party across Canada support free trade, but that does not matter when the New Democratic Party speaks of free trade in the House.

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I want to begin my remarks by recalling for a moment the short exchange that took place between the Member for York West (Mr. Marchi), our immigration critic, and the Parliamentary Secretary, about the movement of refugees in the early part of the 1980s.

The common popular term or expression to identify those 100,000 people was "boat people". The reason they were called boat people is that they fled in small boats, such as sampans and other flimsy vessels, a country where there was violence, torture and intimidation. They crossed the China Sea to Thailand, Hong Kong, Malaysia, and other islands. They crossed the borders. They did not have documents, they did not have visas and they were not certified by a Canadian embassy office in Hanoi. They were escaping with their lives in the hope for a better future.

One of the most important issues raised by the Canadian Government at that time, at the United Nations and other places, was the support of a convention against countries like Malaysia and others stopping the boats from coming in. We said that this contravened the entire principle of the refugee system, which is that people should not be prejudged and turned away simply because they are on a boat. They should be given the right to land, to have their claim examined, and then to be moved on. One of the trade-offs, I remind the Hon. Member from Surrey, was that those countries said,"Yes, we are getting all kinds of people and we cannot handle them". So countries like Canada, the United States, Great Britain, France and Germany said they would help take the load. That began the movement of boat people.

• (1600)

In principle, what is different between the circumstances in 1979 and 1980 and what we are facing here? There is one difference. They are coming directly to our borders rather than stopping on the way, but they are still boat people. They are still fleeing terror and intimidation and they are still arriving without support and visas. But they are coming here for exactly the same reasons. How can the Hon. Member from Surrey say with pride that that is what our Government initiated when his Government of today is rejecting exactly the same principle?

He made another comment. He said that the initiative by the Government of the Hon. Member for Yellowhead (Mr. Clark) was a great example of partnership between the church, service clubs, communities and the Government. I agree. The very same groups who were partners in 1980 this Government wants to charge with a criminal offence in 1987. How can the Government justify that contradiction? How can the Government say with any kind of honesty that the groups it encouraged to work with it, helping to settle refugees in 1979, all of a sudden are now "special interest groups" who are trying to flaunt the law? The groups who were successful in working with the Government, co-operating to find a humane way of dealing with a vast movement of people, are now all of a sudden nothing but fraudulent manipulators trying to beat the system, according to the Hon. Member from Surrey. They cannot have changed all that much in five years. The Member knows they are the same people. I worked with them. They opposed the Government to begin with because they dealt with the Department of Employment and Immigration which was continually opposing their interests. One of my objectives as a Minister was to try to turn that attitude around, to help make them partners, as opposed to having a Department of Immigration with its prime interest being to keep people out rather than bringing them in.

I want it to be said on the floor of this House that I respect the Inter-Church Committee, and the B'Nai Brith and the various refugee organizations, because they are doing something that is very much in the tradition of Canada. That is, to reach out and give of one's self without any ambition for personal redress.

There was an interesting time lapse of seven months since the emergency crisis of last summer. The Senate played a valuable role in exercising its responsibility as a Chamber of sober second thought. It took the legislation and gave it the time this House was not allowed to give it because of Government closure. What did the Senate find? It found some very important things. First, and I want to emphasize this, it found that this legislation contravenes the Charter. Let us recall the

words of the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) that we must obey the rule of law.

The rule of law applies as much to Government as it does to individuals. Governments cannot wilfully change the rule of law. They cannot go against rules they have accepted simply because it is in their political interest to do so. Time after time before the Senate committee there appeared totally independent commentators, such as Professor Beatty of Toronto, Professor Gibson of Manitoba and Professor McKay of Dalhousie University. I do not know what their partisan associations are, I do not know if they have any, but I do know them by reputation as being good legal scholars, and each of these gentlemen said that Bill C-84 is contrary to the Constitution of Canada.

As legislators we have a responsibility to try to uphold the Charter and the Constitution, and not let laws pass that deliberately and explicitly contradict the Constitution. I ask the Member from Surrey if that is not in keeping with his admonition to obey the rule of law? If there is any suggestion that this legislation is about to commit, in a sense, a most wilful act, because Government itself, which is supposed to be there to protect the law, is deliberately going to contradict the law, surely we in this Parliament, whether in the other place or in this Chamber, have the right to oppose it to the last ounce of our energy. We cannot let Governments break the law. The Member from Surrey is an accomplice of this Government in breaking the law.

How can a Government which loves to parade itself as being the upholders of law and order wilfully break a fundamental law of this country? And how can it do so with such audacity. It is saying it is doing it to protect Canada. We all know that what in fact it is proposing in Bill C-84 will do nothing at all to rationalize or expedite the refugee determination procedure.

What is the Government going to do the day this law gets passed, if it ever does, and all of a sudden it is faced with a series of court challenges against the Charter? Will that expedite the process? Will that make Canadians able to organize the procedures in a more effective way? Can they do that if in fact the whole system is gummed up for years in the courts? The Government has been told what is going to happen. There are all kinds of individuals and organizations which are prepared to take it to court because it would not listen. Is it somehow going to make it easier in dealing with a real problem to totally and completely bollix the system for years especially when, as we all know, there is an alternative?

There is another choice. It is not a matter of the Government saying it will deal with the refugee problem and everyone else saying: "Leave it alone". When I was the Minister in 1980, I established a commission to look into the problem of refugee determination. There were a number of recommendations that were then followed through and the system was refined. That was followed by the Plaut Commission and by a report from a committee of this House that again recommended a series of steps to refine and facilitate the system. There was an all-Party agreement that was rejected by the Government. It was not a matter of the status quo versus some kind of enlightened change. It was a series of changes which had the endorsement of all the groups which are now protesting. It was accepted by all the legal fraternity and sororities. It was a consensus of how to deal with the overload. The only people who objected were the officials and the Minister of the Department of Immigration.

**Mr. Friesen:** Mr. Speaker, with respect, I think the Hon. Member is speaking about Bill C-55 and not about Bill C-84. I think it would be helpful if he spoke on Bill C-84.

**Mr. Axworthy:** That is not a point of order. It is a silly intervention, that is all. We are talking about the Government's attempt to wreck the refugee determination system. What we do know very clearly is that there was a willingness to co-operate. The Senate hearings are full of proposed amendments put forward by the Bar Association and others. The Senate itself, supported by both Liberal and Conservative Senators, made a whole series of recommendations, not to reject the Bill but to have it conform with the rule of law in this country, and the Minister rejects it again.

• (1610)

What is going on here? I think what is happening is not some isolated incident in dealing with the refugee problem. It is part of a general pattern in which this Government is taking on to itself a form of autocratic power. We see it in the pornography Bill and in the immigration Bill. We see it today on the decision to reject the recommendations of the CRTC on broadcasting. There is an increasing sense of divine right.

The Government thinks because it has 209 seats, because it has a powerful political majority, it can do what it wants. It can throw away all the rules and tramp across the country with hobnail boots and step on whomever it wants, especially if they are victimless refugees and there are no constituents out there to support them. The more helpless the people, the more the Government likes to trample upon them. It does not trample on the big corporations of this country, but boy they like to do it to people who have no ability to fight back. It is the worst example of a bully. The Government is becoming a political bully in Canada. As a result, it is destroying a spirit of tolerance and openness because people are becoming afraid.

That is not necessarily endemic of the Conservative Party. I think of people whom I used to admire from afar in this House; for example, Jed Baldwin, Gordon Fairweather, John Diefenbaker, and Arthur Maloney. They were Progressive Conservative Members of the Parliament of Canada who stood up for individual rights. They fought against Government abusing its power. They stood for a tradition of Progressive Conservatism which welcomed dissent and did not try to clamp down on it. They did not use the arguments that we have heard from the Hon. Member that because someone challenges a law and a rule, somehow they are a social or community pervert or misfit.

The Hon. Member stated that he was upset when he attended the University of Washington and saw students demonstrate. What were they demonstrating against? They were demonstrating against a legal system that suppressed the rights of blacks for 200 years. That is what they were rioting about back in the 1960s. They were protesting against an immoral war that their Government had carried out against the wishes of its own people. The riots were not because it was a fraternity party, it was because they felt that the Government was abusing its power.

Surely that goes back to the basic, fundamental natural law of a democracy, the right of people to oppose an autocratic Government. Yet there is a mind-set developing here that the Government, because of its huge majority, is acquiring a right to dictate and determine what the rules and laws will be. Of course, as we have seen in things like Meech Lake and free trade, the Government wants to entrench them in order that future Parliaments can never change them. The Government Members want to entrench their interpretation of society. They are welcome to it. The Member for Surrey—White Rock—North Delta has a view about morality and law and order. That is his business, but I ask him to be consistent. I ask him to at least be honest enough, if he is talking about a rule of law, to explain to me why the Government, of which he is a Member as a Parliamentary Secretary, is clearly contravening the Convention on Refugees established by the United Nations? It is clearly contravening the Charter of Rights of Canada. It is clearly going against basic principles that this country has recognized for decades about search and seizure, about the right to be heard in front of a proper tribunal, and have independent judicial or quasi-judicial tribunals in order that they will not be subject to political influence and manipulation.

Why is this Government, and why is he as a defender of the rule of law, tolerating, accepting, and becoming an accomplice in that type of violation of principles that his own Party and his predecessors have fought in Parliament to obtain? That is really what is happening in this country.

The Government is making this type of law dealing with refugees. I can tell the Hon. Member that in this case it will not work. Does the Hon. Member really think that by turning away a smuggler's boat that that will deal with the problem? The Hon. Member is somehow equating the types of larcenist individuals who are immigration smugglers with people who read Jean Paul Sartre and Camus. The fact of the matter is that there are larcenist people in the world, and there always will be. But if they are going to hire a boat and send it to a shore and then simply be turned away, the captain of that boat will find some way to dispense with that human cargo. He will already have his shekels and the money in his pocket. If the boat were confiscated, brought in, and the people in the boat were allowed the right to at least enter into the determination system to see whether they are legitimate refugees, then they would lose something valuable and all of a sudden we would have a deterrent to the smugglers and all the rest of them.

There is one basic thing that the Member does not understand. No one is trying to prejudge who is a refugee. But on the other side, the Government should not prejudge who is not a refugee. The Government should not prevent those who may have legitimate rights from coming to the border to apply for application. The people who are escaping torture in Central America or in parts of Asia have exactly the same type of problems in their own communities as they did in Vietnam in the late 1970s, or in parts of eastern Europe earlier than that, or in Nazi Germany in the 1930s. They are exactly the same problems. But the Government is reverting to where this Government was in 1930 when a boat of Jewish refugees who were trying to escape from Germany was turned away.

**Mr. Friesen:** This Government?

**Mr. Axworthy:** This Government is doing exactly the same type of thing in this Bill. There is not one whit of difference in principle in what the Government is doing. It is taking this country back 50 years.

**Mr. Friesen:** Who did it in the 1930s?

**Mr. Axworthy:** This country did it, and a Liberal Government did it, and I am ashamed of that. One of the things I tried to do as a Minister of Immigration was to rewrite that history. We tried to do that. Because a Government 50 years ago made a stupid and immoral mistake, this Government in 1988 should not repeat it. If the Hon. Member for Surrey—White Rock—North Delta did not like what happened back in the 1930s, why is he becoming an accomplice to the same type of transgression in 1988? If he thought it was reprehensible then, it is more reprehensible now. Surely we have advanced our civilization, our openness and toleration for rights since that time.

I say to the Hon. Member to look at his own words and his own speech. He should look at what he believes, in terms of the rule of law, and ask himself why he is part of a Government that is contradicting everything for which he says he stands.

**Mr. Friesen:** Mr. Speaker, the Member made a speech that could be used anywhere in the House. All that has to be done is change the names around a little and it is one that could be sold. The Hon. Member admired John Diefenbaker, Jed Baldwin, and others in the Party. I do admire Bob Andras, Donald Macdonald, and Martin O'Connell. I do not know if they would feel very comfortable in that caucus right now.

Since the Member has been fairly loose in rewriting history, I have to put on the record the fact that the Conservative Members on the committee in the other place did not vote for the amendments of that committee. None of them did. I want that put on the record because of what the Member has stated.

**Mr. Axworthy:** If the Member will look at the record, he will see that I did not say that they voted for it. I said that they supported those amendments. If one looks at the testimony, and the statements by Senators Spivak, Nurgitz, and others, it

is clear that on that committee they did not vote against it. Presumably if they did not like it they could exercise their right, as members of the other place, to vote against it. In fact, they went along with that recommendation of the committee. I think that is to their credit and honour. I would only hope that Members of that same Party in the House of Commons could repeat and duplicate the same type of understanding and acceptance that their compatriots and colleagues in the other place have shown.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, I am pleased to have an opportunity to participate in this debate today. I think it is a very significant debate. It clearly exemplifies the inability of the Government to use its mighty majority to "Rambo" its way through policies that are obviously not supported by many Canadians. Quite frankly, if they were supported by a massive number of Canadians, Canadians who took the time to contact their Member of Parliament, or to lobby, then they would have gone through a long time ago. If there had been clear support, and if it had been clearly justified, it would have gone through. However, the opposite is the case. It is now over five months since the so-called emergency was declared and we were brought back to Parliament to debate the matter.

• (1620)

During the short time available to me I want to talk about the specific amendments which the other place has offered us, as well as my feelings about Canada and what we have been through in our very short life as a nation. Let me start about 80 years ago when we as a country turned away a boatload of Sikh refugees. I am not going to get into the game of which Party was in power, but we as a country, around 1908-1909, turned away a boatload of Sikh refugees who had arrived on the S.S. *Kamagata Maru* on our West Coast. They docked at Vancouver, were quarantined by the Canadian Government, and eventually sent back. When that boat got back to India, its original departure point, some of those Sikh refugees were killed by the British police.

Some 30 years later another boatload arrived. That one contained 900 Jewish refugees from Europe who attempted to enter Canada as a means of providing themselves with a safe place to live, one free not only from persecution but from death. I was ashamed last summer when I visited the memorial to the Holocaust in Israel to see the photographs of the people on the *St. Louis* that we as Canadians—and I emphasize "we as Canadians" because we tolerated the decision of our Government; it was our Government—turned away from our shores. We said to these human beings, "We don't want you". They eventually lost their lives to Nazism. We had a chance to take them in, to protect them, and to give them a new start.

Canada has recognized as its only honorary citizenship an individual who helped Jews escape from Europe by giving them passports to his country. We have honoured that man because we now recognize the goodness which was done by him in helping the Jews of Europe to escape.

In the last year we have helped to wipe the slate clean. We have allowed two boatloads of would-be refugees to land on our shores and to enter the process available under the law of Canada. Ironically one of those boatloads was from the same country which we refused more than 80 years ago.

As the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) so aptly pointed out, the Government wants us to turn back the clock. It wants to get us back to the point where we can stop those people who, for whatever reason, find themselves wanting to leave their country and wanting to come to Canada and find the only option available to them is a marine mode of transport. So what if we have the same number arriving at Mirabel on any given weekend by regularly scheduled airlines? So what if we have others from Central America, perhaps not as large in number, arriving by automobile, bus, or train via the United States of America? No, the Government is targeting this one mode of transportation because it is more visible and brings out a certain reaction in a certain element of society.

This is why we in the New Democratic Party have aligned ourselves with all major church organizations—not individual congregations but the governing bodies of the churches—the Law Society, and other groups and communities across Canada which have evolved around support for immigrants and refugees, which have helped them to become part of Canada and have helped to bring them to Canada. They have offered a Christian hand of fellowship or brotherhood to people whose life is not as good as our life is in Canada. That is why we opposed the original legislation.

I compliment the Hon. Member for Spadina (Mr. Heap) for the work he has done, not just in the past five months or the last year but over many years, in terms of fighting for refugees and immigrants, fighting for the process which is so needed in Canada to ensure that our laws are adhered to and that human rights are recognized as an ultimate priority. This is why we moved amendments. This is why a number of us spoke during the various stages of debate. This is why we support the amendments which have come to us from members of the other place.

While we in the New Democratic Party may have a specific view about the over-all value, if not the existence of the other place, we recognize that under Canadian law it exists and has responsibilities which its members have clearly taken seriously. They have listened to thoughtful Canadians, the same ones from whom we heard in committee and the same ones we quoted in the House. They have come to the same conclusion, that a number of elements within the Bill violate the Charter of Rights and go against the spirit of what Canada has evolved to be. They have sent back to us a check-list of amendments and have said: "If you change this, this, and this, we will find the Bill acceptable and, if we find the Bill acceptable, Canadians will find it acceptable". It is a modification of the process to ensure that the benefit of the doubt is given to those who come to our shores, to ensure that they are not turned away before they have a chance to state their case, and to ensure, on

the other hand, that those who are not bona fide or are attempting for the purpose of monetary gain to violate the spirit and the law of the land are not allowed to do what they do—a balance, Mr. Speaker.

What have we had through the whole process? We have had the all-Party committee. We have had the Plaut recommendations. We have had the spirit of this House in terms of the two opposition Parties and individual members of the Conservative Party. We have also had the other place. Conservatives, Liberals, and those with an independent label in the other place have come together and said that the Bill must be changed. The primary thing is to make sure due process is followed, that individuals are not turned away on the high seas or left to the whim of the master of the vessel and those who pull his strings. They should be given a chance for a legal and fair hearing so that we in Canada under the powers we have assigned to our bureaucracy can judge them according to merit to determine whether they are bona fide and to determine if for some reason they are coming to Canada under pretences which would show they would not be good citizens.

• (1630)

We are quite willing to take somebody who has a little bit of hard cash so that he or she can start a new business.

**Mr. Heap:** Like half a million.

**Mr. Angus:** Like half a million. I come from the area where the phrase "What's a million" was coined by C. D. Howe many years ago. Up North it is like pocket change.

Seriously, Mr. Speaker, we are quite willing to take those who can buy their way into the country, but we are not as willing under this legislation to take those who find themselves for political or religious reasons having to escape a country. That is what a refugee is, someone who is seeking refuge. He or she is doing it because of the kind of Government he or she is living with and in a lot of cases Governments tend to be dictatorial.

Then there is the problem of violence. If you happen to be a labour leader in Central America, you are not exactly the most loved person. In the case of Canada people will complain about the Bob Whites, the Dennis McDermotts or the Shirley Carrs because of their involvement in society and with workers striking for legitimate rights. In Central America labour people fear for their lives because of the undemocratic nature of the Government of the day. There is documentation to confirm it. A lot of evidence about labour leaders being shot, tortured and beaten is available. No matter what the Conservatives think about Shirley Carr, they would never go that far—and I am not even suggesting they would even think about it. As a comparison to other societies where things happen, that is very real. People need refuge. Sometimes we do not quite understand the politics of a country.

Do any of us really understand the politics of India between the various groups with religious overtones and geographic relationships? I know from my trip to Israel this summer that the fundamentalism of the Jews in Israel, the fundamentalism of the Arabs in Israel, of the Arabs throughout the Arab world, is part of that volatile nature of the state. Who are we, predominantly a Christian society, to pass judgment on why people may feel they have to leave a country because of oppression? How difficult is it for us to judge specific merits if the authorities of a country we have to go to are the very people from whom people are running and who are forcing people out of the country if they want to remain alive? We need a process that will ensure that the laws of Canada apply and that the rights of individuals apply.

I agree that the current situation of five years to get some kind of decision is intolerable. Of course, there can be abuses. We on this side want to see that situation changed. That is why my colleague has argued for the implementation of the standing committee report based on Rabbi Plaut's report. We want very speedy process, one that will allow a reasonable period of time for determination, not giving the would be refugee a foot in the door that he or she has now in becoming totally involved in society, but one that allows for fair process.

This is a very important Bill. It is a Bill we want to see debated because we believe that the more people understand the specifics of the legislation and the specifics of the problem the better chance there is of the Government not turning the refugee clock back to 1938 or to 1909. We need to move forward and in a way to ensure that those who are forced to flee their countries can find refuge in Canada according to our laws, laws which should be just and fair. It should not be trying to play off refugees against immigrants as has been happening over the last four or five months, suggesting that people are queue-jumpers and they have to be dealt with. We know there is no queue. We had not even met our immigration targets in a number of years. Nobody has been displaced.

**Mr. Friesen:** What are you saying?

**Mr. Angus:** If there is any responsibility on the Government, not just the current Government but the previous one, it is the allocation of resources to ensure that staff are there to do the processing to ensure that all of those who apply as immigrants can have their requests processed fairly quickly within reason. The same thing should apply on the refugee side.

I would encourage the Government to reconsider the amendments which the other place has offered. They are printed for all to see so I will not go through them. I have made my points on this Bill.

I thank the other place for its careful consideration of the legislation. I think what the Senators have done is to give added strength to the work of the two opposition Parties in this House, reflecting a concern over the kind of refugee policy which the Government seems determined to implement even if it does mean lengthy court challenges and possible violations of the Charter of Rights and Freedoms. Quite frankly, I think it will be a sad day for Canada should this Bill pass.

**Mr. Heap:** Mr. Speaker, I wish to commend my colleague for his comments which have opened up some aspects of this discussion which are not possible for everyone to deal with in a 20-minute speech. I think it is very important that he has opened them up. One aspect particularly that he developed is the situation of trade unionists, co-operative leaders and other community leaders, school teachers and so on in El Salvador or Guatemala, Central America. The operation of the death squads subsided a little for a while but it is now on the increase again both during 1987 and into 1988 in both countries. Because of that terror, organized with guns provided by the United States, many of the people of both countries have fled, and particularly those who could be identified as grass-roots or community democratic leaders. He has made that point. However, I would ask him to extend the point a little further, if he will, as to how it is that those people, if they attempt to enter Canada, fall afoul of Bill C-84 or the other legislation which is the companion piece to it, Bill C-55, because many of them may arrive at Fort Erie, at ports of entry nearer to Thunder Bay or to Winnipeg or wherever, without a Canadian visa, a visa permitting them to enter into Canada. This is particularly important because of that clause in Bill C-84 which the other place sought to amend with the support of all the public representatives except, of course, the immigration officials.

• (1640)

These people who come to a port of entry with any assistance from a Canadian are considered to be entering illegally under the Minister's interpretation and therefore the Canadian is subject to a couple of years in prison or a bigger penalty if there is a larger group involved. I would ask the Hon. Member to comment on why it is that last year we did have thousands of such people coming to our border, the U.S.-Canadian border, without adequate documentation, or perhaps people in similar situations coming by air or even by boat without adequate documentation.

The question is, how does the Hon. Member respond to the position taken by this Government and by the Hon. Parliamentary Secretary that those people must be kept out and that Canadians who help those people are penalized, even if it just means bringing them to a port of entry and saying to the immigration officer at the port of entry: "Here is a Salvadoran without a visa but who is in danger in his own country and is not allowed to stay in the United States and therefore is claiming refugee status"? How does the Hon. Member justify the person coming without a visa to Canada?

**Mr. Angus:** Mr. Speaker, I would like to thank my colleague for the question and it is very apt because there is a very active Central American support group in Thunder Bay. Lloyd Jones who has been working very hard for many years providing support for refugees has raised this matter with me.

If for some reason you, Mr. Speaker, were a resident of El Salvador and thought that the death squad was about to show up at your door, usually in the middle of the night, you would take off. You would try to get out of the country.

It is a little difficult, when fleeing a country, to go by the Canadian Embassy in order to get a visa. When a refugee has escaped his country, he faces a catch-22 situation. He cannot go back to get a visa because someone will be watching the compound and noting who goes there, and if he is on a list, he will not be seen after he comes out. Because of the involvement of the United States Government in sponsorship, funding and weapons procurement, it is difficult to follow the suggestion of stopping off in Minneapolis and going to the consulate there to try to get a Canadian visa. The United States is not necessarily a safe haven. There has been at least one case in the last three or four months of an individual being refused at the Canadian border, sent back to the United States, a so-called safe haven, and then being deported by the United States back to the Central American country.

The intention of the amendment from the other place is to provide for a process whereby someone coming to a Canadian border, whether by car, on foot or by plane, can get documentation and have a review to determine whether or not he is a bona fide refugee. The amendment seeks to provide for that rather than having someone arbitrarily saying to a refugee: "No, you go back, we do not want you". Sometimes the answer depends on what side of the bed the border guard got up on that morning. We must have a legal process that is very quick in its response but is also very humanitarian.

**Mr. Friesen:** Mr. Speaker, I would like to pick up on the scenario the two Members from the New Democratic Party have drawn of a person who fears for his life in El Salvador wanting to come to Canada. Perhaps the Hon. Member could tell me if it is not true that the U.S. Government has agreed with Canada that any Central American in the United States who has applied for transit papers to Canada or has an application in process to come to Canada will not be acted on by the United States. I think he will find that that is true, and since it is indeed true, why would it be more advantageous for someone coming to Canada to apply for refugee status—I will wait until the Hon. Member for Spadina (Mr. Heap) has finished coaching the Hon. Member from Thunder Bay. Since the Hon. Member made such an informed speech on the subject, I am surprised that he needs coaching from the Hon. Member for Spadina.

Be that as it may, why would it be necessary for a refugee to come to a Canadian border point to see an immigration officer? What service could he get there that he could not get from an immigration officer at any consulate in the United States, and there are about a dozen or more consulates?

As a matter of fact, when the Mennonites appeared before the committee, they testified that they do not bring refugees to the Canadian border if they can possibly help it because they prefer to go through a consulate in the United States since it is better for the refugees. If it can be done at an office in the United States, the refugees can complete the process and be

prepared for both education and work with a work permit already in place as soon as they arrive in Canada. The Mennonites felt that that was better for the refugees. Why does the Hon. Member say that it is better to come to the Canadian border than to go through the process at a consular office?

**Mr. Angus:** Mr. Speaker, the Hon. Member used the term "transit papers". To me, a transit paper is a document that allows an individual to go from border A which in this case would be the Mexican-U.S. border, to border B which would be the Canada-U.S border. Without having heard of transit papers in that context before, I must make that assumption. That means that a refugee must get transit papers at some place other than the United States or Canada, and that means that unless he can get them in Mexico, something that I doubt, he has to try to get them in the country from which he is fleeing. Again, my argument stands. In the middle of the night, a refugee will not shop around for papers, he will get out.

The Hon. Member should know that the consulate offices in the United States are heavily loaded with work. We have heard complaints that people cannot get work permits through the consulate office in Minneapolis without waiting for about four or five months. It is my understanding as well that there are quotas assigned to the offices. They can only process a maximum number of refugee applications or immigration applications each fiscal year, so that obviously has some bearing on the situation.

Perhaps the Mennonite community is able to work through its own church network to accommodate that process, and that is great. Yet there is a whole other group coming through the U.S. because they cannot afford to go around it or over it. They rely on volunteers to drive them a couple of hundred miles here and there, so it is just not a good process that is available to them.

• (1650)

**Mr. Marchi:** Mr. Speaker, notwithstanding that the Hon. Member is not his Party's immigration critic, I would like to commend him most highly for his eloquence on this subject.

One of the concerns we have put forward is that the Government wishes to convince Canadians that if this legislation is passed, the backlogs, the problems, the frustrations, and the loopholes in the refugee determination procedure will be over. From our viewpoint that is very dangerous because that will not be the result. One of the reasons for that is the traditions of this country as referred to by the Hon. Member and others. Another reason is the legal implications.

Every legal expert who appeared before the legislative committee of this House which studied this Bill, and every legal expert before the Senate committee which dealt with this Bill, overwhelmingly suggested that various clauses of the Bill run counter to the Constitution and the Charter of Rights and Freedoms. Therefore, if it is upheld after a court challenge it will in fact paralyze the policy and create havoc. The logical result is that Canadians will then really lose confidence in the system. In fact, there will be a hemorrhaging of confidence because of the strategy pursued by the Government to the effect that this Bill would be the cure.

I was wondering if the Hon. Member could perhaps comment on the legal ramifications of drafting legislation not in keeping with the law of this country as he sees it from his vantage point?

**Mr. Angus:** Mr. Speaker, I want to thank the Hon. Member for his kind words and his question. Not only am I not the critic, I am not a lawyer either. A lot of us in this House are not lawyers, yet we draft legislation which becomes the law of the land.

There has been a fair bit of comment about the relationship between the clauses in this Bill and the Canadian Bill of Rights. There have been a number of legal rulings handed down that make it clear that components of this Bill are not in conformity with current law, the Constitution, or the Bill of Rights. Without getting into the specifics of that, I think if the Government wanted to ensure that it was right and the critics are wrong, and prevent a haemorrhaging of confidence as the Hon. Member suggested, it has the responsibility not to proceed with the Bill, not to send it back to the other place, but to submit it directly to the Supreme Court of Canada with a request for an early ruling. In that way we would have time to modify this legislation should the Supreme Court agree that it is in violation of existing law.

My understanding is that if this Bill passes into law and an individual is found in breach of this law and goes through all the procedures available, we are talking about two, three or four years, I am not sure, before we get a decision. The Morgentaler case, the decision on which will be announced tomorrow, is a case in point. For how many years has that gone on? Therefore, I encourage the Government to send this Bill over to the Supreme Court now and get a legal opinion.

**Mr. David Berger (Laurier):** Mr. Speaker, at the outset of my comments I would like to address myself to some of the remarks made by the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), who spoke earlier this afternoon. He is the Parliamentary Secretary to the Minister responsible for this legislation and presumably should know whereof he speaks.

First, I take particular offence at the manner in which he misrepresented the arguments of honest people who are advocating a long-needed change to our refugee determination system. During the course of his remarks he referred to the fact that we are redefining what constitutes a refugee. What does he mean by that? He went on to explain that anyone, presumably, is entitled to call himself or herself a refugee. The decision would no longer be made by the Government. He asked questions. Are we going to let every interest group decide who is a refugee? I think I am quoting him correctly.

Why do lobby groups and special interest groups feel they have the right to determine who is a refugee?

That is a red herring and completely beside the point. There is no debate about the definition of a refugee, either in Bill C-84, or in Bill C-55. The definition of a refugee is found in the UN Convention of 1951. That is the definition used by Governments around the world to determine who is and who is not a refugee. Therefore, it is incredible that the Parliamentary Secretary would stand in this House and impute motives to well-meaning, honest people who have been advocating changes in our refugee determination system, and cast aspersions on their arguments.

He referred time and time again to special interest and lobby groups. My colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), referred to this aspect of his argument. At some time there was an honest attempt to make common cause with people who work with and are knowledgeable about refugees. That is an effort which was started when the Member for Winnipeg—Fort Garry was the Minister of Employment and Immigration and continued in the first days of this Government. However, since the election of 1984, and particularly since last spring when the Government tabled Bill C-55, all pretence at making common cause with these groups has fallen by the wayside.

• (1700)

Who are these interest groups and lobby groups? Are these people who would subvert the Government of Canada? Are these people who do not have Canada's best interests at heart? I imagine the Member is referring to someone like Rabbi Plaut, the author of an important report on our refugee determination system who himself was a refugee and should know something about what it is like to be a refugee and about the standards which our country should adopt in trying to determine who is a refugee.

Perhaps he was referring to someone like Nancy Pocock who is a member of the Inter-church Committee for Refugees and was featured in a television report around Christmas time. She has devoted many years of her life to helping dispossessed and needy people, refugees who find her home in Toronto a haven where they can go when they arrive in Canada to meet friends, learn about a new country, establish themselves, and get support and aid from Canadians. On the television show prior to Christmas about Nancy Pocock it was said that refugees fleeing from Latin American countries are given her name and telephone number. She may be the only person they know when they arrive in Canada but she is someone to whom they can turn for the help they desperately require when they arrive in our country. Are these the interest groups and lobby groups which the Hon. Member denigrates in his comments?

With regard to the numbers of refugees who are apparently coming to Canada, in his comments today the Hon. Member referred to 15 million refugees in the world. He has come down somewhat in his estimates since the debate last August when I heard him refer, on a number of occasions, to the five billion people in the world. He was suggesting that if we did not drastically revise our laws we in Canada were in danger of having some five billion people come to our shores. Today he is down to 15 million refugees. I suggest to this House that that is a gross misrepresentation of the actual situation.

I participated in a conference in Montreal in early December organized by the Canadian Human Rights Foundation on the issue of human rights and the protection of refugees under international law. We were reminded at that conference that most refugees are not coming to Canada or the United States. Only a small fraction of the 12 million to 15 million refugees in the world are trying to make their way here. Resettlement is an option for only a small portion of refugees.

Canada has many means to restrict the flow of people who come to our shores. The obligatory visas which are required for people from practically all refugee-producing countries is perhaps the most effective power which the Government has at its disposal to keep refugees away from our shores. That is not to mention, of course, the factor of geography. Canada is not on the border of any refugee-producing country. Therefore, it is impractical and impossible for most refugees to make their way to Canada.

West Germany had some 100,000 refugee claimants in the last year. Pakistan has probably two million or three million Afghan refugees on its border. Mexico has hundreds of thousands of Central American refugees, and Mexico is not exactly a wealthy country. How many Iranian refugees are on Turkish soil today?

Therefore, I find it reprehensible for the Parliamentary Secretary to the Minister of Employment and Immigration to stand in this House and defend the legislation before us on the basis that there are some 15 million refugees in the world, and imply to Canadians that if we do not pass this legislation there is a possibility that these 15 million refugees will actually come to Canada.

I find it reprehensible also that the Minister of Employment and Immigration (Mr. Bouchard) and the Minister of State for Immigration (Mr. Weiner) have constantly harped on the danger of a public backlash against refugees. We hear that time and time again from spokespersons for the Government. There have been no attempts by the Minister to put the matter into perspective. There has been no attempt to compare Canada's situation with that of other countries as Rabbi Plaut did at the conference which I attended. He compared the number of refugees received by Canada to that received by a tiny country like Costa Rica. I believe that Costa Rica has had more refugee claimants in the past several years than has Canada with its great size and wealth.

I take offence also at the comments made by the Parliamentary Secretary to the Minister of Employment and Immigration in reference to the actions of the western European countries. I do not think that we have to set our standards by those of European or any other countries. Canada's situation is

far different from that of many other countries. Over the past five or ten years, and certainly in the period since the end of the war to 1983-84, Canada established a reputation in the world in the area of refugee policy and resettlement of refugees. The Canadian people were awarded the Nansen Medal in 1985 by the United Nations because of the generosity that Canadian people have shown to refugees. How can the Parliamentary Secretary stand up in the House and justify the reprehensible actions of the Government and this illegitimate piece of legislation by referring to the situation in European countries? Should Canada not be standing up and saying that we will not follow this lead and will not decrease the safe havens that are available to refugees? Should we not be saying that we will not reduce or seek to limit our obligations but will stand up and demand that other countries respect the rights of refugees under the UN Convention?

• (1710)

As my colleague, the Member for York West (Mr. Marchi), has suggested on a number of occasions, we could even take the bold move of suggesting to the United Nations that a conference be called to deal with this issue, which is again totally in line with the kind of leadership role Canada has played over the course of the past 35 to 40 years.

As I said in debate on this Bill several months ago, it is ironic, when we are considering Bill C-84 which would turn boats away from our shore, that we were awarded the Nansen Medal. I believe Nansen was a Norwegian explorer and humanitarian who, in the period after the First World War, began giving documents to displaced persons, refugees I believe from the Austrio-Hungarian Empire that disappeared as a result of the First World War. These documents came to be known as Nansen passports. Of course, the Nansen Medal was named after this individual.

Is it not ironic that in 1985 the people of Canada were awarded for our generosity to refugees a medal which was named after a person who gave visas and documents to undocumented refugees, yet in 1987, the Government proposes legislation that would put undocumented refugees in jail?

I want to deal briefly with another aspect of this legislation. Comments have been made about the aiding and abetting provisions of the Bill that would result in Canadians who are involved in church groups, humanitarian organizations and other groups like Amnesty International which help refugees, being put in jail for aiding the illegal entry of refugees or undocumented persons into Canada.

I also want to point to an aspect of the Bill that relates to the Government's power of search and seizure, which was commented upon by the Senate. Clause 103.03 of the Bill states:

> For the purpose of exercising the authority under Section 103.02, an immigration officer or a peace officer may, with such assistance as the officer deems necessary, break open any door, window, lock, fastener, floor, wall, ceiling, compartment, plumbing fixture, box, container or any other thing.

The Senate recommended that this provision be struck out because it argues that this kind of provision, which is similar to the powers in the Narcotics Control Act and Customs Act is excessive in relation to immigration matters. Yet the Minister of Employment and Immigration yesterday rejected this particular recommendation from the Senate. Canadians should know that this kind of provision can be used against them.

In conclusion, I hope other Members will join in this debate so that we may study the many contentious provisions of this Bill. Rather than playing some kind of ping-pong with the other House, as we have on other occasions, perhaps cool heads will prevail in this House and appropriate attention will be paid to some of the very sound recommendations made by the other House. Perhaps we will be able to arrive at a consensus, such as the suggestion during one of the previous confrontations with the other House of a conference between the two Houses to ensure that Canadians have greater respect for the laws that are passed by this Parliament.

**Mr. Heap:** Mr. Speaker, I thank the Hon. Member for Laurier (Mr. Berger) for his presentation in this matter which, as always, is a very thoughtful one.

I would like to ask him if he would comment a little further on a point that he touched. He spoke of the irony of having a law passed to make it an offence for Canadians to assist an undocumented refugee to come to Canada. The irony he referred to was in relation to the Nansen Medal given in the name of a person who had saved lives by giving documents to undocumented people.

He is speaking of a humanitarian tradition in the Nansen Medal and humanitarian action by people, many of whom are associated with explicitly humanitarian groups such as Amnesty, the churches and so on. I am sure the Hon. Member is aware that the Minister of Employment and Immigration (Mr. Bouchard) has gone on record many times saying, in effect, to the witnesses before the committee in August: "Oh, you are good people. We do not intend to prosecute you". He never defined whom he would not prosecute, but he was addressing certain people there. He meant, "You are the type we will not prosecute".

The recommendation from the other place is that the decision to prosecute should be limited by requiring the written authorization of the Attorney General. The recommendation following that of the Government was for the Attorney General or the deputy. However, it is not clear yet what is the application of the Minister's statement that "you would not be prosecuted because we know you are doing good work".

I would like the Member to comment on two aspects of that. First of all, has he a comment on the quality of the law, perhaps even on what might be the quality of the law in the eyes of the Supreme Court in light of the Charter, quality of the law which can only be administered by having someone say, "Oh well, certain people would not be prosecuted because we know they are good people"?

• (1720)

Secondly, can the Hon. Member comment on whether he thinks it would be possible to define the law so that it would not be necessary to use such unlimited discretion as the Minister has suggested?

**Mr. Berger:** Mr. Speaker, I think the Hon. Member was asking me about the question of equality of the law, whether prosecuting only some people under the law as opposed to others would somehow violate the equality provisions of the Charter. I think that was the gist of his question. I would really hesitate to offer an opinion immediately without having had the opportunity to reflect on it.

The second part of his question is whether the law can be more closely defined. It seems to me that this is exactly what the other House did when it said that what the Minister is really aiming at is to try to prohibit the clandestine entry of illegal immigrants or migrants, if you will. When a person working with a humanitarian or refugee aid group helps a person by bringing that person to the border, to Canadian immigration officials, whereupon that person would claim refugee status, there is no attempt to hide or circumvent Canada's laws and regulations. What those people are simply doing is knocking on our door, asking for protection. As I understand the United Nations Convention we have an obligation then to examine whether or not that person has a legitimate claim. It would seem to me that it would be a very easy way out of the problem if we made it a practice that we seek to prohibit the clandestine entry of illegal immigrants.

**Mr. Marchi:** Mr. Speaker, let me begin by congratulating the Hon. Member for Laurier (Mr. Berger) who not only spoke passionately today about what he holds dear, but has certainly given his strength and commitment throughout the process, going back to the summer and, of course, before then.

To a certain degree, I suppose above and beyond the technical aspects of the debate, the legal ramifications, in part we are talking about a piece of legislation that, to a certain degree, will reflect a certain temperament of our country. In the end, it will also be a fight and struggle for Canadian public opinion. Canadians will ultimately decide what aspect of this debate should merit their support.

When we talk about the piece of legislation in that perspective, we are talking about Canadians having to decide between a political Party that wishes to turn back boats indiscriminately as opposed to escorting them in. We are talking about a choice between locking people up and detaining them on suspicion and hunch as opposed to a discreet way of doing it. We are talking about the option of putting people in prison or fining them for aiding the plight of refugees as opposed to rewarding them because they are assisting the Government. I suppose we are talking about whether we will have immigration officers running around like Rambo, breaking down doors and entering any premises, again simply on a hunch. We are talking about those two sides of the equation, and I was wondering, from that perspective, because of the temperance and moderation Canada and Canadians have displayed in the past, if the Hon. Member for Laurier could perhaps address some of his comments on that subject?

**Mr. Berger:** Mr. Speaker, in order to have a rational debate, we have to debate fact, not fiction, which suggestion has been offered up time and time again by members of the Government and by the Minister in a rather underhanded attempt to manipulate the public. The Hon. Member referred to public opinion. How can we have an educated public when the Government of this country is disseminating false information? We had an example of that in the speech of the Minister of Employment and Immigration (Mr. Bouchard) yesterday in which he said, as reported at page 12299 of *Hansard*:

> The Senate also wants to limit the powers of search and seizure to day-time hours and to confine warrantless search to instances where lives are at risk. If we accept the amendment, we will seriously hamper the ability of our officers to apprehend and prosecute those who organize groups of illegal migrants. Transborder schemes would be conducted mainly at night so the perpetrators could escape Canadian jurisdiction if something went wrong.
>
> This proposal means that in winter months when darkness comes early—

The Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) knows about that. In Labrador winter comes earlier than it does in the capital.

> —the time of day during which effective action could be taken would be greatly reduced. What could we say about the North where sometimes there is one hour of daylight a day?

Just think, there would be only one hour of daylight in order to conduct searches. Well, of course, that is not what the Senate said at all. The Senate proposed an amendment that a warrant issued under Subsection 1 shall be executed by day, and it continues to say, unless the Justice of the Peace by a warrant authorizes execution of it by night. The Minister says he would have no power to execute a search warrant at night if he accepted the amendment of the Senate. But that is not what the other place said at all. It said that if it is necessary, if a case can be made to a Justice of Peace, a search warrant could be executed at night. So we have another example of misinformation put forward by this Government continuously to the Canadian people.

I can only go back to the remarks I made previously, that a person who is supposed to be in a responsible position, by virtue of that position has a duty to pay careful attention to the words and the facts he puts before this House, and I am referring, of course, to the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Friesen). He stood up in this House and talked about the millions of refugees who could end up on Canada's shores if we do not pass this legislation, without attempting to put Canada's situation into perspective. He attempted to compare our situation to that of other countries without providing Canadians with the information of various types of controls the Government has at its disposal such as visas. How can we expect the public to be informed? How can we expect to have an intelligent debate?

• (1730)

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I welcome the opportunity to participate in this debate once again. This legislation has been with us for some time.

I want to say up front that the manner in which I would characterize the Government's actions with regard to Bill C-84, legislation to amend the refugee determination process, is that the Government is being opportunistic with this legislation. It is playing petty politics and seeking to stir up favourable public opinion. It is making a cheap grab at headlines and simply going for quick results in the public opinion polls. I see the actions of this Government with a very jaundiced eye.

Those statements can be backed up quite convincingly. On the one hand the Government has chosen the option of playing politics with the refugee determination process. On the other hand, there is the option of the *status quo*, leaving things as they are, and doing nothing. The Government has accused the Opposition of advocating this. I wish to look at those two approaches to the refugee determination process. I also want to examine the notion of whether there is any other way to come to grips with this problem.

First, I have stated that this Government is playing politics with the refugee determination process. It is trying to whip up public sentiment and gain public favour by appearing to be the strongman with regard to the refugee determination process. I came to that conclusion for the following reasons.

I remember the time last August when the media were full of people approaching Canada by boat. Concerns were raised about whether someone was going to get into this country illegally, or whether someone was going to get into this country illegitimately, or through the back door. Among immigrant communities the fear was raised that while they were waiting for years to have their relatives come into this country to reunify their families, others were simply chartering a boat, jumping on it and being able to come into Canada without any difficulty whatsoever, and that this was somehow a major loophole in our law. This was on the television screens and whipping up public feelings of unfairness.

The Conservative Government was at the bottom of the public opinion polls, and during the summer recess it broke an agreed upon calendar that was negotiated as part of parliamentary reform that the House would not be sitting in July and August. The Government tore up that calendar, threw it aside, and made a grab for the headlines. The Prime Minister (Mr. Mulroney) announced that there was going to be an emergency recall of Parliament in order to put a stop to this abuse of Canada's refugee determination system and our immigration laws. So the Prime Minister made this grandstand.

The irony of ironies is that as this grandstand was made, a number of weeks later when Parliament still had not been recalled journalists and other people began to ask questions. The House Leader of the Government was asked why Parliament still had not been recalled for this so-called emergency. The response was that government Members were working on other things and they were too busy to have written the letter to the Speaker to ask for the emergency recall of Parliament. What a farce. There was this great emergency and they did not have the opportunity or the time to sit down and write a letter.

Eventually the letter was written, unfortunately. Parliament was recalled in August, 1987. Presumably this emergency legislation had to be put in place immediately in order to deal with a crisis. Did it get passed? Did it become the central focus of an emergency parliamentary session? No. Not at all. We are still dealing with the legislation today and we are into 1988. The year 1987 has come and gone. The headlines and the television screens of 1987 are in the past. And we are still dealing with this legislation.

The Government had a summer session of Parliament. In fact, it became the fall session and then the ongoing session. We dealt with all sorts of legislation touching many subjects. What an emergency. The Government breaks the calendar that was established through negotiations in this House as part of the parliamentary reform system, an emergency session is called, and that session deals with a variety of legislation. It never comes to grip with the legislation that the Government said was an emergency and had to be passed within hours, days, or weeks. Clearly that was no emergency whatsoever. It was a publicity stunt, a grab for the headlines, and an attempt to stir up public emotions and gain favour.

The Government has been playing politics with the refugee determination system. It has been playing politics with many Canadian families of various ethnic origins who are recent immigrants to Canada, for example, the Portuguese, the Filippinos, and people of all racial origin who have become Canadian citizens and who are working very hard to bring their family members to this country in order that they can live as one family rather than having some relatives in this country and brothers and sisters in another country. The Government is playing with those people's feelings. They were saying to those people who have been waiting for years to bring their son, daughter, brother, sister, mother, or father to this country, "Here are those people chartering a boat and entering Canada instantaneously".

Even while the legislation was introduced, the Government promised that it would ease up on the family reunification process. It would make it easier for families to be reunified and for relatives to come into this country in order to ease the frustration of the members of the ethnic communities in this country. Has the Government done anything substantive in that area? The Government has changed a few regulations, for which it deserves credit. But by and large the members of the ethnic communities in my riding are still waiting in frustration for their relatives to be allowed into this country and for their families to be once more unified.

I challenge the Government, which promised a more generous attitude toward family reunification, to live up to that promise and make it possible for relatives of Canadians to join their family members. If the Government were sincere in its approach to the whole refugee determination system, it would act expeditiously with regard to a more generous approach on family reunification.

I characterized the Government's approach to refugees as cheap politics. Tit for tat, the Government has characterized our position as a "do nothing" approach, an approach where we would simply stay with the *status quo*. In fact, some Members on the government side have suggested that we would not have any real control over the determination of refugee status and the entry of refugee claimants into this country, and it would simply be at the pleasure of the persons who decided to call themselves refugees. They have suggested that if anybody outside the country were to put on the hat and say "I am a refugee", given the position of the Opposition they would just waltz into the country; there would be no controls. That is the image which the Government has been seeking to propagate in terms of the position or posture taken by the opposition Parties.

• (1740)

Is the only alternative to the Government's hand-fisted approach to refugee determination a wide open, no control, status quo approach? I should like to suggest that it clearly is not, even though some government Members would like to convince the public that it is.

Rabbi Plaut, for example, has conducted a thorough and comprehensive study of the refugee determination system and has offered an alternative way of handling the whole question. A parliamentary committee studied the refugee determination system, found it wanting, and offered positive alternatives as to how the system could be reformed. Clearly there are alternatives to the hand-fisted way in the which the Government is approaching the refugee determination system. It is not a question of either accepting the Tory way or no way. It is not a question of accepting the Prime Minister's way or there will be no controls with regard to refugee status. Clearly the Government has been seeking to propagate that false alternative.

The refugee determination system needs to be reformed. People on this side of the House clearly recognize that. When it takes up to five years for a decision to be made with regard to refugee status, there is something wrong with the process. Clearly the process becomes open to abuse and one which invites abuse. The refugee determination process needs a complete house cleaning. It needs to be re-thought from top to bottom.

I want to come to what I think is the central point of the debate on Bill C-84 to amend the refugee determination process. The Government is playing politics with the issue, is seeking to curry public favour, and is accusing the Opposition of having a status quo policy or a hands-off approach to refugee determination. Those are not the only alternatives. In fact there is a middle way, a way of facing up to the challenge by providing genuine leadership which would reform the refugee determination system so that it combines human rights and fairness—fairness with regard to the process by which people enter the country and become Canadian citizens and respect for human rights, respect for the Canadian tradition of generosity when it comes to people whose lives are in danger. This is the balance which must be struck. On the one hand we must respect the human rights of global citizens who come to our shores and indicate that their lives are in danger, that they need sanctuary, protection, or a haven. We must respect their human rights and their right to a fair hearing. At the same time we must respect the sentiment of Canadians that nobody should be able to abuse the refugee determination system as a way of coming into Canada through the back door, as a way of jumping the queue, as has often been said on the other side of the House, or as a way of getting in here as a quick fix. Canadians have a right to demand that fairness apply with regard to entry into this country. We must combine those values and concerns, and that is a challenge of political leadership.

Governing a country is not an easy process. If it were, I guess the Conservatives would be in office longer than we expect them to be. Governing is a difficult art. It requires the balancing of legitimate concerns. If it were simply a one-way street in which all we had to take into account was one set of priorities, maybe the Conservatives would still be at 60 per cent of the polls. We recognize that running the country is a difficult process and that the concerns of people must be balanced.

The first thing the Government should do in turning around this legislation is to change its strategy. It should accept the challenge of political leadership and accept the challenge of combining a concern for human rights with a concern for fairness in the process of entering the country. If it did that, perhaps it would not have to worry about its position in the polls. In fact, Gregg, a famous Tory pollster, has said in public—and it has been printed in the newspapers—that what Canadians want is leadership based on principle and based on compassion.

The Government has also failed to live up to its own past history. When it came to the boat people coming out of southeast Asia, we had a very admirable program. Canadian families from one coast to the other were able to sponsor boat people and to assist in their settlement in the country. They made it a successful program. It solved a refugee problem and allowed all Canadians to live up to and participate in the humanitarian tradition of which the country is duly proud.

The Government has failed to live up to its own past behaviour and has sunken to a new low. It has also failed to meet the challenge of leadership on this planet in another sense: as long as we have great disparities in incomes, conflicts, and a lack of democratic procedures in the world, we will have a surplus of refugees. The Government ought to look at

international development in order to come to grips with the whole question of refugees, not just bring in a Draconian piece of legislation.

In summary I want to say that when I look at the piece of legislation I see a Government which is playing politics with the refugee determination process. It is trying to play the tough guy. It is trying to be John Wayne and hopes to have the same popularity as the movie star had. What we need is real political leadership, not playing at politics.

I have indicated that there are real alternatives. Rabbi Plaut studied the question in depth and found ways, as did the parliamentary committee, to combine our concern and respect for human rights with our interest and respect for Canadian public opinion when it comes to demand for fairness in the process of entry into the country.

• (1750)

It is time for the Government to turn around, withdraw the legislation and accept the challenge of providing real political leadership in Canada rather than simply playing to the nearest camera.

**Mr. Marchi:** Mr. Speaker, I listened with great interest to the remarks of the Hon. Member for Winnipeg North Centre (Mr. Keeper). I congratulate him on articulating a number of different fronts which I believe his Party and members of our caucus have come to maintain. I think within the Member's remarks he hit the nail on the emotional head. One of the most offensive parts of Bill C-84 is the provision that now creates a new offence for those who aid and abet and genuinely assist refugees coming into Canada, namely, the churches, the many volunteer organizations, the immigration assistance and relief agencies, your average Canadian, and those who have been engaged, not in this past summer but for years, in trying to enhance the plight facing so many people. That perhaps typifies what is wrong with this legislation. That one clause says it all.

If you were to canvass Members of this House, including government Members, and you asked them whether they actually agreed and applauded the creation of this new offence, I am not sure that you would get an honest response. If this law is brought against a priest, he could face a fine or a prison sentence for having helped a refugee from Guatemala who may not have had the proper document upon entering the country. But the Government has said, "Do not worry. We are not going to charge a priest. We will not put in prison a priest who may have helped a refugee".

You simply cannot go on what the Government's intentions are or what the Minister of the day believes he will do. We must be guided and concerned with what is available under the law. If the Minister, as he has done, suggested to Canadians that he will not prosecute a priest, a nun or a layman who assists a refugee, then our question has been consistently, why create legislation and a law if you do not want to execute that law at some point?

Based on that comment, I would like the thoughts of the Hon. Member concerning the creation of that new offence. Will he also comment on the Government's suggestion that it will not bring the penalty into force, in certain circumstances?

**Mr. Keeper:** Mr. Speaker, I must say the question is very topical. We have had discussion in this House about the danger of people breaking a law and then not being charged, this whole business about creating a new offence and then the Minister saying, "I won't charge you because you are a good person. It is not you whom I intend to charge". That is a dangerous step to take. We want the law to be respected. We must draft good laws. If we draft crude laws and have to be very delicate in the way they are applied, then we are going down a very shaky road. The Government has already started down that road. The legislation before us today is legislation that many groups in Canada and many legal scholars have said with good reason that it would not stand up to the Charter of Rights. Clearly what we want is a Government that will draft good legislation, that will create good laws and that will live by laws. The first law is the most fundamental of all, namely, the Charter of Rights and Freedoms.

When a broad section of legal opinions says to the Government that the legislation it has drafted will breach the Charter of Rights, the Government ought to go back to the drawing board and find a way to draft legislation that will respect the Charter of Rights and Freedoms. We have seen the red light that tells us, "Don't race through here because if you do you are liable to have a terrible accident and lives may be lost". Clearly the Government is making a significant mistake in creating this new offence. People will be put in jeopardy. Church members working with refugees, particularly those who are these days working with people from Latin America, should not run the risk of facing new penalties with the simple assurance that the Minister does not intend to prosecute them.

Clearly it is not adequate to put a very heavy law on the books and then for the Minister to say, "I don't mean to apply it to members of churches who are doing humanitarian work. I just want to apply it against the bad guys". The Minister must draft legislation that will protect human rights and will not put people who work with the churches at risk. Legislation must not put at risk Canada's reputation as a country which allows sanctuary for those who are genuinely fleeing dictatorial regimes whose own lives are at stake.

The answer to my colleague is simply that the Government is making a fundamental mistake. We hope that if this debate continues long enough perhaps the Government will wake up. We know that there are noises being made by the right-wing back-benchers of the Tory caucus. Perhaps the humanitarians on the back-bench will rise up in anger and tell the Prime Minister to wake up and tell the Minister of Immigration (Mr. Bouchard) to back off and bring forward good legislation.

**Mr. Deputy Speaker:** There are only 30 seconds left. Shall we call it six o'clock?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** It being six o'clock p.m., this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 5.59 p.m.

# HOUSE OF COMMONS

**Thursday, January 28, 1988**

The House met at 11 a.m.

*Prayers*

**Mr. Speaker:** I should like to advise the House that I will be giving a ruling at the conclusion of Routine Proceedings.

## ROUTINE PROCEEDINGS

[*English*]

### INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT OF ELEVENTH CONFERENCE ON CARIBBEAN AND CENTRAL AMERICAN ACTION

**Hon. Lloyd R. Crouse (South Shore):** Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report concerning the eleventh conference on the Caribbean and Central American Action, which was held in the City of Miami from November 30 to December 2, 1987.

[*Editor's Note: See today's Votes and Proceedings.*]

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### PLANT BREEDERS' RIGHTS ACT

MEASURE TO ENACT

**Hon. Charles Mayer (for the Minister of Agriculture)** moved for leave to introduce Bill C-107, an Act respecting plant breeders' rights.

**Mr. Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

### QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, Question No. 211 will be answered today.

[*Text*]

NORTHERN ONTARIO ADVISORY BOARD

Question No. 211—**Mr. Penner:**

1. For each of the (*a*) Chairman (*b*) Vice-Chairman (*c*) other members of the Northern Ontario Advisory Board for FEDNOR, what are the (i) salary, stipend or honorarium (ii) amounts allowed for expenses (iii) other terms and conditions attached to the appointments?

2. Are the amounts in part (ii) additional to those in part (i)?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** 1. (a) (i) $300 per working day, (b) (i) $240 per working day, (c) (i) $180 per working day.

(ii) Reasonable and accountable expenses, as per Treasury Board directives on travel, Chapter 370.

(iii) There are no other terms and conditions concerning financial arrangements of the appointments. All appointments are for a three-year term. All appointments are subject to the Conflict of Interest Guidelines for public office holders and Board Members have received a copy.

2. Yes.

[*English*]

**Mr. Speaker:** The question as enumerated by the Parliamentary Secretary has been answered.

**Mr. Hawkes:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

## PRIVILEGE

### CANADA ELECTIONS ACT—ACTIONS OF FORMER COMMISSIONER—MR. SPEAKER'S RULING

**Mr. Speaker:** On Monday, January 25, the Hon. Member for Kamloops—Shuswap (Mr. Riis) raised a matter relating to the actions of the former Commissioner of Canada Elections, Mr. Joseph Gorman, in rendering a decision after an investigation into alleged breaches of the Canada Elections Act by the Hon. Member for Frontenac (Mr. Masse).

The Hon. Member for Kamloops—Shuswap argued that the decision of the Commissioner not to charge the Minister "diminished the public's respect for the House of Commons and for Members of Parliament" and, further, that this failure to charge was contempt of this House.

[*Translation*]

Let me first refresh Hon. Members' memories about the provisions of the Standing Orders of the House on the required notice.

Standing Order 20(2) clearly provides as follows:

> —any Member proposing to raise a question of privilege, other than one arising out of proceedings in the Chamber during the course of a sitting, shall give to the Speaker a written statement of the question at least one hour prior to raising the question in the House.

• (1110)

[*English*]

Former Speakers have been clear on this. The purpose of the rule is to save the time of the House so that the Speaker, in advance, can look into the situation or matter being brought forward. The notice should be complete enough so that the Chair is as fully informed as possible of the matters to be raised.

With respect to the issue brought forward on January 25 by the Hon. Member for Kamloops—Shuswap, when some time was obviously taken to prepare the arguments in advance of raising them in the House, the notice could have been given earlier and could perhaps have been more explicit. I merely caution all Members in this respect, and I do so in the interests of the good functioning of our proceedings.

I come now to the specific issue dealing with the actions of the former commissioner, Mr. Gorman. While he is not an officer of Parliament in the usual sense of that expression, he is an official who is appointed by and reports to the Chief Electoral Officer who is an officer of Parliament. Mr. Gorman was appointed Commissioner of Canada Elections under Section 70 subsection (3) of the Canada Elections Act. Under subsection (4) of Section 70 the commissioner is given certain authority, namely, the power to give or withhold consent to prosecution under that Act. The House of Commons, indeed, Parliament gave him that authority.

In the argument presented in the House, it was clear that Mr. Gorman was exercising powers given to him under the Act. The exercising of powers given to an official under an Act cannot be a matter for the Speaker to rule on unless there are circumstances which amount to a breach of privilege or a contempt of Parliament. In this case there is nothing before the Chair to support a claim of breach of privilege or contempt. Thus, there is no role for the Speaker in this case.

I would remind the House that it is not the duty of the Speaker to judge the actions of public officials in the fulfilment of their duties. It is my duty only to determine whether or not sufficient evidence has been presented to judge if there has been a prima facie breach of privilege or a contempt of the House. In this case, I do not find that either has occurred.

During Question Period in the past several days the suggestion has been made that the Standing Committee on Elections, Privileges and Procedure should look into this matter. As all Hon. Members know, standing committees now have permanent orders of reference. In the case of the privileges committee, the process followed by the Chief Electoral Officer and his officials, in particular, the Commissioner of Canada Elections, could be looked into by the committee. However, only the committee can decide to look at this matter. It is a decision for the committee to take, it is not one for the Speaker.

I would caution Members that no charge of misconduct has been laid against any public official or any Member of the House in this case. The committees powers are limited to studying and reporting on matters relating to the process and procedure under the relevant statute. Again, this is a decision for the committee to make, but my reading of the statute did not discover any provision for review by or appeal to a committee of this House of the decisions or specific cases made by an electoral commissioner. Having said that, the committee should not be shy of reviewing the process and procedures that Parliament has enacted.

[*Translation*]

This is an important question to which the House has devoted a lot of time during the oral question period. However, with all due respect, I cannot conclude that a case has been made for the Chair to rule that the actions or omissions of the former commissioner constitute contempt of the House or a breach of privilege.

[*English*]

Let me close by thanking the Hon. Member for Kamloops—Shuswap, the Minister of State (Mr. Lewis) and the Parliamentary Secretary to the President of the Privy Council (Mr. Hawkes) for their contributions.

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I rise on a point of order. I wish to thank you on behalf of the House for your very reasoned judgment. I want to signal that the Government is content for the matter to be examined by the Committee on Elections, Privileges and Procedure so that the committee can examine the mandate of the commissioner and the decision

making process. We would hope that this can proceed as soon as possible.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I also want to thank you for the work you have done in making your decision. I was glad to hear the Minister, speaking for the Government, say that the Government is willing to have the committee go forward on this issue. I hope the chairperson of that committee will call a meeting quickly so arrangements can be made. I know our representative on the committee will be available for a meeting to be called very quickly.

I think it is also important that the inquiry not be restricted to just Mr. Gorman. I think there may be other people who have to be called on this topic to get the complete picture.

**Hon. Herb Gray (Windsor West):** Mr. Speaker, on behalf of the Official Opposition, I want to thank you for your most informative ruling on the question of privilege. I have noted the statement of the Government House Leader to the effect that the Government wants to see the Committee on Elections, Privileges and Procedure go into this matter. Obviously our representative on the committee will be ready to do his duty with respect to the work of the committee. We hope that the Government will make it clear to its members on the committee that they should not be constrained in how they look into this question.

I want to observe that if and when the committee goes into this matter this does not mean, as far as the Official Opposition is concerned, that it is no longer appropriate to raise the subject in the course of the House of Commons Question Period in so far as we are also dealing here with the matter of the responsibility and accountability of the ministry to the House of Commons and the people of Canada. This remains an issue for the House through the Question Period or otherwise even though some aspects of the matter may be under study by the Elections and privileges committee.

**Mr. Speaker:** Perhaps I could respond to the latter point which the Hon. Member for Windsor West (Mr. Gray) has made. I do not think there was anything in my ruling suggesting that appropriate questions ought to be precluded. The Chair always has to consider questions in their context which, of course, I will continue to do on behalf of all Hon. Members. I want to reiterate that, provided the questions are appropriate, the ruling in itself does not preclude them.

* * *

## PRIVILEGE

### PRIVACY OF MEMBERS' OFFICES—ALLEGED BREACH

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, I rise this morning on a question of privilege regarding a matter of the breach of the rights of three Members of Parliament as it relates to the privacy of their physical offices.



As you are aware, the Board of Internal Economy approved a pilot project for the installation of personal computers in, I believe, about 30 offices on the Hill. Three of those computers were installed in the Office of the House Leader of the New Democratic Party, the Hon. Member for Kamloops—Shuswap (Mr. Riis), the Whip, the Hon. Member for Churchill (Mr. Murphy), and the Chairperson of the NDP caucus, myself, the Member for Thunder Bay—Atikokan.

We are entering a new age, Mr. Speaker. I think we have to ensure that the rules that have applied to the old ways also apply to the new. The day before yesterday an employee of the House of Commons, the Oasis group, entered my office, that of the Member for Churchill, that of the Member for Kamloops—Shuswap and perhaps the offices of other Members of Parliament who are participating in the pilot project. The impression was given to staff that the individual was interested in determining the usage of the equipment and the software contained therein. They purposely removed a software program from the computers in a systematic way without indicating to either staff or Members their reason for doing so. I want to be very clear; I am not suggesting that the removal was unnecessary, but I am complaining about the manner in which it was accomplished.

• (1120)

Perhaps I could use an analogy. I think it is the common understanding in this House that if we received documentation, for example an Oasis manual which explains how a particular program is to work, and I had my staff place that manual in a cardboard file and place that file in a filing cabinet, no employee of the House of Commons would even think of walking into my office, going to that filing cabinet and removing that documentation. In fact, the Oasis staff were removing the electronic file that had been installed in the computers in my office, in the office of the Hon. Member for Churchill and in the office of the Hon. Member for Kamloops—Shuswap.

I think it is important that we ensure that from here on in, regardless of why the information was installed in that computer and why it needed to be removed, such information will only be removed with the explicit permission of those responsible within the offices. In other words, we should treat electronic material no differently than we would treat what we refer to as hard-copy material. Electronic information must be handled in the same manner.

In addition to this unauthorized removal of the software which was basically the instructions for one of the programs, a number of other files were accidentally erased.

I would ask you, Mr. Speaker, to review the rules of the House of Commons as they apply to the offices of Members to ensure that, from here on in, employees of the House of Commons are not allowed to remove electronic information from computers installed in Members' offices. Let us remember that the Board of Internal Economy has authorized the

installation of personal computers in all Members' offices here on the Hill. It is a matter that is important to all Members of the House of Commons.

It is important that we establish that the rules and procedures that have applied for years to our normal files apply to our electronic files. I would ask you to examine the issue, Mr. Speaker, and my staff, the staff of the Hon. Member for Churchill and the staff of the Hon. Member for Kamloops—Shuswap as well as ourselves would be more than willing to provide any additional information we can.

Finally, it is irrelevant why the information had to be removed. It is the process that I am concerned about.

**Mr. Speaker:** I take it that the Hon. Member would move the usual motion in the event that I would find that there is a prima facie case of privilege?

**Mr. Angus:** Yes, Mr. Speaker.

**Mr. Speaker:** I have listened with some concern to the intervention of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus). There may be other Members who can relate similar experiences. If that is so, I would invite them to call my office immediately.

What has taken place may well have been done in the greatest innocence, but I will most certainly look into it. An electronic file is just as much a file as any other file. I hope that we will find that the answer is innocent enough, but certainly the practice is not to be condoned. I will report back to the House at the very earliest opportunity.

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## GOVERNMENT ORDERS

[*English*]

**Mr. Speaker:** Pursuant to Standing Order 78, I do now leave the chair for the House to go into Committee of the Whole.

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### SUPPLY

CONSIDERATION OF SUPPLEMENTARY ESTIMATES (D)

House in Committee of the Whole for consideration of an item of the Supplementary Estimates (D) for the fiscal year ending March 31, 1988—Mr. Paproski in the chair.

Resolved—That a sum not exceeding $803,903,000 be granted to Her Majesty for the fiscal year ending March 31, 1988, as follows: Vote 35D—Agriculture—Grains and Oilseeds—Operating expenditures and the grants listed in the Estimates, $803,903,000.

**The Deputy Chairman:** Shall the resolution carry?

**Mr. Mayer:** Mr. Chairman, we are here today on behalf of Canadian farmers as a result of an announcement made by the Prime Minister in Ottawa at the Agriculture Outlook Conference in December. Perhaps I could say a few words about the circumstances that have led us to this motion in the House.

I think most Canadians are aware that we are in the middle of a very serious international grains situation. International prices have fallen dramatically over the last three or four years. Canada is a major player on the export market. In the case of wheat, about 80 per cent of what our producers grow must be exported. As international prices fall, it becomes a very difficult situation for Canadian grain producers.

The result has been that many farmers, especially on the grain and oilseeds side, are in some considerable difficulty. This has shown up in all sorts of areas. Prices have dropped pretty dramatically and in some cases as much as 50 per cent in the last two and a half years. I think all of us can relate to that. If we were to have our incomes or salaries cut by some 50 per cent over the last two and a half years, all of us would realize the dramatic effect that would have on the way we operate our businesses or our households.

There is no question that we are facing a very difficult situation. In many ways it is an international war, but in this case it is an insidious and undeclared war that is seeing casualties show up in the agricultural communities.

As a Government, we have responded in three areas and with three distinct policies on a consistent basis since the very serious situation developed. First, we have taken a deliberate policy of showing support for our agricultural sector. This has shown up in many ways. We have reduced the amount of tax payable by Canadian farmers. When prices fall, input costs must be cut, and that is the normal reaction of any business. Part of the input cost is associated with taxes and the Government has reduced the amount of tax payable on farm fuel. That has resulted in a saving of over $200 million to grain and oilseeds producers since the inception of that program.

Second, the Government has made a direct injection of cash. A year ago, many will recall that $1 billion was made available to grain and oilseeds producers right across Canada under the auspices of the Special Canadian Grains Program. Some 30 per cent of that money was put into the hands of farmers prior to the beginning of the last seeding season. That money was in the hands of farmers in February and March, 1987. The money we are talking about today will be in the hands of farmers in a similar period of time, except in this case we are making 75 per cent of the money available as an initial payment and those cheques will be going out prior to the end of March, whereas a year ago we made available 30 per cent of the over-all payment.

• (1130)

That is a substantial amount of money. Under this program alone approximately $1.5 billion will go to farmers in this fiscal year. That is an unprecedented amount of direct cash support for Canadian farmers, but we face an unprecedented situation.

I think that most farmers, if given a choice, would much prefer to receive their income from the market-place, but unfortunately one could make the case that the international market for grain and oilseeds products is not a market-place. We have to do what we can to support our farmers.

It is even more important that we support our farmers because they are not in difficulty because they are inefficient producers, because they produce an inferior quality product, or because our grain industry has a bad reputation for not fulfilling commitments or executing contracts when we say we will. We are in difficulty because of some foolishness going on in an international subsidy war, largely between the Americans and the Europeans. It is very important that we provide cash and assistance to our farmers in a very difficult time.

The third thing the Government has done is to follow a deliberate policy of selling. Many of us will remember that when we were in a similar situation in the late 60s and early 70s a decision was taken to try to back away from the market and not sell at low prices. The ideal was that if you do not sell when prices are very low the market forces will increase price and you will then be able to sell. That resulted in Canada taking a decision to decrease its production as a result of what was then called the Lower Inventory for Tomorrow Program. In the early 70s Canada cut its wheat production by almost half as a result of a policy encouraging farmers not to produce.

We have taken the exact opposite approach. We think that to back away from the market would send the wrong signal to the Europeans and Americans. We think that our farmers are much better off to sell as much as we can even though the prices are very low. We are better off to sell even at low prices than to back away from the market and not sell at all. If you have grain in your bin and do not sell it, you get nothing for it. If you have grain which you sell, even at a low price, you have some cash flow.

The result has been that in the last three years Canada has increased its share of the world wheat markets. That sends a signal to our competitors, namely, the Europeans and the Americans, that if Canada is able to match the price internationally we are then able to make sales on balance better than our competitors because there is no doubt that we have a very high quality product. Second, our country's reputation for being a reliable supplier and not using food as an embargo, as the Americans have done a couple of times in the past, has allowed us to increase our market share in the last three consecutive years. As I have said, we have been successful in maintaining and increasing our market share.

The fourth thing we have done is one of the most important aspects. We have taken a very aggressive role internationally to try to bring about a solution to the international trade war. The Prime Minister made agriculture part of the discussions at both of the last summit meetings. There is already indication that it will be part of the upcoming summit meeting in Toronto. We have taken a leading role in raising agriculture at the GATT discussions which are now under way. In many other areas internationally, where we have had an opportunity, we have raised agriculture as an issue.

I think most farmers would agree that if there is to be a lasting solution to the very depressed international prices it has to come about internationally. We have to back away from some of the trade-distorting subsidies which are causing problems. We must back away from some of the trade barriers that are preventing the free flow of agricultural goods. If we continue the way we are a country of 25 million people will find it very difficult to compete with a country the size of the United States with a population of 235 million or 240 million and with the European community with a population of over 300 million. The federal Treasuries in those communities are much larger than our Treasury.

If we are successful internationally, which must be the real solution to the problem, we will find that a Canadian farmer is able to compete against an American farmer and a European farmer, as opposed to the situation, now wherein a Canadian farmer has to compete not only against the American farmer but against the American Treasury, and not only against the European farmer but against the European Economic Community Treasury.

That is the situation we face. It is a very serious one for Canadian farmers. When we think about grain and oilseeds production we tend to think about the western provinces. That is not entirely the case. Ontario has more farmers than has any other province in the country. Ontario produces as much grain as does the Province of Manitoba. In point of fact, if you list the provinces in order of grain production you find that Saskatchewan is the largest producer, then Alberta, then Ontario, and then Manitoba. There is also grain production in other parts of the country. Therefore, it is not only a western or regional problem but genuinely a national problem and the Government has approached it as such.

The Supplementary Estimates with which we are dealing today confirm the commitment which the Government has to this very important industry at a very difficult time. Passing these Estimates will enable us to put some $800 million into the hands of Canadian farmers by the end of March which will be very useful in terms of encouraging and assisting farmers to seed crops this spring. Additionally, we will be proposing some amendments to the Western Grain Stabilization Act which we think will be useful in terms of providing support. There are many other things which we have done on the fiscal side. I am happy to be here this morning on behalf of the Government dealing with this very important issue for Canadian grains and oilseeds producers.

**Mr. Maurice Foster (Algoma):** Mr. Chairman, I am pleased to have an opportunity to say a few words with regard to Supplementary Estimates (D), and I guess there will be a Bill flowing from that, which essentially provides the funding for the Special Canadian Grains Program in the fiscal year of some $800 million. These Supplementary Estimates result directly from the United States' farm bill and the reduction in

the world price of grain. Clearly this past two and a half or three years has seen a devastating situation in the grain or agriculture price wars that have been going on in the international markets. We not only see the U.S. setting its loan rate so low that it pushes the world price of grain to a very low level, but it is providing as well an Export Enhancement Program which drives the price down even further. It is really a destructive policy.

• (1140)

Our Government has paid only passing attention to that policy because it has been involved in the free trade negotiations and has pretty well abandoned any criticism of the U.S. Farm Bill which without doubt has had a more devastating impact on Canadian grain and oilseeds and other cash crops than any other single piece of legislation passed in any Parliament or legislature in the world.

The Government should have been making stronger representations and fighting harder to see that the impact of this legislation is reduced. The Minister likes to talk about how the Prime Minister raised this matter at the Venice Summit last June. Certainly he did, but the President of the U.S. shot him down as soon as he did and the whole issue was thrown out far as any real action being taken by the U.S. administration is concerned, and the world price of grain continues to drop.

Unfortunately, the Minister had not done his homework and was unable to tell the Standing Committee on Agriculture a week or so ago how much further the U.S. farm bill will rachet down the price of grain in the coming crop year. There seems to be some indication that it will be reduced and it would be nice to know exactly what the impact will be.

Although the Government made a massive payment this year of $1.1 billion, that is only $100 million more than last year and the coverage is wider so the return to farmers will be lower. Yet the price of grain is 20 per cent lower this year than it was last year. Essentially, farmers are receiving approximately the same amount of money from the Special Canadian Grains Program when prices have dropped by 20 per cent and input costs have continued to increase. It is an extremely serious situation and will probably be worse in the coming crop year.

The tragedy in this does not apply only to the U.S. Government and its spending of some $25 billion or $30 billion on subsidies, in effect reducing the world price of grain. It applies to every grain producing country of Europe, as well as Australia, Argentina, and other prominent grain producing countries.

We were amazed that the Government of Canada should sign a trade agreement which the U.S. Government, immediately abrogated with respect to agriculture. According to that trade agreement Canada's interest were to be taken into account. Yet after that agreement was signed the U.S. aggressively went after Canadian customers using its Export Enhancement Program in violation of the agreement. There was supposed to be a standstill clause in that agreement to the effect that neither country would take action which could jeopardize approval of the agreement. Clearly that provision does not apply to the Export Enhancement Program.

There is considerable concern across the country with the program itself. I have a statement from the Ontario Soya-bean Growers' Marketing Board concerning a one-cent per bushel subsidy producers were to receive. The Chairman of that Board, Owen Dobbyn said that:

> The program was supposed to be equitable for all grain and oilseed producers and not influence the farmer's planting decisions—In fact, last spring Agricultural Minister John Wise told farmers not to base their planting decisions on government programs but on the returns they could expect from the marketplace.
>
> This one-cent per bushel payment for soybeans is telling soybean growers they made the wrong planting decision—they should have planted the crops which received a higher subsidy rate.
>
> Next spring farmers won't know which crops to plant. Should they look at market prices or plant the crops receiving the greatest subsidies?

Unifarm of Alberta took the Deputy Prime Minister to task at a meeting in Edmonton in early January. During a question period at their annual meeting delegates wanted to know why a proposal developed by western members of the Canadian Federation of Agriculture was not used by the federal Government when setting up the Special Canadian Grains Program. An article in the *Western Producer* says:

> At the heart of the complaints was a fear that the $1.1 billion program will not be market-neutral.
>
> —when interviewed, Unifarm President Ralph Jesperson was highly critical of the program.
>
> "If Members of Parliament and individual farmers have the ability to overrule us, it makes a mockery of the Government suggesting 'come up with a proposal through cnsultation and we will follow it,'" Jesperson said. "It's an aggravating situation."

Clearly, there has been much criticism of the program in that regard.

• (1150)

Concern was also expressed about the fact that at the same time the Prime Minister was announcing the special grains program, he was cancelling some $750 million of debt under the Western Grain Stabilization Program. Those who do not come under that Act believe that any additional subsidy or assistance should have been provided on a universal basis. The Western Grain Stabilization Program operates on the basis of those who have opted into the program.

I would like to know whether the Minister is contemplating any assistance for those who are not subject to the Act. One would normally expect this to be a universal program, but it is not in this case because the Government has cancelled some $750 million of the debt under the Western Grain Stabilization Program.

Those are some of the concerns that have been expressed to me since the program was announced. When the Prime Minister announced the Special Canadian Grains Program for this coming year, he outlined a long list of other programs

which the Government will continue. He announced the amount of funds that will be lost by the Farm Credit Corporation with regard to farm fuel assistance. Clearly, that whole situation in the farm debt crisis is being ignored or covered up by the Government. The Farm Credit Corporation has been in a state of crisis for the last year. Its equity position slipped below $124 million of deficit in the last fiscal year, with arrears of some $345 million in the last fiscal year.

It is estimated that in the fiscal year 1987-88, its deficit in equity will be minus $300 million and its arrears will balloon to over $405 million. The Government is either ignoring the farm debt crisis or attempting to sweep it under the carpet.

The chairman and the vice-chairman of the FCC were let go in early December. They have been proposing recovery programs for that farm debt crisis for over a year but the Government accepted none of them. It brought in a new chairman and vice-chairman, neither of whom is a farmer as I understand, but more oriented towards Treasury Board and the Department of Finance.

Therefore, we must question the future of the Farm Credit Corporation because the assistance provided for in this Bill is clearly inadequate to salvage thousands of farmers facing serious financial difficulty.

There is great concern in the agricultural community that the Government is planning to wind down the FCC just as it did with the Farm Improvement Loans Act. The Minister brought in that legislation on an urgent basis last June, telling the Opposition and the New Democratic Party that we must pass this legislation immediately because the life of the Farm Improvement Loans Act was coming to an end. That Act had provided some $300 million a year in loan guarantees for farm loans that were used for equipment, livestock, improvement to farm operations and so on. Yet seven months later, those amendments and the extension of the Farm Improvement Loans Act has not even been proclaimed.

The agricultural community is very concerned about whether the Government is planning to privatize or wind up those programs. We are still facing a farm debt crisis. Studies show that over 50,000 farmers out of some 170,000 who have sales of more than $20,000 a year are either insolvent or in serious financial difficulty. I hope the Government will take the problems facing Canadian agriculture with the farm debt crisis seriously because it does not seem that any action has been taken in the last 12 months, except to announce studies and replace staff.

We want these funds to be made available for the coming planting season. I was in Saskatchewan and Manitoba earlier this week, where many farmers told me that with the reduction in the price of grain by some 20 per cent this past crop year they will not have adequate funds, even with this program that will provide an average benefit of $7,000 per producer, to even plant a crop. This program will be helpful to those who are in a more favourable position, but it certainly will not help many farmers facing the prospect of lower grain prices in this crop year and even worse in the coming year.

During our exchange in the committee I hope the Minister will be able to respond to those questions which have been raised by the farming community during this terrible crisis which has befallen them in the last two or three years.

**Mr. Langdon:** Mr. Chairman, it is remarkable to hear the Minister concede this morning that we did not face an international market situation. He also indicated that this was an unprecedented situation for Canadian farmers.

At the outset, I want to stress that this is absolutely the case, not only in western Canada but in Ontario, as the Minister pointed out, and with respect to many farmers in Quebec.

[*Translation*]

The agricultural community in Quebec is faced with a lot of problems, and this is something which should also be looked into.

[*English*]

Yet, given that unprecedented situation of a serious set of problems which have built up, the Government is coming before us and essentially patting itself on the back, saying that it is doing as much as can possibly be done. Of course, it says that it regrets the situation but is doing everything it possibly can. That is simply because, in this case, it is throwing $800 million at the problem.

• (1200)

We support, in fact, again and again in this House we called for much earlier announcements so that farmers could plan with some security knowing what was going to face them in terms of financial help this coming year. Yet it was not until far into the crop year that actual announcements were made. That suggests to me and to my Party that there is no strategy. There is no broad understanding of the difficulties farmers face, and there is no broad response to those problems coming from this Government. Instead, we see a series of *ad hoc* actions which, although they are discussed with farmers, are not in themselves worked out with the goal of solving the long-term, very serious and, as the Minister has said, unprecedented situations faced by farmers.

As someone who represents a constituency which includes a great many farmers, that is the message I hear. It is a message which says very forcefully to me that the Government, despite the concern which farmers recognize on the part of the two Ministers—now the three Ministers who are involved in this subject area—is not addressing the problem with sufficient urgency. It is not being addressed with sufficient comprehensiveness. It is not, therefore, being addressed with sufficient seriousness.

The farmers in my constituency look, for instance, at a situation which faces them in which it is clear, despite the comments of an ambiguous sort from the Minister of National

Revenue, that tax audits continue to be an active part of the program of the Department of National Revenue with respect to farmers, even though those farmers face what the Minister himself says is an unprecedented situation.

We have a set of debt review boards established. Yet those debt review boards do not have within them the capacity to actually work out solutions which would lead to the potential write-downs of some debt or a potential packaging of combinations of debts with the FCC and with individual banks. There has not been given to these debt review boards that kind of power, despite the urgent necessity for that kind of capacity in order to intervene in the debt situation which exists for many farmers throughout this country.

We have to recognize that the debt situation of farmers as it stands in 1988 is at the heart of many of their difficulties. That debt situation is not something which was caused by them. It was something which was established by a foolish decision of the previous Government to permit interest rates to rise to absolutely ridiculous levels, and because the banks imposed this rise in interest rates on those farmers who had taken out loans with them. That is eating up much of the support being provided through this first and second round of deficiency payments which have been allocated and which are being discussed here today.

We have to raise very serious questions. Why the lack of a comprehensive approach? Why is there a lack of a broad strategy? Why is there this continual last minute recourse to *ad hoc* situations and *ad hoc* support, which is necessary and which we have called for, but which does not satisfactorily deal with the basic problems with which the farm sector is faced?

I have to say also, as a representative of one of two counties in Ontario which produce the bulk of soybeans, that the derisory one cent allocation for soybean producers is something which has hurt the Government far worse than had it decided to simply leave soybeans out of the program entirely. I would not, of course, recommend that. Instead, I would recommend a support for soybeans which would provide some kind of equitable recognition of the cost of production after stabilization payments have been taken into account. That would give a fair return to soybeans in comparison with corn and wheat which, in my part of Ontario, is very often grown together, as is the case in Kent County as well. That inequity simply has to be addressed by the Government in the Bill it will eventually bring in and the regulations which that Bill will permit to be established.

I would like to conclude by saying that all of us who represent, at least in part, farm constituencies, recognize that the problem farmers face is not an easy problem. It is a problem which requires action at the national level, at the international level and at the provincial level. But we also have to see the urgency of this problem as something that pushes us to try to deal with it in a much more comprehensive way and, therefore, in a much more serious way. Farmers are, of course, thankful for the *ad hoc* support, but they are not thankful for the delays with respect to announcements of programs. They are not thankful for the inequities which affect a commodity such as soybeans. They are not thankful for the failure of the Government to do what it said it would do before it was elected, that is, to establish a comprehensive and effective program to put the family farm back on a firm basis.

• (1210)

Certainly, as far as my part of Ontario is concerned, and as far as much of western Canada is concerned, the family farm is still very much at threat. Part of the reason for this is due to international programs and the policies of the United States. However, another part of it, too, has to do with the fact that the Government has not adopted a strategy. It has not tried to make a strategy to deal with the problems that face farmers, in particular, the debt problem which is something that represents a large failure on the part of the Government. It is something that farmers will recognize and pay back in terms of support for other alternatives in the coming election.

I believe that if the New Democratic Party were to form the next Government, we would adopt such a comprehensive policy. However, I hope that whatever Party forms the Government it will have a comprehensive across-the-board strategy to deal with the whole set of problems which farmers have been facing. That would be better than the continual *ad hoc*, last minute and, for that reason, unsatisfactory approach to the problem which farmers face.

**Mr. Keeper:** Mr. Chairman, I wish to take this opportunity to say a few words about the matter that is before us today, particularly since I come from Manitoba, a province in which agriculture plays such a major economic role. While I represent an urban area, I feel that most Manitobans have a direct and vital interest in agriculture. I hope that by contributing to this debate we can light a fire under the Government to increase its sense of urgency with regard to agricultural problems.

I wish to say right off the mark that I feel that the Government has failed the test of leadership when it comes to facing agricultural problems and when it comes to resolving the crises that are facing farmers today. Let me be clear that today in the House we are facilitating the Government's efforts to make a payment of $800 million under this special agricultural program.

In terms of the over-all picture of the crisis that is facing agriculture I want to say something about the Government's responsibilities and its failure to meet the test of leadership.

What types of problems are farmers facing today? What situation do we find in agricultural Canada? What type of a situation do we find among grain producers? The situation is at a crisis point. It is critical. If we were talking about a patient in the hospital we would be talking about life and death. This is a situation which requires not cosmetic surgery but immediate and radical surgery in order to bring the patient back to health.

Farmers are facing debts which threaten their existence. The number of bankruptcies is rising. Those farmers who can continue to farm have no disposable income. They are living in poverty. The prices for their products are falling while the costs of production continue to rise. From the point of view of farmers, they are in a critical situation. Critical situations demand fundamental and radical solutions.

What is the Government doing? Today it is moving and today it deserves credit. It is making available an additional $800 million that will be going to farm producers. This will provide some $5,000 or $6,000 to each producer. Thus it is helpful and the Government deserves some credit for taking some positive action.

Is it enough? Will it resolve the fundamental problems that have put the farmer in the crisis situations that they are facing today? Will it ease the poverty of farmers? The answer to those questions is a resounding no.

I wish to mention a couple of other areas in which the Government has tackled the agricultural question and failed in the test of leadership when it comes to resolving these problems. One such area has to do with the international negotiations in which the Government is involved. In this respect it is approaching the problem with band-aid solutions when what is required is radical surgery.

The Government takes credit for the fact that agriculture is on the agenda of GATT. Just because it is on the agenda does not mean that it will be resolved adequately. It does not mean that the agricultural war in subsidies between the European Common Market and the United States, which is hurting our producers, will be resolved. We have all gone to meetings at which items of vital concern to us are on the agenda and we have all walked away from such meetings disappointed because our problems were not resolved. Simply to have the item on the agenda is not enough.

The trade deal of the Prime Minister has a section which deals with trade subsidies. I opened the trade deal up to read those words carefully, because when we were holding hearings with regard to the trade deal an agricultural group came before us in support of it. I thought then that there must be a resolution to the problems of farmers in this trade deal. When I read the words of the deal I saw that it was a promise to deal with agricultural subsidies, a promise and nothing more. We have had promises before. We have had inflated promises before from the Prime Minister. If there is one thing that our Prime Minister is famous for it is his inflated promises.

To deal specifically with the American-Canadian relationship, we have had promises with regard to acid rain. Those have created no concrete results. Here again we have promises that the Government will deal with the problems facing agriculture, but they are nothing more than promises.

To sum up what the Government is doing with regard to agriculture, it is taking a band-aid approach to a festering sore. It makes available some short term payments which are welcome and which are necessary but, then, a starving man will always accept a slice of bread. The Government has said that the problem of the grain subsidy war is on the agenda at GATT. Yet it has not enunciated any convincing strategy for resolving the problem at that level. The Prime Minister's trade deal has a promise for some time in the future to deal with subsidies, but there have been no results.

• (1230)

I want to deal with a final aspect of the crisis in agriculture and the failure of the Government to meet the test of leadership in resolving the problems of farmers by looking at them from the point of view of what is required. As I said at the beginning of my remarks, the farming community is in critical condition because of the subsidy war between the United States and the European Economic Community in agricultural matters. We need peace in the agricultural subsidy war, and we need this country to live up to its potential in international negotiations.

Former Prime Minister Pearson won the Nobel Peace Prize for his international negotiations, for having brought peace to a conflict in the Middle East. Let us reach for that potential once again and apply it to international trading relationships as they affect agriculture.

Primarily the Prime Minister is running for public support on the basis of a free trade agreement which he negotiated on the international scene. He is claiming to be a great negotiator and a great conciliator. Let him apply those skills to agriculture. Let him bring peace to the agricultural war on subsidies which is critically hurting our farmers.

I want to sum up by simply saying that in my view—and I am sure it is the view of most farmers—the Government has failed the leadership test when it comes to resolving the problems in agriculture. I say "leadership test" because leadership would find solutions to problems to resolve the situation so that we do not have to live with them every day.

The Government has found band-aid solutions, which means that the sore continues to fester. It has yet to demonstrate in its actions an awareness that farmers are faced with a crisis today or that the farming community is in critical condition. What the Government has done so far is palliative, and what is needed is fundamental, radical surgery. We want a solution to the problems facing agriculture. We want the Government to show strong leadership and to take initiatives which will resolve the trading war that is hurting our farmers, rather than having the Prime Minister cosy up to the American President and singing "When Irish Eyes are Smiling", while they are selling out Canadian agriculture.

**Mr. Mayer:** What would you do? Tell us your policy. What would you do?

**Mr. Keeper:** Mr. Chairman, I hear a voice over there. I would welcome the Minister standing in the House and explaining why he is supporting a trade deal with the United

States which fails to resolve the problems of agriculture and at the same time protects the nuclear industry. Why does he take strong action when it comes to the nuclear industry and sell out farmers? Why is he supporting a trade deal which fails to resolve the subsidy war that is destroying agriculture in Canada? I challenge the Minister to answer that question. He can only yell from his seat.

**Mr. Foster:** Mr. Chairman, I wonder whether the Minister could respond to a couple of questions.

Clearly there was strong criticism of the Government's mechanism for establishing the Special Canadian Grains Program by Ralph Jesperson, the President of Unifarm in Alberta, when he debated it with the Deputy Prime Minister a couple of weeks ago. Could the Minister outline the reasons for rejecting the proposal made by members of the Canadian Federation of Agriculture from western Canada to base the acreage on seeded acreage rather than use planted acreage for several years? I think the argument was that the seeded acreage for this crop year encouraged farmers to do what one of the Minister's colleagues on the government side has described as "recreational seeding". Be that as it may, this responsible group recommended another basis for providing benefits rather than the one adopted by the Government which seems to encourage the planting of greater acreage and potentially could lead to abuse.

Essentially that same argument or a similar one was made by soybean growers in Ontario. Of course the incredibly small payment of one cent per bushel was a strange arrangement.

Could the Minister tell us why the current year seeded acreage arrangement was used when some farm groups, especially those in Alberta, were recommending planted acreage over a period of several years?

Another aspect is that about 15 per cent of farmers who are not members of the Western Grain Stabilization Program have indicated concern that some $750 million of debt was cancelled from that program. They feel that that should have been done on a universal basis. There may have been other reasons for the Government cancelling that debt rather than just to benefit farmers. For instance, how much debt can be paid through a contribution of $1 by the farmer for every $2 by the federal Government to a plan where the premiums paid by farmers at the present time are $600?

Could the Minister respond to those two or three issues which have been raised by various farm groups?

**Mr. Mayer:** Mr. Chairman, the Hon. Member raised a question about Unifarm. I was not at the meeting, and I have not had a chance to talk with anyone who was there. I am going by the press reports as is, I assume, the Hon. Member. I have two or three things to say in that regard.

We did not ignore the so-called CFA proposal. It was not strictly a CFA proposal *per se* but it was under the auspices of CFA. We used its suggestion on the price side, that we use the 1985 prices as compared with 1987 prices. If the press reports of Mr. Jesperson, the President of Unifarm, are accurate, I do not accept them at all.

If we are to make something market neutral, we must include the reality of what is out there. The reality is that there are special crops and there is summer fallow. In fact we took the CFA proposal and enhanced it.

We have a situation in western Canada—and that is what we are talking about—where there are about 80 million acres of cultivated land, of which approximately 18 million acres are in summer fallow. I would take the exact arguments the Hon. Member makes and turn them around. If we had not included summer fallow, which is a reality to the extent the acreage payment is an incentive for people to do something, it would encourage so-called "recreational seeding". You could have people, if they are going to get $12 or $15 an acre, taking a drill, running in a bushel of oats calling it seeded, or running in a bushel of wheat per acre and calling it a seeded acre and then collecting the payment on it. By including special crops, by including summer fallow, in my view, you make it as market neutral as you possibly can.

• (1230)

We certainly did not ignore the CFA proposal. We took it as a foundation and a fundamental and we built on it. We had many discussions with farmers in the Prairie region on this very issue. We talked with them about what they thought of summer fallow and what level would be reasonable in terms of their costs of working an acre of summer fallow as opposed to seeding an acre of wheat or barley. What was the split? We got figures from 25 per cent to 40 per cent or 50 per cent. Hence we made a judgment call and included summer fallow at the rate of one-third of the amount of money that an acre adjacent to it would get if that acre were seeded to wheat, barley, canola or whatever.

To recap, Mr. Chairman, we took the CFA proposal, added to it and, in doing so, made it much more market neutral. Outside of Mr. Jesperson, to whom I have not spoken and to whom I would like to speak to on this issue—perhaps I will have a chance—I have not heard any criticism that we are including summer fallow and special crops.

The Member talks about soybeans and the soybean growers concern. There is no question about that. We must accept the fact, as the Hon. Member did when he spoke, that the main problem we are facing is a result of the U.S. farm Bill which came into effect in 1985. What we are trying to do in this program is address the hurt or the drop in the market-place since 1985. The reason there is a very small payment for soybeans is that in 1985 the crop returned $244.95 a tonne. Those are the figures. We estimate that for the 1987 crop, producers will receive $243.80. In other words, it is $1.15 a tonne less for the 1987 crop than what they got in 1985. If the Hon. Member follows what is going on in prices, prices for soybeans in Ontario now are considerably higher than that.

They are in the $260 a tonne range. Everyone says "Look, we want to get our income from the market-place" Soybean growers for the 1987 crop will get, by our estimates, very, very close to what they got from the market-place in 1985, hence, no payment.

If you are going to establish some of these programs that have criteria, surely you have to base them on what is going on in the actual market-place and make your payments based on those kinds of criteria. That is what we have done. Every other producer should be so lucky. What if we went to people who grow wheat or barley and said "There isn't going to be much of a payment because wheat prices are back to the 1985 levels, what would you sooner have, the support that is coming from the Special Canadian Grains Program or the same prices you got in 1985?" Everybody would say "Give us the 1985 prices". Very simply, when you look at the figures, you will see the point I am making.

The third point the Member raised is the WGSA. People chose either to be in the program or out of the program in 1976. They had to make a deliberate choice. People who chose not to be in the program and now see part of the deficit being written off, I think, have a very legitimate and valid concern. They say, "Look, the rules have been changed part-way through the program, part-way through this crop year". The rule change being that the Government has decided to write down part of the deficit by $750 million. Producers outside of the program with some considerable justification say, "We don't mind the fund making payments on the basis of money that goes in from the producer and the Government the way the plan was originally intended to operate, but when the fund gets into such a large deficit—"the Hon. Member knows the numbers and I am going through this very quickly because it will take 10 to 15 minutes to explain this thoroughly and I am sure the Member understands that"—it risks becoming totally insolvent. The Government does not want to see that happen. The producers that are a part of it do not want to see it happen. So the Government stepped forward, and we have to say thank you to the Minister of Finance for the $750 million which is not an insignificant amount of money, with which we are going to write down the deficit. Producers not part of the program say that they should have part of it. They have a very legitimate concern. We say that we will also alter the rules for then, the producers, who are not part of the program for the 1987-88 crop year.

We will be bringing forth amendments quite quickly—I cannot say we will guarantee this but I do not see any reason why we will not have the amendments in the House and well along at committee stage and hopefully we will be able to pass the Bill as quickly as we can, so the producers who are not part of the plan now will have a chance to join it as of August 1, 1987.

Between 10 and 15 per cent of producers are not in the plan. They will also have a chance to join on a much more attractive basis than they had as of the beginning of this year. Considerable more benefit will go to them in the present crop year than had they joined August 1, bearing in mind that they are outside of the plan now and there is nothing in the legislation that allows or gives them the opportunity to have any benefits from the present plan.

Third, we want to open the plan up so that more producers can contribute more crops, virtually all of the specialty crops, so that we get away from just the major crops. On that basis, it becomes more market neutral. The amendments we are talking about are quite substantive. To give you some figures, Mr. Chairman, the amendments we are talking about, depending upon how many producers join, will see as much $80 million to $100 million going to producers who are not now part of the Western Grain Stabilization Plan.

I have had producers approach us who say they want to have the plan retroactive to 1976 when it first started. I do not think we can accomplish that. That, in my mind, is not legitimate or fair-minded. What we can do and what we are proposing is to give people who are not now part of the plan an opportunity to be part of the payments for the present crop year. I know this will not satisfy everyone and it will not go as far as some people would like, but it certainly will be a considerable benefit to producers who are not part of the plan. Obviously, the last thing we will have to do is raise the levy.

To clarify that, if I heard the Hon. Member correctly, he is not accurate in what he says about the levy. It is not two for one. The producer contributes a percentage of his gross sales. He contributes presently 1 per cent of his gross sales to a maximum of $60,000 which means the most any producer can contribute is $600. The Government contributes 2 per cent more than that, so the Government contributes 3 per cent. If we raise the levy, for instance, to 4 per cent, the Government would contribute 6 per cent. It is on a percentage basis as opposed to one for two or one for three. We are looking at raising the levy rate to help keep the deficit down.

Let me make one more brief response, if I may, in answer to some of the concerns raised by the Hon. Member for Winnipeg North Centre. The Member can stand up in the House and say that he does not like our policy, but he should not accuse us of not having a policy because we certainly do. What that tells me is that speakers this morning from the New Democratic Party do not understand what the Government has been doing in long range policies as far as agriculture is concerned.

Just to make the point, we have policies. New Democrats may not agree with them but they are very simple and fundamental. I will send the Member a copy of the initiatives that we announced on December 15 because they are quite substantial in commitment. It is approximately a $3 billion commitment which covers many auspices. It is not only cash injection, it is down the road research, soil conservation, market development; the whole thing. The fundamental facts of Canadian agriculture are that 50 cents of every dollar a Canadian farmer takes in comes from trade. That is a fact. We cannot close our borders and sell all our product to Canadian consumers. We produce in abundance. We live in a very,

favoured part of the world. Our farmers do a fantastic job for the Canadian consumer. They are very competitive internationally, but they cannot be competitive if we cannot agree to play by and abide by some trade rules.

• (1240)

The most fundamental approach that any Government can take on behalf of Canadian agriculture, if it understands it at all, is to attempt to put some order in the international trading system. Again, we may be accused of using a policy with which the NDP does not agree, but to say that we do not have a policy shows a fundamental ignorance on the part of the NDP of what Canadian agriculture is all about. Hence, the emphasis on the trade deal with the United States.

For the Hon. Member's information, the agriculture critic of his Party is a farmer who comes from the middle of Saskatchewan, Humboldt—Lake Centre, an area of Canada that produces some of the highest-quality product in the world. With this trade deal with the United States we are attempting to give that Hon. Member as a farmer, and his neighbours as farmers, an opportunity to sell that high-quality product in other markets in the world without trade-distorting barriers, whether they be subsidies or non-tariff barriers. That is why we are so concerned about the GATT negotiations.

The Hon. Member is absolutely right when he says that there are no guarantees that simply because agriculture is part of the agenda there will be progress or a solution. On the other hand, we can guarantee him totally that if agriculture is not on the agenda, something which has been the case in the past, there will be no progress.

Having said that, I believe that considerable progress is being made. However, we should understand that the most fundamental policy any Government of Canada can have on behalf of agriculture, understanding that 50 cents out of every dollar a Canadian farmers earns comes from trade, must be to provide some sanity in the international market for agricultural commodities.

As an example, there is, roughly, a $2-billion hog industry in Canada and $800-million of that is exported. That means that 40 per cent of it is exported, and of that amount about three-quarters goes to the United States. Why does it not make sense to try to work out some trading arrangements with the United States so that we will know on what basis we will be able to trade with the United States? That is fundamental.

Our approach is a multi-faceted one. First, we are supporting the farmers, and everyone knows that is for the short run. We are negotiating as hard as we can internationally to bring about some sanity so that farmers can trade with some security of access to markets. In the meantime, we are selling aggressively, using the fact that we have some of the best quality grains and oilseeds in the world.

I would argue that we have one of the best gene pools for livestock, beef cattle and dairy cattle in the world. We produce quality animals. The fact is that our climate allows us to produce those things. I could go on to list, for all the commodities, the opportunities that exist internationally. However, if Canadian agriculture is to survive on a long-term basis and be the vital part of Canada it has been in the past, it must trade. We are attempting to get some international rules for trading under the leadership of the Prime Minister of Canada.

**Mr. Foster:** Mr. Chairman, I wonder if the Minister could advise the House if the present formula for payments under the Special Canadian Grains Program which he has outlined in some detail meets the criteria the Government is developing to meet the requirements of the OECD countries. It is my understanding that the OECD countries want a formula for deficiency payments which is totally market neutral. Obviously Ralph Jesperson and the Unifarm organization in Alberta do not think that this is neutral enough. The Minister, however, says that it is. I would be interested to know if it meets the criteria the Government is using for that.

There is a great deal of concern in the agriculture community about how that formula is drafted. Farmers do not like welfare so they do not want a formula that is not related somehow to production. Obviously that is why the Minister is using this particular formula. At the same time, we should not be encouraging recreational seeding.

Would the Minister be willing to table in the House or with the Agriculture Committee the formula which is being proposed for the OECD studies? Second, I appreciate the Minister's comments with regard to the Western Grain Stabilization Act, but there has been great concern among farmers who are not a part of it. They see a special payment of $750 million being made and they claim it should be paid across the board rather than just to people who take part in the Western Grain Stabilization Act.

Will those people who have applied during the previous crop year, 1986-87, be eligible, as I took from the Minister's comments, to be taken into the fund under the proposed amendments as of August 1, 1987? Will they be eligible for payments during the 1987-88 crop year or will it be the following year? Will it be on a full participation basis or will they be eligible for only a portion of the program?

It seems to me that we should move to strengthen the Western Grain Stabilization Act approach to stabilization, rather than going through the Special Canadian Grains Program, while at the same time maintaining the upper limit at a level which does not end up seeing many very large farmers receiving very large payments.

**Mr. Mayer:** Mr. Chairman, the Hon. Member is talking about two ways the OECD has of measuring subsidies, the producer-subsidy equivalent or the trade-distorting equivalent. The simple answer to his question is yes. I would suggest, and it very fundamental, that if the Special Grains Program only pays on seeded acres, farmers would have to seed to be eligible. That is an incentive to produce. However, if we pay, in

addition to seeded acres, for summer fallow, that is neutral in my opinion. We believe, after much discussion with producers, that the percentage that goes to summer fallow is reasonable when balanced with what is paid on an acre of seeded crop. If we pay on all cultivated acres, it is production neutral. The farmer will get assistance if he does seed a crop and he will get assistance if he does not seed a crop.

The simple answer to the Hon. Member's question is yes, it is helpful as far as the OECD is concerned. I think the Hon. Member can understand that the answer is yes, subsidies that do not encourage production are acceptable.

Although that is taken into consideration when we decide what to do to support farmers, it is certainly not the main consideration. We do our very best to establish policies we think will be helpful to Canadian producers and at the same time bear in mind their international consequences. The main concern is with what goes on domestically.

Very briefly, in response to the question about the WGSA, producers who applied to join prior to July 31, 1987, last crop year, then will also have more benefits under the amendments we are proposing than they would have had without the amendments. Everyone that joins the plan under the amendments will be eligible for benefits for the 1987-88 crop year. We are not looking at bringing them into full participation in the first year, but it is quite attractive and does not have a 10 per cent penalty. There are some things in the present Act that we can use to make joining quite attractive to producers presently outside the program. The proof of how attractive it is, is that we anticipate it could result in the distribution of another $80 million to $100 million to people presently outside the plan.

• (1250)

**The Deputy Chairman:** Shall the resolution carry?

**Some Hon. Members:** Agreed.

**The Deputy Chairman:** Shall I report the resolution?

**Some Hon. Members:** Agreed.

Resolution reported and concurred in.

**Mr. Mayer:** thereupon moved that Bill C-108, for granting to Her Majesty certain sums of money for the Public Service for the financial year ending March 31, 1988, be read the first time.

Motion agreed to and Bill read the first time.

**Mr. Mayer:** thereupon moved that Bill C-108, for granting to Her Majesty certain sums of money for the Public Service for the financial year ending March 31, 1988, be read the second time and referred to Committee of the Whole.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

On Clause 2—*$803,903,000 granted for 1987-88.*

**Mr. Foster:** Mr. Chairman, I wonder if we could have a copy of the Bill? I think it would be nice if the Minister had one, too, since he is carrying the Bill.

I would like to ask the Minister if he could tell us what date the cheques will be sent out to farmers for the first two-thirds of the payments under the Special Canadian Grains Program?

I would also like to ask if the same kind of appeal arrangements will be available under this Bill as were available last year so that farmers who are not satisfied with the decision regarding payment will be able to appeal to a body of their peers? Will the same or strengthened arrangements be provided in that regard?

**Mr. Mayer:** Mr. Chairman, I would be happy to provide the information. The application forms for people living outside the Wheat Board region were in the mail last week. We anticipate initial payments in the Wheat Board region, and I think the Hon. Member understands the difference because we are using Wheat Board figures out of permit books on the initial payments for the Wheat Board area, being in the mail February 26. We anticipate the initial payment for the other parts of the country being in the mail and in producers' hands prior to the end of March. The final payments will be out at the end of May, the beginning of June, basically the same time frame as last year.

As to whether we will be using an advisory committee, the answer is yes. This is not really an appeal process. The advisory committee will not be the final arbitrator. It will look at individual cases, get the facts, make its best judgment and, on that basis, make recommendations to the Government on how to proceed. The advisory committee was a very useful committee last year and it will be used on the same basis for the present program.

**Mr. Foster:** Mr. Chairman, I still do not have a copy of the Bill. I was given another Bill. I assume the Chairman of the Committee has a copy. I think at least one Member on each side of the House should have a copy of the Bill before us so we know what we are approving. We have the Estimates and that is fine.

While that is being provided, I wonder if the Minister can clarify something. It was my understanding that we had more than an advisory committee last year. We had an actual appeal committee. If a decision was made that a farmer felt was unjust, he could appeal the decision.

**Mr. Hawkes:** Point of order, Mr. Chairman. There has been a little bit of confusion about provision of the Bill. I wonder if we might just have unanimous consent not to see the clock so we can finish things before the normal hour of adjournment?

**The Deputy Chairman:** Is that agreed?

**Some Hon. Members:** Agreed.

**Mr. Mayer:** Mr. Chairman, in response to the Hon. Member for Algoma, that was not the way the committee functioned last year. I guess you could say in one sense the committee heard appeals or concerns from producers. However, that was not the process which resulted in action being taken. We are trying to make the plan as effective as we can and we want to accommodate as many producer concerns as we possibly can. Everyone should understand that the review committee will be hearing appeals and, on the basis of what they hear, they will make representations to the Government as to how to proceed with those appeals.

Clause 2 agreed to.

Clauses 3, 4, 5 and 6 agreed to.

Schedule agreed to.

Clause 1 agreed to.

Title agreed to.

• (1300)

**Mr. Foster:** Mr. Chairman, I rise on a point of order. I think it is extremely bad form to be proceeding with a Bill which is not available to Members of the House generally.

**The Deputy Chairman:** I agree that that should not happen. I regret that the Hon. Member has not received a copy of the Bill. I am sure he will receive it later today.

**Mr. Keeper:** Mr. Chairman, on the same point of order, I just want to echo my colleague's comments that we should have the legislation before us.

**Mr. Foster:** I hope that the Minister or the Chairman of the Committee can give assurances to Members on this side of the House that the Bill includes exactly what was in Supplementary Estimates (D). Otherwise it is really a sham for the House to be operating on this basis without having the Bill before us. I hope you can give us that assurance, Mr. Chairman, because I am not sure that the Minister has a copy of the Bill either.

**Mr. Mayer:** Mr. Chairman, without trying to belabour the point, I have to agree with those sentiments. We are talking about a major expenditure of money. This is a very important issue which no one wants to delay. It is important that these appropriations be approved so that we can get the process under way.

I will give the Hon. Member whatever assurance I can that the Bill is in total conformity with the Supplementary Estimates as they were printed. I see no reason for anyone to doubt that, but to agree with what has been said, it would be much better for all of us, as far as the process is concerned, if we knew exactly what we are dealing with. It is a major and fundamental issue. I do not think anyone wants to delay it. Surely we should be able to have the proper paperwork done so that we can proceed in an orderly fashion.

**Mr. Keeper:** Mr. Chairman, we obviously want to facilitate the passage of this legislation. I will accept the assurances of the Minister that the Bill is in conformity with the program and with the Supplementary Estimates. I will leave it to the Chairman to look more deeply into how we arrived at a situation in which we have no legislation but are between a rock and hard place in terms of allowing this legislation through the House.

**The Deputy Chairman:** I could rise and report progress of the Bill and then come back at three o'clock, have Hon. Members receive a copy of the Bill, and resume Committee of the Whole. If that is agreed, we will carry on in that way. Members have the assurance of the Minister that the Estimates are the same as the Bill. I am left to the discretion of Hon. Members.

**Mr. Foster:** I think we should complete the work of the committee at three o'clock.

**Mr. Keeper:** Mr. Chairman, I think you have found a practical solution to a very difficult problem.

**Mr. Hawkes:** On the same point of order, Mr. Chairman, I think it is important to have some provision. I assume that when we recommence at three o'clock we would still be in Committee of the Whole. Would that be your intention, or have we gotten to the stage where the Bill is actually reported to the House and we are in report stage?

**Mr. Deputy Speaker:** I am rising to report progress of the Bill and that will finish it until three o'clock.

**Mr. Hawkes:** Can I assume, Mr. Chairman, that we would be in report stage so that if there was a problem with the actual appropriation Bill in that it deviated in some way, we would have a mechanism available at report stage, under unanimous consent, to correct a figure or some such small error and would move then immediately to third reading without debate if there were no such errors and would take a voice vote? Is that what the Opposition has in mind?

**Mr. Foster:** Mr. Chairman, that would be in conformity with my proposal that we report progress and return to Committee of the Whole when we have the Bill before us at three o'clock.

**The Deputy Chairman:** Shall I rise and report progress?

**Some Hon. Members:** Agreed.

Progress reported.

**The Deputy Chairman:** It being one o'clock p.m. I do now rise until two o'clock this day.

At 1.07 p.m. the House took recess.

## AFTER RECESS

The House resumed at 2 p.m.

## STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

### REGIONAL ECONOMIC DEVELOPMENT

METROPOLITAN REGION OF QUÉBEC—PROMISES MADE BY GOVERNMENT

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, the Quebec City region no longer seems to have a strong spokesman in the Conservative Government. Issues are left to stagnate, and promises made by the Hon. Member for Langelier (Mr. Côté) and Minister responsible for the Quebec City region are not kept.

Where is the federal subsidy of $200,000 promised in 1986 for setting up an arbitration centre attached to Laval University? Where are the $600,000 the federal Government promised for the high tech industrial park at Ste-Foy?

Why has the federal Government failed to take any measures to guarantee the future of the Inter-Port Corporation responsible for the economic development of the harbour area? Why have surplus funds from Rendez-vous 1987 yet to be distributed among regional agencies such as *Carnaval de Québec* and the Festival d'été de Québec, as promised by the Minister responsible?

Recently, Mr. Pierre Racine, President of the Chamber of Commerce and Industry of Greater Quebec City, expressed his concern, saying it would be a great disappointment if the federal Government failed to keep its promises.

Why does the Minister responsible for the Quebec City region, the Hon. Member for Langelier, make promises he cannot keep? Why is he dragging his feet? People in and around Quebec City were used to having strong men in Ottawa to defend their interests, but compared with Jean Marchand, Gilles Lamontagne, Pierre Bussières and Charles Lapointe, the present Minister is a lightweight.

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[*English*]

### SCIENCE AND TECHNOLOGY

CREATION OF CENTRES OF EXCELLENCE—PLEA ON BEHALF OF UNIVERSITY OF SASKATCHEWAN

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, it is important to realize that the future productivity of our nation is dependent on our ability to use science and technology with increased effectiveness. This makes the recent announcement of the additional $1.3 billion commitment to research and development important to all Canadians.

Despite the constant criticism from those who expect the Government to support most research budgets, the Government has chosen the right direction by providing our universities with much needed R and D funding and scholarships.

The creation of centres of excellence, combined with university scholarships, will help expand the pool of human resources necessary for the continued development of this country. Those businesses and industries which strive for continued success will provide opportunities for Canada's young scientists and researchers. I am hopeful that a centre of excellence will be established at the University of Saskatchewan to allow all Canadians to share in the world-class research now being done there.

I see the allocation of these new R and D funds as the beginning of a new direction for science and technology in Saskatoon, as well as across the country.

* * *

### PROVINCIAL AFFAIRS

ALBERTA—HEALTH CARE CRISIS

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, in 1983 the Province of Alberta took the right to strike away from the nurses of Alberta. The Alberta Hospital Association capitalized on this anti-strike legislation by cutting back nurses' wages by 3 per cent.

At the same time the Conservative Government in Alberta has been severely underfunding health care and starving hospital budgets, a situation which is exacerbated by the diminishing federal share of health care dollars. Hospitals are so underfunded in Alberta that there are 290 vacant nursing positions which the hospitals cannot afford to fill.

Instead of promoting a less expensive, preventive approach to health care, Tories prefer to pass regressive legislation which takes away the right to strike, and then scapegoats the traditionally female profession of nursing. This is responsible for creating the present health care crisis in Alberta.

There are no more dedicated professionals than underpaid nurses who work very hard in caring for the patients. The nurses of Alberta are supported by Albertans and by editorial comment.

Bill 44 should be repealed, and the Government of Alberta and the Government of Canada should fund health care adequately so that patients will have adequate care and nurses will be paid what they are worth.

*S. O. 21*

## ENVIRONMENTAL AFFAIRS

ACID RAIN—INCREASED AWARENESS IN UNITED STATES

**Mr. Stan Darling (Parry Sound—Muskoka):** Mr. Speaker, Canada has not given up the fight against acid rain. None in this House are pleased with the recent American proposals to curb acid rain. The proposals fall very short of what I expected.

However, as the Hon. Minister of the Environment (Mr. McMillan) said in the House on Tuesday, the Government has been successful in raising the profile of this serious pollution problem in the United States.

Our program aimed at American tourists coming to this country has been successful in making a majority of Americans aware of our concerns.

The determination of the Minister has resulted in some progress. Congressmen like Gerry Sikorski and Robert C. Smith are but two of the friends we have within the American system. Senator George Mitchell is another good example. A Senate committee in the United States recently passed one of his Bills to combat pollution and reduce it greatly.

This Bill, teamed up with the concerns of many political leaders in the United States, will likely result in some intelligent action being taken on this problem.

The next eight months are extremely important. Some 60 cities in the United States are liable for sanctions under the Clean Air Act. I am sure everyone in Canada wishes to see the Hon. Minister of the Environment continue the good work he has done. We hope the Prime Minister (Mr. Mulroney) keeps the pressure on the President as well.

* * *

• (1405)

## CANADIAN BROADCASTING CORPORATION

REPORTING GOVERNMENT BEHAVIOUR—PRIME MINISTER'S POSITION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, it would appear after yesterday's announcement that the Government is in a dilemma about the all-news channel going to CBC. It seems the belief of the Right Hon. Prime Minister (Mr. Mulroney) is that the CBC is too negative in its reports on his Government, so I propose an easy solution.

The Prime Minister should give the CBC and all other media some good news to report. He should stamp out the many ongoing scandals and get on with serious legislation. Does the Prime Minister not realize that it is the unsavory land and money scandals, the confusion on free trade, the threat of a tax on food, the rise in drug prices, issues of conduct and questions of ethical standards, which provide nothing but well founded negative coverage?

It is clear that as long as the Government continues its present bizarre and dubious behaviour, it will take an all-news channel just to keep up with the daily revelations. My real concern is that the Right Hon. Prime Minister should not have further damaged his credibility by interfering with the decision by the CRTC, which was arrived at through fair and open competition. Let his Ministers and other Conservative Members get down to serious work and don't shoot the messenger, just change the message.

* * *

[*Translation*]

## FREE TRADE

POSITION OF SOCIALISTS

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, what is the matter these days with the Socialists? They used to be vindictive, arrogant and negative in their attitudes to the Free Trade Agreement, but today we hardly hear them anymore. Have they noticed, by any chance, that Canadians want free trade? Did they notice that in Quebec, Premier Bourassa's Liberal Government is one of the most fervent defenders of the Free Trade Agreement? Did they notice that the aspirant Leader of the Official Opposition in the National Assembly is a staunch supporter of free trade?

Mr. Speaker, if they were really serious when they spoke out against free trade, why today's silence? Why the about-face?

Mr. Speaker, Canadians must ask the Socialists, and they must tell us, why they have nothing more to say about Quebec and free trade.

Did the Hon. Member for Oshawa (Mr. Broadbent) receive orders from Bob White? Was he gagged, just as he gagged the Member for Ottawa—Centre (Mr. Cassidy) the day before yesterday? I really don't know, Mr. Speaker.

* * *

[*English*]

## WILDLIFE

GREAT BLUE HERONS—EFFECT OF DIOXIN CONTAMINATION

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, last year not a single egg hatched from a 52 nest colony of great blue herons at Crofton, British Columbia. Fragments of the eggs were found to have traces of dioxin. On Monday the Minister of Fisheries and Oceans (Mr. Siddon) provided information on testing of shellfish from waters around pulp mills at Crofton and Nanaimo. The lab confirmed an earlier study released by Greenpeace showing traces of dioxin in shellfish at the Harmac pulp mill.

The Department of National Health and Welfare has assured Canadians that the level of contamination is well below the level of risk. We await the findings of the Department of the Environment as to the affects on wildlife.

The issue of dioxin contamination is not new, but not until late last fall did the Department of Fisheries and Oceans and the Department of the Environment initiate a national program to determine dioxin levels around Canadian pulp mills. It was only because of the publicity for the Greenpeace study that the single testing lab of the Department of Fisheries and Oceans pushed the B.C. samples to the head of the line.

Since the Greenpeace report was released, MacMillan Bloedel announced it would stop dioxin contamination near company mills by March 31, by using a different process. I applaud the action MacMillan Bloedel has taken. However, I wonder if it would have found the substitute sooner if the federal Government had given this issue a higher priority and had begun testing sooner.

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## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON ENERGY INDUSTRY

**Mrs. Barbara Sparrow (Calgary South):** Mr. Speaker, Canada's free trade agreement with the United States is good for our energy industry. Canada will be a reliable supplier if the United States is a reliable customer. Both countries will share their energy supplies in the event of an energy shortage. This is not a new idea. It builds on our long-standing commitment made through the International Energy Agency, a commitment based on the reality of interdependence and the disastrous global consequences of energy shortages.

Both countries remain free to determine whether and when to allow exports, and may continue to monitor and license exports. The agreement will not stand in the way of Canada following its own energy policy since current restrictions on foreign takeovers have been retained. Provinces retain the right to control their resources.

• (1410)

Additional development of our petroleum resources could require well over $100 billion to the end of the century. Trends in energy supply and demand indicate that we are entering a period in which megaprojects will dominate domestic energy production. The agreement provides potential investors, be they Canadian or foreign, with assured access for energy commodities to the North American market as a whole. Our ability to implement a strategy of assistance for megaprojects is on a case-by-case basis.

Yes, Mr. Speaker, the free trade agreement is good for the energy industry, and it is good for Canada.

*S. O. 21*

[*Translation*]

## PENSIONS

NECESSITY TO WITHDRAW BILL C-33

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, yesterday the Government announced that it intended to proceed with the second reading stage of Bill C-33, whose purpose is to make certain amendments to Public Service pension plans. Fortunately, it changed its mind. I am very glad it did, because to me, this Bill discriminates against public servants, who, as we all know, pay a substantial share of the cost of indexation and of the pensions themselves.

Mr. Speaker, the purpose of this Bill is to take full indexation and the requisite guarantees away from retired public servants. I am in favour of pension indexation. I am in favour of providing the elderly with better protection against poverty. I am for sound management of public pension funds. I am for an employer-employee management committee that will discuss and administer pension plans, but I am against Bill C-33 because it is unfair and discriminatory.

Bill C-33 should be withdrawn altogether. All Conservative Members should rise in their seats, one after the other, and tell us where they stand on this issue. And for the love of God, protect retired public servants! Say you are against Bill C-33!

* * *

[*English*]

## ATLANTIC CANADA OPPORTUNITIES AGENCY

ADVISORY BOARD—CALL FOR SUPPORT BY MEMBERS

**Mr. Dennis H. Cochrane (Moncton):** Mr. Speaker, I stand today in response to recent comments by the Hon. Member for St. John's East (Mr. Harris) regarding the creation of the Atlantic Canada Opportunities Agency. The criticism of the Hon. Member is completely unfounded. I deplore the fact that he would want to play partisan politics with an agency that is so important for the economic future of the Atlantic region.

It is true that Savoie reported that some members of the region's business community expressed concern that past regional development efforts in the region had, on occasion, been tailored for partisan political considerations. To prevent this in the future, Mr. Savoie recommended the establishment of an advisory board to guide the work of the new agency. The Government responded by setting up an advisory board of 19 individuals from Atlantic Canada of all political and professional stripes who are now sharing their expertise for the benefit of Atlantic Canadians.

I urge the Hon. Member and all Members of Parliament from Atlantic Canada to leave partisan politics aside, for if there is one issue which requires the full support of all elected officials in Atlantic Canada it is federal regional development efforts in the area.

Atlantic Canadians want this agency to succeed. Its chance of success will be enhanced only if each and every Member puts his shoulder to the wheel and offers co-operation to make it work.

* * *

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

POSITION OF PROGRESSIVE CONSERVATIVE MEMBERS OF PARLIAMENT

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, yesterday the Hon. Member for Broadview—Greenwood (Ms. McDonald) referred to the goon squad which was able to bring the Government to heel with respect to the CBC all-news channel. It is an appropriate description for the people who were involved in getting the Minister in charge of communications to do the high-wire act that she did yesterday.

We have to wonder whether this is not the first of a number of occasions on which we will see this same goon squad overrule things which should be left in place. I am thinking in particular of whether or not the next Minister to be the victim of the goon squad will be the Minister of the Environment (Mr. McMillan) who, we know, has been under a lot of pressure to change the legislation which he tabled in the House with respect to national parks and their preservation. We know that the goon squad wants to put condominiums all over our national parks. Will this be the next thing to which we will be subjected as a result of the Alberta Tory caucus?

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## THE SENATE

CALL FOR ESTABLISHMENT OF ELECTED INSTITUTION

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, Canada needs a Triple E Senate. Note: our excellent Immigration Ministers and MPs gave up part of their summer to streamline our immigration laws, and then the other place dilly-dallied for weeks even though the vast majority of Canadians want this legislation.

Again, in a report by a Senate committee on terrorism the following sentence appears:

> —Those groups that have recently been, are currently viewed to be, or could in the immediate future become sources of domestic terrorism in Canada include—extreme elements of anti-abortion groups—

• (1415)

Anti-abortion and pro-life groups are the very antithesis of terrorism. Hundreds of splendid Canadians labour to stop the murder of thousands of unborn babies, and this committee slanders these Canadians.

This Senate is responsible to no one. A Triple E Senate would require all Senators to answer to the people for their actions. How much longer can Canadians stomach what is going on in the other place?

* * *

## PUBLIC SERVICE

PENSIONS—WITHDRAWAL OF BILL C-33

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, it now appears that the Government has seen the light and abandoned its wrong-headed Bill C-33 to de-index public service pensions. Apparently the Hon. Member for Ottawa West (Mr. Daubney) announced earlier today that the Tories had withdrawn the infamous Bill.

Why did they do so? The answer is quite simple. The PSAC, the Public Service Alliance of Canada, said yesterday that it would work diligently to defeat any Member of Parliament who voted for the Bill. This has scared Tory Members of Parliament in such a way as to render useful the old recycled free trade publications, and they are now, of course, toilet paper. Free trade will be useful after all in this issue.

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[*Translation*]

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

MINISTER'S POSITION ON 24-HOUR ALL-NEWS CHANNEL FOR FRANCOPHONES IN QUÉBEC AND OUTSIDE QUÉBEC

**Mr. Jean-Pierre Blackburn (Jonquière):** Mr. Speaker, the Minister of Communications (Miss MacDonald) is to be commended for taking a clear stand on the proposed all-news tv channel, and for considering the impact this would have on Francophones both in and outside Quebec. It is too bad the Government had to point out to the CRTC and the Canadian Broadcasting Corporation that our country has two language groups. By her comments, the Minister was simply confirming the specific cultural identity of Francophones as recognised by a Conservative Government.

Mr. Speaker, we can expect a partnership between the CBC and private broadcasters to produce some very promising and innovative approaches, while respecting the culture of our two founding peoples. What must be done now is to put in place a new broadcasting policy for this country, since the present legislation no longer meets today's needs, the proof being this whole controversy about all-news services.

# ORAL QUESTION PERIOD

[*English*]

## CANADA ELECTIONS ACT

FORMER COMMISSIONER OF ELECTIONS' LETTER—REPORTED STATEMENT BY MINISTER'S LAWYER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I have a question for the Prime Minister. The Prime Minister has gone a little too far this time. Yesterday he acted like some character from a Grade B gangster movie.

**Some Hon. Members:** Order, order!

**Mr. Turner (Vancouver Quadra):** He issued a veiled threat against the Deputy House Leader of the Liberal Party; read it in *Hansard*. He demanded that people respect the independence of the former elections commissioner, and then he maliciously attacked him. Then, finally, he tried to compare my political career to his scandal-ridden Government.

**Some Hon. Members:** Shame, shame!

**Mr. Turner (Vancouver Quadra):** I have searched for a lot of words that would escape your scrutiny as not being parliamentary, Mr. Speaker, but what I will say is that that performance yesterday was unworthy of the office of Prime Minister; that is what I will say. I want to tell him that those tactics won't work and the truth will eventually come out—

**Some Hon. Members:** Question.

**Mr. Speaker:** I hesitate very much to interrupt the Right Hon. Leader of the Opposition, especially on a lead question. However, I must remind Hon. Members that, no matter how intense they may feel, there must be some self-discipline on pejorative preambles. There are, of course, lots of places to argue the consequences of a response of a Minister, or lack of response.

I would ask the Right Hon. Member to put his question.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I will abide by that ruling and draw to your attention that the Prime Minister typically launches these counterattacks after my third question so that we cannot get back at him on the same day.

**Some Hon. Members:** Oh, oh!

**Mr. Turner (Vancouver Quadra):** Can the Prime Minister explain why his Minister of Energy told reporters that he had just skimmed that letter from the former elections commissioner and then stuffed it in a desk drawer for two years, when lawyer Jean Guilbeault from Montreal says that he was consulted by the Minister on the context of that letter?

When are Canadians going to get the whole truth from this Government?

• (1420)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my right hon. friend, of course, in regard to that question will have to, I suppose, address it to the Minister. In regard to any conversations which the Minister might have had with his own attorney that is something that he would want to talk to him about if he cares to raise it in the House.

**Mr. Turner:** Mr. Speaker, it is not my responsibility to talk to the Minister about what happened to the letter. Who is running the show in this country? It is the Prime Minister's responsibility to find out what happened to that letter.

[*Translation*]

COMMISSIONER'S LETTER—PRIME MINISTER'S POSITION *VIS-À-VIS* MEMBER FOR FRONTENAC

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, apparently, the Minister did not mention the letter to the Prime Minister. He claimed he put the letter in his desk drawer and left it there for two years. The Minister said he merely skimmed through the letter. However, a Montreal lawyer told reporters that the Minister had consulted him about the letter. The question is not only why the letter was written but why the Prime Minister was not aware of the letter. Why did he attack the former Commissioner of Elections yesterday, and why are there several versions of what the Minister did with the letter?

Is the Prime Minister going to tell us the truth about what the Minister did with the letter and fire the Minister for failing to speak frankly to his boss, the Prime Minister of Canada?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Leader of the Opposition wonders why I did not know. As the Minister pointed out, I had not been told. I answered that question yesterday when I said I read about it in a newspaper article. Mr. Speaker, I would like to answer these important questions, but the Official Opposition will have to give me a chance to do so. This is an important matter, and I want to answer as accurately as I can. I can say that I was advised of the matter in the circumstances I mentioned yesterday.

The second point raised by the Leader of the Opposition concerns the Commissioner's decision. Under an Act of Parliament, when a complaint is filed concerning a Member's conduct, an investigation is conducted by an independent official, in this case the Commissioner. That is what happened here. The Commissioner has full discretionary powers either to lay or not to lay charges against the Member. Upon completing his investigation the Commissioner decided not to lay charges against the Hon. Member for Frontenac. That is what I was told. That is public knowledge, and I acted accordingly.

Regarding the hypothetical situation also referred to by the Commissioner in his letter, I suggested yesterday that this matter should be considered by a parliamentary committee and that Mr. Gorman should be invited to appear before the

Committee to answer questions as appropriate. I think it is quite normal and proper to proceed in this way.

[*English*]

NON-RECEIPT OF LETTER BY PRIME MINISTER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, there is one part of that response of the Prime Minister with which I agree. We would all like to know why the commissioner wrote the letter. Agreed, he had the discretion to proceed or not to proceed. But that is a very unusual letter. Was he under pressure? Why did the RCMP officer conduct a second investigation? Was he under pressure? Why were only some people charged and not others?

• (1425)

**Mr. Speaker:** Again, I hesitate to interrupt. The difficulty we are getting into is that those questions seem to me to go directly to the internal workings of an independent commission headed by an officer of Parliament. The commissioner himself is not an officer but reports to the officer, the Chief Electoral Officer.

My difficulty is that there may be entirely legitimate inquiries in that regard, but my concern is the procedural problem with respect to the matter, because those questions that go into the internal workings of the commission are not matters that ordinarily would be permitted under our rules as questions to the Ministry itself. That is what is giving me my difficulty with the questions raised in the preamble.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I will abide by the judgment you have made and will put a question to the Prime Minister.

Why does the Prime Minister not even now have a satisfactory explanation for why he did not receive a copy of that letter, either from the Minister or from other sources, and what does he have to tell the House of the different versions the Minister of Energy has given as to what happened to the letter when the Minister received it? That is something the Prime Minister should have within his own knowledge and be able to share with the House, regardless of the independence of the role played by the electoral commissioner.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Leader of the Opposition asks if I have a satisfactory explanation for not having received a copy of the letter. Yes, I do. It is because the Minister did not give me a copy of the letter.

**Mr. Turner (Vancouver Quadra):** Did you ask him why he didn't give you a copy of the letter?

**Mr. Mulroney:** I explained that and I explained all aspects relating to it yesterday. The matter has been gone over very, very carefully. I am asked a question. I have given the right hon. gentleman a reply.

With respect to questions that he might want to ask the commissioner—

**Ms. Copps:** You should ask them.

**Mr. Mulroney:** The Hon. Member for Hamilton East says they are questions that I should ask the commissioner. To do that would be to violate the fundamental independence of the commissioner who is an officer of Parliament. If I did that, the Hon. Member for Hamilton East would be attacking me for trampling on the rights and independence of Parliament.

Yesterday, I conveyed as well the view of the Government that this matter quite properly could and should be handled by a parliamentary committee. I understand that there are discussions ongoing with House Leaders in that regard and I would—

**Mr. Turner (Vancouver Quadra):** No, there are no discussions.

**Mr. Mulroney:** I am informed that there are discussions. Perhaps my right hon. friend would want to correct that, but that information has been given to me.

I point out to my right hon. friend that he began by raising some concerns and his final question contained insinuations and veiled suggestions almost of obstruction of justice by members of the Government and the Commissioner. There is the double standard. The Leader of the Opposition asks for understanding and fairness for himself and his members but cares never to give them to anyone else in this House of Commons.

[*Translation*]

MASSE AFFAIR—REQUEST FOR CLARIFICATION OF PRIME MINISTER'S POSITION *VIS-À-VIS* MR. GORMAN

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the Prime Minister has just told us that it would not have been proper for him to communicate with the Elections Commissioner as Mr. Gorman is an independant officer of the House. However, yesterday, as reported in *Hansard*, he was quite willing to criticize strongly the Elections Commissioner by saying:

> —(he) put in that comment which *Le Devoir* properly referred to this morning as *une lettre empoisonnée* which violates the fundamental rights of a Member of Parliament and a fundamental right of any Canadian.

I simply want to ask this to the Prime Minister: How can he make such a scathing comment about this independant officer of Parliament when, for several days, he has been using Mr. Gorman's comments to justify his decision to keep the Minister in his Cabinet and to defend the indefensible behaviour of his Minister?

**Right Hon. Brian Mulroney (Prime Minister):** Because, Mr. Speaker, as there was no specific charges laid against him, the Hon. Member for Frontenac, was unable to defend himself as a Canadian citizen is entitled to do. There is a legal mechanism which allows an independant authority to decide

whether or not to press charges. There is no mention of the possibility that, if no charges are laid, it can be suggested that they should have been, because in such a case, the Minister or Member of Parliament is left without any means of defense, which would violate the rights not only of the Hon. Member for Frontenac, but also of the Hon. Member who has just asked the question.

I underline the fact that there was no attack against the Commissioner. The Leader of the Opposition a few moments ago and the Leader of the New Democratic Party yesterday said, I think, that this is an unusual letter. It is indeed a statement of position and a rather unusual letter. The letter shows an understanding of the basic difficulties facing Members of Parliament. I wish to emphasize the fact that we have to comply with the law, as not doing so would be unfair to all Members of Parliament.

• (1430)

[*English*]

REQUEST THAT MINISTER BE REMOVED FROM CABINET

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I would like to return for a moment to the ever-changing version of the facts as expressed by the Minister of Energy. First he said he did not find enough time to read the letter because he was summoned to the Prime Minister's Office where, obviously, he did not find enough time to talk to the Prime Minister about the contents of the letter. Yesterday we learned that he found the time to phone Montreal PC lawyer Jean Guilbeault and recite the contents of the letter to him. Yesterday the Prime Minister, in defending his decision, said this:

> —I did the right thing in inviting the Minister to rejoin the Government of Canada, on the basis of information I had—

Now that he knows more about the subject and that the Minister hid the facts both from him and the people of Canada for more than two years, will the Prime Minister not review his decision and send the Minister to the back bench where he will have ample time to finalize his ever-changing version of the facts?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I will go back to the facts that I mentioned yesterday. The Hon. Minister stepped aside from Cabinet in September of 1985 when it appeared that an investigation might be initiated against him. He properly stepped aside and was on the sidelines for two months. During that time a full investigation by the appropriate officer of Parliament took place. That officer of Parliament concluded that charges ought not to be the issue. That was conveyed to the Hon. Member for Frontenac.

I am not astonished or offended by the fact that when he received that information he conveyed the verdict to his lawyer. I am not offended by that. I think most people would with some joy advise their attorney with whom they had just gone through the two months that that took place.

I was advised of the decision of the independent commissioner of Parliament and that decision, clear and unequivocal, was that no charges would or should be laid against the Hon. Member for Frontenac. That caused me to believe exactly what it said, that the man is a Canadian citizen, had been the object of an investigation, had then been cleared, and was entitled to a clear name and an honourable reputation like any other Member of this House.

COMMUNIQUÉ ISSUED BY CHIEF ELECTORAL OFFICER

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Prime Minister. The Chief Electoral Officer himself, if I remember correctly, in a communiqué issued on this subject, said it was not his office that cleared the Minister. There were inappropriate or otherwise conclusions drawn from the statement issued about whether the Minister was cleared. That is a major difference.

The Prime Minister just said he is not surprised that the Minister consulted his lawyer. A lot of us would not be surprised. Regrettably, the Minister himself said that was not the case. The Minister said all he did was to skim the letter and stick it in a drawer. On the other hand, Mr. Guilbeault, who was acting as his lawyer in this matter at the time, said something different, namely, that the Minister telephoned him, read out the contents, obviously to be consulted.

Whom does the Prime Minister believe in this matter, Mr. Guilbeault or the Minister? They both cannot be telling the truth.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, first I want to refresh my hon. friend's memory about the communiqué that was issued. It was a news release issued on November 28, 1985, and it said the following:

> The Commissioner of Elections Canada, Joseph Gorman, today issued the following statement:
>
> "I have reviewed the results of the investigation which I received at 1300 hours on Thursday, November 21, 1985, as well as the recommendations of independent counsel which I received at 2030 hours on November 26, 1985. I have decided that no charges will be laid against the Hon. Marcel Masse or his official agent, Jean Morissette".

That was the statement conveyed by the only officer of Parliament capable of making that determination and advising the House of Commons and the public.

I also indicated in response to questions by my hon. friend exactly what I was informed of and in what circumstances. In light of the information which has been discussed I expressed the opinion, and it is only an opinion as a human being, that one involved as a parliamentarian in the trauma of stepping aside from his cabinet responsibilities for a period of two months while an investigation is going on, finding out that this is the result of the investigation, that indeed he is not going to be charged with any offence of any kind, I am not astonished or offended by the notion that at some point in time he conveyed that judgment to the attorney who defended him throughout the process.

I was not there on that day and I am not capable of telling my hon. friend what thoughts went through the mind of the Hon. Member for Frontenac, what emotions he experienced. I imagine the emotions were deep, as they would be with any human being confronted with this kind of reality.

The important matter was that the only official of Parliament charged with making this determination made one favourable to the Hon. Member and he conducted himself appropriately in those circumstances.

STATEMENTS MADE BY MINISTER AND BY MINISTER'S LAWYER

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I say with respect that the Prime Minister did not deal adequately with either part of my question. He said earlier that the Commissioner of Elections cleared the Minister. I said that was not the case. They were the Prime Minister's words, not mine. That office made it very clear that it did not clear the Minister, including what the Prime Minister read in the press release. They said no charges had been laid. However, that office knows very well that what was said in the letter was that the Minister participated in breaking the law and presumably was relying on the Prime Minister and the Minister himself to draw the proper conclusion from that, which they did not do.

**Mr. Hnatyshyn:** Incredible assumption!

**Mr. Broadbent:** I want to ask the Prime Minister to deal with the second part of the question because it is very important with respect to the integrity of the ministry and the Minister in question.

The Minister said in the past 24 hours that he skimmed the letter, then he stuck it in a drawer and did nothing else. His lawyer said something flatly to the contrary that cannot be ignored. His lawyer says he was consulted on the phone. I want to ask the Prime Minister to deal with that issue seriously now.

Does he believe the Minister was telling the truth or does he believe the Minister's lawyer was telling the truth? Which?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, if my hon. friend wants to display his forensic talents he can do so before the committee of the House of Commons. The Hon. Member raises a matter involving another Member of Parliament. The matter has been considered here. The suggestion is that it be considered by a parliamentary committee. When the Minister returns the Hon. Member may want to interrogate him—

**Mr. Broadbent:** I cannot under the rules.

**Mr. Hnatyshyn:** Oh, you can so. Go to the committee.

**Mr. Mulroney:** The Member says that he cannot under the rules. He can in the committee. If the matter is referred to a committee and is considered, then surely the Hon. Member's concerns can be satisfied by properly pursuing this with the man who can give him the answers.

• (1440)

REQUEST THAT PRIME MINISTER QUESTION MINISTER

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, with respect, the Prime Minister said earlier that there were House Leaders' discussions about this committee. There has been no such House Leaders' discussion. I have consulted with our House Leader and there has been no such discussion as the Prime Minister mentioned. The Prime Minister knows that under the rules we cannot ask the Minister questions in the House pertaining to an event which took place when he was a Minister in a different Department.

The Prime Minister has still not answered the question which, with respect, Sir, I think the Prime Minister has to answer. Has he determined, by asking the Minister himself directly, what the truth is? Has he asked the Minister in the past 24 hours: "Was Mr. Guilbeault telling the truth or you, Mr. Masse, are you telling the truth"? If the Prime Minister has not asked that question yet, why has he not?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, the Hon. Member raised the question of House Leaders' discussions. The Hon. Member will know that when Mr. Speaker rendered his decision earlier this morning I attended the House specifically to commence discussions. I indicated at that time that the Government was pleased to have the matter considered by a committee. The Hon. House Leader for the Opposition replied and the Whip for the New Democratic Party replied. There have been House Leaders' discussions.

The Hon. Member will know that there are two ways of sending this to committee. One is by a specific reference and one is by the committee deciding how it wants to handle it. We are up for discussions.

**Mr. Broadbent:** Mr. Speaker, I had hoped the Prime Minister would answer the question which was directed to him. On the procedural matter I had information from my House Leader. However, I will accept that there has been some disagreement on the point of the House Leaders' discussions.

Would the Prime Minister please answer the last question I put to him?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, this is just a little too easy. The Member just made a flat statement in the House that there had been no discussions. Now we find out that there have been discussions.

Clearly, if the hon. gentleman wants an answer to any given question he will want to give me an opportunity to refer to any transcripts which might exist of conversations on which he is basing such thundering denunciations. Let us examine them carefully and we will provide Members with whatever answers are available.

**Mr. Blaikie:** Answer the question.

**Mr. Mulroney:** Surely my hon. friend would want me to proceed on the basis of transcripts of the conversations and not on the basis of what somebody may have said in whatever circumstances.

ETHICAL CONDUCT OF MINISTERS—PRIME MINISTER'S RESPONSIBILITY

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, the Prime Minister indicated earlier that he considered there to be only one official in Parliament who could deal with the question of the Minister's conduct in relation to the Elections Act and he referred to the Elections Act official.

How does that square with the statement which he made and the position he took in the conflict of interest guidelines wherein he said that the responsibility for the ethical conduct of his Ministers would not be sloughed off to other officials, other members of the Government, but that he would be responsible as Prime Minister for the ethical conduct of his Ministers? Has he discharged that responsibility in relation to this particular Minister?

Allegations have been made and not answered. Conflicting evidence has been presented about what the Minister said and what he did with his lawyer. Where is the Prime Minister with his responsibility for the ethical behaviour of his Ministers?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, there is a statute that governs the conduct of Members of Parliament in respect of election activity. That statute, passed by Members of this House, provides for an officer, in the event of a charge being laid or an accusation being made, to investigate charges relating to a Member of Parliament. It also provides thereafter, pursuant to the evidence, for charges being laid against a Member of Parliament unless the commissioner comes to the conclusion that the allegations do not sustain the laying of a charge.

Charges were made after the last election and investigations were conducted of members of all political Parties in this House. Pursuant to the law the commissioner conducted investigations and arrived at conclusions with regard to whether to lay charges, yes or no.

In the case of the Member for Frontenac or the case of the Member for Hamilton East or others—

**Ms. Copps:** Leave me out of this.

**Mr. Mulroney:** —the decision was not to lay charges.

**Ms. Copps:** I was cleared.

**Mr. Mulroney:** That was specifically made clear. Only the officer of Parliament could make that adjudication and determination, and he did.

That determination was conveyed to me, not the opinion that somebody might have had or somebody thought possible. His responsibility is to lay charges, yes or no, failing which there is an invitation extended by the House to explain anything else.

REQUEST THAT PRIME MINISTER REVIEW FACTS

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, there is an Elections Act; there is also a Criminal Code. Does that mean that the Prime Minister can leave the responsibility for Ministers' ethical behaviour code to the police because there is a Criminal Code; to the elections officials because there is an Elections Act? No.

He said in the conflict of interest guidelines that there was an ethical standard which, I took to be higher than the Criminal Code and higher than whether prosecutions can be sustained under the Elections Act for ethical behaviour by Ministers, and he has failed to discharge the responsibility he assumed.

Whatever the Committee on Elections and Privileges decides, when will he review the facts in issue and make a decision about whether that Minister is ethically fit to remain in his Cabinet?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the suggestion of my hon. friend is truly an invidious one. It places any Member of Parliament in an unacceptable position.

**Ms. Copps:** Some Prime Minister, some leader.

**Mr. Mulroney:** Mr. Speaker, the braying of the Member for Hamilton East is unhelpful to the House and precludes the possibility of a sensible exchange of views on an important matter.

**Mr. Marchi:** Adjourn the House.

**Mr. Mulroney:** The Hon. Member says "Let's adjourn the House". Let us not adjourn the House. Let us refer this matter to the parliamentary committee so it can be—

**Mr. Speaker:** Order. I know the suggestion is meant to be helpful but I do not think there is any need to adjourn the House. I would ask Hon. Members, when the Right Hon. Prime Minister or other Ministers are replying, to give the usual courtesies and allow the questions to be answered.

MINISTER'S INTEGRITY

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Prime Minister and relates again to his responsibility as the Prime Minister. He knows that there is a discrepancy between what Mr. Masse has said to be the truth and what Mr. Guilbeault has said to be the truth.

Is it not the responsibility of the Prime Minister to look into this matter and find out whether the Member, whom he made the Minister of Energy of this country, has the credibility and integrity to tell the truth to the people of the country?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member's Leader has already referred to the letter in question as an unusual one. That is an understatement, for the very simple reason that under our system of British common law charges are either laid or they are not.

Charges are recommended under this statute by an independent officer of Parliament. The independent officer of Parliament came to the conclusion that Mr. Masse should not be charged. In the course of conveying that formal opinion he also put out a point of view on a provision of the statute.

I cannot explain why that was done in a manner in which I believe would make it difficult for any Member of Parliament to defend himself or herself, because no charges were laid. The only person who can tell you why he did that, may I say respectfully, is Mr. Gorman, which is why we have suggested that this go to a parliamentary committee so that my hon. friend can ask Mr. Gorman. Once Mr. Gorman has responded, perhaps we can consider the matter again.

STATEMENTS MADE BY MINISTER AND BY MINISTER'S LAWYER

**Mr. Rod Murphy (Churchill):** Mr. Speaker, the questions that have been asked in the last couple of days have dealt with why the Prime Minister was not informed by the Member for Frontenac about the contents of that letter. The Member for Frontenac said that he put it underneath his laundry, that he just skimmed that letter.

Mr. Guilbeault, who is not just Mr. Masse's lawyer but a PC lawyer and the PC representative on the ad hoc committee with regard to the Elections Act, a very significant person, is saying that Mr. Masse is not telling the truth.

Is it not important to the Prime Minister to find out whether or not Mr. Masse, the Minister of Energy, is telling the truth or not?

• (1450)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, just to show the carelessness of the accusations and the reason why I hope we will be very prudent in the assessments of statements, my hon. friend just said that Mr. Guilbeault said that Mr. Masse is not telling the truth. That is a falsehood. Mr. Guilbeault said no such thing and the Hon. Member has just done a grave injustice to both Mr. Guilbeault and Mr. Masse with this statement.

I have responded to a serious question by the Leader of the New Democratic Party who asked about a statement by Mr. Guilbeault. I have indicated that I will look at the transcripts of what was said and respond to my hon. friend once I have done that.

The important consideration, if you believe in justice, is that the reputation of someone who has not been accused of a crime or accused of an offence is being tarnished on the floor of the House of Commons. He is being subject to attack, innuendo and character assassination, but cannot defend himself in the absence of a formal charge which is fundamental to the nature of our system of justice. All I am saying is to either charge the Member of Parliament or not. If you have any problems with it, cause the man who has the concerns to come before the House of Commons or a committee thereof and explain why. Surely that is fundamental and elementary to our system of justice.

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## RAILWAYS

CN—LOSS OF JOBS AT JONQUIÈRE—GOVERNMENT POSITION

**Mr. Jean-Pierre Blackburn (Jonquière):** Mr. Speaker, my question is directed to the Minister of State (Transport).

Last Friday, Canadian National employees at Jonquière were told seventeen positions in their shop would be cut.

This is the second time in less than 20 months that Jonquière is paying for CN's rationalization policies. Do CN authorities realize that between 15 and 20 per cent of their revenue in Quebec is generated by the Saguenay—Lac Saint-Jean area? Do they realize that although we only have about a hundred jobs out of a total of 8,000 in the province, 28 per cent of those jobs will be cut? Does the Crown corporation believe the regions should bear the brunt of its rationalization policies?

**Hon. Monique Vézina (Minister of State (Transport)):** Mr. Speaker, as the Hon. Member for Jonquière is aware, Canadian National is a Crown corporation operating on a market basis and must operate as efficiently and competitively as possible.

As a member of this Government, I also regret that this rationalization plan has led to lay-offs in regions like the one you just mentioned.

However, I can give the Hon. Member the assurance that the company's rationalization program is national in scope and that its purpose is certainly not to victimize the regions.

* * *

[*English*]

## ABORTION

SUPREME COURT DECISION—REQUEST FOR MEETING OF FEDERAL AND PROVINCIAL MINISTERS

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Minister of Justice. We welcome today's historic decision of the Supreme Court of Canada.

Since the present abortion law is now judged to be fundamentally unfair and contrary to the Charter of Rights, will the Minister convene an early meeting of provincial Attorneys General in consultation with Health Ministers to work on the implication of this historic judgment?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I agree with the Hon. Member that this has been a far-reaching decision of the Supreme Court of Canada and certainly brings to our attention the new realities under the Charter of Rights and Freedoms of our country and the role of the Supreme Court of Canada in defining the limitations and the abilities of legislatures at all levels of government to deal with important issues.

I have not had an opportunity to examine fully the judgment, as I am sure is the case with the Hon. Member. I will want to examine the matter carefully with my officials.

Certainly, as a Government I am sure I, with my other colleagues who have responsibilities in these areas, would propose to talk to the provinces. There is an important provincial element in this question with respect to health services. Naturally we will talk to our provincial colleagues with respect to the implications of this particular decision.

WOMEN'S ACCESS TO HEALTH SERVICES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my supplementary question is directed to the Minister responsible for the Status of Women. In view of today's decision I am sure the Minister agrees that women should have access to a full range of reproductive health services wherever they live in Canada. Will she press the Minister of National Health and Welfare to allocate adequate resources to make this a reality, including the reinstatement of funding for planned parenthood?

**Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)):** Mr. Speaker, like my colleague, the Minister of Justice, I have not had an opportunity to go through all this judgment. It has been an issue on which the women of Canada have not had a consensus, as others have not. We are continually pursuing with the Minister of National Health and Welfare matters that are of concern to women about their health and every stage of women's reproductive life. I would expect that process to continue.

[*Translation*]

## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

LICENCE AWARDED TO CBC FOR ALL-NEWS TELEVISION CHANNEL—QUERY WHETHER FUNDS WILL BE PROVIDED FOR SERVICE OF SAME QUALITY FOR FRANCOPHONES

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, the Minister of Communications said one of her concerns is to have the same type of news service available in French. Too bad she didn't think of that before.

My question is this: If the same type of service is offered but must be financed through subscription fees like the All News Service, and considering that the number of subscribers on the French side is much smaller than on the English side, is the federal Government prepared to provide financial assistance to ensure the same quality of service is available on the French side?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I am surprised at the position taken by the Liberal Party, and especially by the Party critic. On Monday, in her speech on official languages, the Hon. Member endorsed the concept of services in both official languages, French and English, and their availability across the country. However, now that we are pointing out the absence of a French service to the president of the CBC, the Liberal Party objects. Mr. Speaker, this is another case of the Liberal Party throwing its principles overboard on this issue.

[*English*]

COST OF FRENCH LANGUAGE SERVICE

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, it is really too bad that the Hon. Minister does not understand my French and cannot even understand the translation—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** All of us who have learned later in life the second official language of our country may sometimes have difficulties, but I do not think it is appropriate to comment upon it in the Chamber. I am sure the Hon. Member would want to withdraw that part of her preamble.

**Mrs. Finestone:** Mr. Speaker, if it was offensive it was because I really presumed the Minister understood the good will and interest I have had in French.

**Some Hon. Members:** Oh, oh!

**Mrs. Finestone:** I withdraw, Mr. Speaker. Instead of using my supplementary, I will rephrase the question in English so the Minister clearly understands.

**Some Hon. Members:** Withdraw. Order.

**Mr. Speaker:** It does not matter to the Chair which language the Hon. Member uses. Both are equally acceptable

in this country and in this place. However, whatever language the Hon. Member uses, I would ask her to put her question.

**Mrs. Finestone:** My question is quite a simple one. If a French quality service is designed to meet the needs of French-speaking Canadians across this land, as we hope it would be, and if financing is required because there are less subscribers in French than there are in English, does the Minister plan to enable that financing through public funds or does she plan that the private and public sector in this case shall share the cost?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, as I understand it, what my hon. friend talks about was not done in respect of the Olympics. However, I was waiting for the Leader of the Opposition to rise immediately and reprimand his own Member for the offensive remarks made about the Member for Kingston and the Islands who, in respect of bilingualism and every other national policy, has been a model of tolerance for all Canadian citizens. What you said is a disgrace, and the Liberals should be ashamed of themselves.

**Some Hon. Members:** Hear, hear!

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• (1500)

## ADMINISTRATION OF JUSTICE

CITIZEN OF INDIA—REQUEST FOR CONSULAR ACCESS TO INDIAN HIGH COMMISSIONER

**Mr. W. Paul McCrossan (York-Scarborough):** Mr. Speaker, my question is directed to the Acting Solicitor General. It has come to my attention that Kamal Ratti, an Indian citizen under arrest in Canada, requested consular access to the Indian High Commissioner alleging that he was being severely mistreated in Millhaven Penitentiary, but that this request was not passed on to the Indian High Commissioner because it was administratively inconvenient.

What steps is the Government taking to ensure that Canada lives up to its own obligations under the Vienna Convention, so that we are on firmer moral grounds when we ask that our citizens who are under arrest in foreign countries be protected?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, in response to my hon. friend, who has had a long interest in this matter, I am informed that on November 13 the Indian High Commission was informed by CSC headquarters and Millhaven authorities that consular access would be granted. The Indian High Commission proposed November 20 as a scheduled visit to one Indian national and, due to circumstances prevailing at the time in Millhaven, the Millhaven authorities could not guarantee the visit would take place on the proposed date.

A meeting took place between the Indian national and the consular agent from the Indian High Commission on December 3, 1987.

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## CANADA LANDS COMPANY

MIRABEL—USE OF FUNDS BY FARMERS' UNION

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to whichever Minister is delegated today to answer for the Mirabel land scandal. On Tuesday, in answer to a question on the issue at hand, the Minister of Public Works said, and I quote from page 12295 of *Hansard*:

> In the areas of—agricultural renewal a structured and controlled process was put in place in accordance with Treasury Board terms and conditions and regularly monitored—

Given that Mr. André Bouvette of Mirabel said:

> The farmer's group did not have to explain to the Government how it chose to spend the money. The Government gave the money to the farmers' union to spend as it saw fit.

Which is it? And what measures did the Government take to ensure that money that was to go into farming went into farming instead of paying for trips to the desert to study agriculture in Israel?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I am pleased to advise the House that both trips were at the invitation of the Quebec Department of Food, Fish and Agriculture and the Quebec Farmers Union. The corporation was invited to participate and assist in market development.

The Togo trip resulted in sales of agricultural machinery, tractors, and the largest export contract of mineral water in Canadian history.

**Mr. Boudria:** Mr. Speaker, the mandate of the Canada Lands Company is to sell vacant land back to farmers. What does that have to do with travelling to Israel?

[*Translation*]

METHOD OF DEALING WITH FARMERS AND SPECULATORS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** I should like to direct my supplementary to the Prime Minister. Knowing as we do that 40 per cent of the deals benefited speculators, a good many of them friends of the Conservative Party, can the Prime Minister explain why speculators got the same treatment as Canadian farmers with respect to buying back the lands? How come speculators are treated the same way as Canadian farmers?

[*English*]

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, we would like to explain to

the Hon. Member that one hundred million dollars in lawsuits against the previous Liberal Administration were dropped, that 95 per cent of the land has been returned to the people, that an investment of more than $20 million from the private sector has resulted, and that personnel at Mirabel has been reduced by some 80 per cent since 1984.

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## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, before you proceed to the next order of business, I wonder if I could ask the Government House Leader for the usual statement on Government business?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, provided we are able to complete the Bill before the House today, we would then proceed to Bill C-84, that is the response of the Government to the Senate amendments. If that is not completed today, we will continue on that tomorrow and through Monday until it is completed.

We also have up for discussion on Monday, Bill C-60, which is at report stage. We hope we can complete that. After that, we are looking at trying to deal with Bill C-105, the Rail Safety Act.

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# GOVERNMENT ORDERS

[*English*]

## SUPPLY

APPROPRIATION ACT NO. 5, 1987-88

The House resumed consideration in committee of Bill C-108, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988—Mr. Paproski in the chair.

**Mr. Lewis:** Mr. Speaker, I understand that immediately prior to the recess there was some discussion as to availability of a Bill for reading by the House. I do wish to advise the House that earlier this morning, during routine proceedings, a copy of that Bill was delivered to the Table for printing purposes.

**The Deputy Chairman:** When the committee was interrupted at one o'clock p.m., the question, shall I rise and report the Bill, was before the committee. Therefore, the question is shall I rise and report the Bill?

**Some Hon. Members:** Agreed.

Bill reported and concurred in.



**Mr. Wise (for Mr. Mazankowski)** moved that the Bill be read the third time and do pass.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, the reason I am rising on third reading is that this is the first opportunity the committee has had to see the Bill which we dealt with this morning in committee. While it is true the Bill only implements the provisions within Supplementary Estimates (D), I think it is well that we not move too precipitously with the details of the Bill until we have a chance to consider it at third reading.

On first blush it seems to be in conformity with Supplementary Estimates (D) which provides for $803,903,000 for the Special Canadian Grains Program which was announced back in December. I think it is important that future occasions like this, where we are dealing with the spending estimates of a Department, that the Bill be made available first thing in the morning so that Members can have the opportunity to peruse the Bill to ensure that it is in conformity with the estimates.

The estimates have been before the House for a week but this particular Bill was not made available until the report stage of this Bill just a few moments ago. There is at least one Member on our side who wants to have an opportunity to say a few words with regard to the Bill. The Bill has only been before us since three o'clock.

• (1510)

It is important that the legislation be expedited. The agricultural scene of the country today is the most difficult since the 1930s, especially in the grains and oilseeds sector, as well as in the cash crop areas. Thus it is important that this legislation be expedited, but not to the extent that we pass it without even having the Bill before the House. This is the first time I have experienced that circumstance, something we saw this morning during the debate on second reading.

I want to see the matter expedited. I hope the Government will be processing the cheques and sending them out to farmers so that they can get on with their cropping this spring and so that some of the pain of this most difficult time will be eased by this Special Canadian Grains Program.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I just want to make note of the fact that we have the Bill before us now, Bill C-108. The whole procedure with the Bill has been a comedy of errors. Clearly, we on this side of the House want to facilitate the passage of the legislation allowing for $800 million to go to farmers. We intend to continue through with that commitment.

I must say that the legislation would already have been passed had it been available to us sooner. It now seems that we are adding another laugh to this comedy of errors in that the Liberal caucus seems to be sneaking in another speaker in the circumstances of the absence of the Bill, another speaker who could have been here this morning. I assume that eventually the legislation will pass and that the farmers will receive their

money. It is too bad that all speakers from the Liberal caucus were not here this morning and that the Bill was not here either.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, this is debate on third reading of the Bill. Notwithstanding the fact that Members of the NDP are trying to scuttle debate and stop those who are interested in agriculture and who represent a large number of farmers, as I do in my constituency representing 2,000 dairy farmers I will not make any apologies to anyone, least of all the New Democrats or socialists—I intend to speak on third reading of this Bill about agriculture in the House of Commons.

Agriculture is the mainstay and the livelihood of the constituency which I represent—

**Mr. Keeper:** Were you asleep this morning?

**Mr. Hawkes:** Mr. Speaker, I rise on a point of order. I was present this morning. Members may recall that some difficulties arose with respect to the printing of the Bill. I believe that the Bill was with the Table at the appropriate hour before we began this morning. Something did seem to go wrong and the Bill was not printed and available for distribution. This became apparent at approximately 1 p.m. at which time we reached a series of agreements. The Hon. Member who has the floor might not be aware of those agreements. However, I can recall being on my feet and asking specifically if what we were agreeing to was adjournment at that time, after having unanimous consent not to see the clock so that we could finish in all stages, to recommence with the Bill at 3 p.m. with the intention of finishing off report and third reading stages, with one codicil; that is to say, that the Minister assured us that, indeed, the Bill as printed was in accordance with the Supplementary Estimates and unless there was an error of some kind which needed to be corrected we would proceed without debate.

That was the unanimous sense in the House at that time. I tried to be very specific on that point before giving my consent to adjourn the House at noon. I thought that that was the spirit and the intent—

**The Acting Speaker (Mr. Paproski):** Order, please. I would like to bring to the attention of the House the fact that there was a copy of the Bill at the Table. Hon. Members received copies of the Bill at 2 p.m. I agree with the comments of the Hon. Member for Calgary West (Mr. Hawkes), but the House cannot prevent anyone from debating a Bill at third reading. If there is an agreement then it is up to Hon. Members to agree among themselves to respect that agreement.

Is the Hon. Member for Algoma (Mr. Foster) rising on a point of order?

**Mr. Foster:** Mr. Speaker, yes, I am rising on a point of order. When we rose at one o'clock or thereabouts we simply agreed that we would rise and report progress from committee and complete the Bill after Question Period. There was no commitment or understanding that Members would not be permitted to speak on third reading. That is simply not the case.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Glengarry-Prescott—Russell (Mr. Boudria) has the floor. We should allow him to have his say.

**Mr. Boudria:** Mr. Speaker, of course it is not that the Liberals are trying to delay this Bill. It will be passed today unless it is filibustered by the Tories, the NDP or by some other people. It will surely not be by us—

**Mr. Keeper:** Who are the other people?

**Mr. Boudria:** There are independent Members in the House.

The Liberals are very interested in the Bill. The proof of that is that in our Party both the critic and the associate critic are speaking on the Bill. The Members of the New Democratic Party who hold those positions are not speaking on this Bill. Thus we can see instantly the different level of interest that there is between the various political persuasions in the House.

**Mr. Keeper:** Mr. Speaker, I rise on a point of order. The Hon. Member is casting a slur on this caucus. We were well represented here this morning in the debate. He was the one who was not here to participate in the debate—

**The Acting Speaker (Mr. Paproski):** I hope that the Hon. Member for Glengarry—Prescott—Russell will commence his remarks on the debate. Does the Hon. Member for Essex—Windsor (Mr. Langdon) have a point of order to raise?

**Mr. Langdon:** Yes, Mr. Speaker, I rise on a point of order. As I understand the rules of the House, it is not appropriate to indicate anything with respect to the absence or the presence of Members—

**Mr. Rossi:** Tell that to your Member.

**Mr. Langdon:** I think it is also important to say that the interest in this Bill which has been shown by the two official spokesmen for agriculture in this Party has been reflected in question after question throughout the last eight months.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Glengarry—Prescott—Russell has the floor.

**Mr. Boudria:** Mr. Speaker, I am glad that we have now finished with the points of orders that were really not points of order. We all know that one cannot comment on the presence or absence of Members, and I did not, as you know, Mr. Speaker. I only commented on people who had or had not spoken on the Bill. I know that all Members were here this morning, as I was, because all Hon. Members are always deemed to be present in the House. When they are here it does not necessarily mean that they always participate in debate. Nevertheless, we were all present here this morning, I remember it very well.

Having said that on behalf of those of us who were present, whether we spoke or not, I would like to add a few comments on the Bill. I hope that this time the NDP will not mind if I speak since it is, of course, the duty of Members who represent agricultural areas to speak on legislation that is important for the agricultural community. That is the reason I chose to speak this afternoon.

The Bill we have before us today, as my colleague from Algoma and my other colleague from Winnipeg North Centre have indicated, was brought to the attention of the House quite late. Given that this is an agricultural Bill, I would suggest to the Minister and to the Government that it has the sympathy of all Parties in the House. However, the Government should not make a habit of abusing the generosity and co-operation which are always present in the Opposition. Even though we are on the opposition side of the House, we are always helpful to the Government, as much as possible. The Government should not abuse that and bring forward Bills which necessitate the unanimous consent of the House because they were not brought to our attention in the required amount of time. As I said previously, the Opposition is always willing to co-operate in order to provide good government to the country.

• (1520)

**Mr. Hawkes:** Mr. Speaker, I rise on a point of order. Very limited numbers of people participate in House Leaders' meetings representing the Parties. It was for the convenience of opposition Members that today was the day adopted. Many days were discussed, including days last week, and there were some problems because of the commitments of other people. Indeed the Government put out the Estimates some time ago and the Bill gives effect to the Estimates. It is a well-known procedure which occurs in the House all the time.

I think the record should be clear that the Government accommodated the Opposition in terms of today being the day for debate. The Government met its obligations in terms of the presentation of the Bill at the appropriate time and in the appropriate way.

**Mr. Boudria:** Mr. Speaker, I wonder what standing order that particular interjection falls under. Obviously the answer is none of them.

I will continue my remarks. There has been usual, good co-operation on the part of the Opposition in order to assist Canadian farmers. As much as I support the bill, it is important to note that it does not solve the Canadian agricultural financing problem. However, in a small way it assists farmers in distress. It is important to note that many Canadians have indicated that present farm problems just will not go away. They have been with us almost since the Government has been in office, by strange coincidence.

In large part the difficulties which farmers are experiencing are due to the predatory practices of the United States administration and its farm bill, the infamous bill which was designed and adopted with the purpose, as all Canadians know, of lowering the prices of Canadian agricultural commodities. It was passed by the U.S. Congress and signed into law by the President of the United States right in the middle of the free trade negotiations with our Government. Some $70 billion U.S. were placed by the United States Government to displace our Canadian markets. However, there is no point in being overly partisan about the issue, even though the Government has messed it up, as well as other things.

I should like to refer to some media reports. For instance, a story appeared in the December 26, 1987 edition of *The Globe and Mail* entitled "Farmers' paradox: going bust in good times", which refers to some of the goings on in agriculture for the year 1987. In quoting an official of the Department of Agriculture, the article reads:

> "Apparently, there is a paradox here," said Brian Perkins as he went over a mass of confusing evidence he has collected on the industry.

The article went on to indicate:

> A director-general in the policy directorate of the federal Department of Agriculture, he has spent considerable time with his staff trying to reconcile the two opposing views, and his conclusions show the complexity of the farming business.
>
> Consider first the view that farmers are well off.

Of course we know that that is an erroneous view. The only reason they sometimes appear to be well off is that they are involved in a business which requires many assets. In many cases the assets are financed extensively. However, even for people in the agricultural industry who have assets which are not financed quite as much, the fact is that they have low incomes. It requires a large amount of assets in order to produce that low income, which has created some of the problems we see in the agricultural industry at the present time.

Another article entitled "Grain farmers glad to see end of 1987" appeared in *The Edmonton Journal*. Darlene Rude of Canadian Press was interviewing a gentleman by the name of Harvey McEwen, a 35 year old Saskatchewan farmer. Here is what he had to say according to the article:

> "I'm glad it's over," he said from his 400-hectare farm an hour southeast of Regina, where he raises wheat, Canola and a small herd of cattle.
>
> While livestock producers enjoyed another prosperous year, grain farmers like McEwen found little to celebrate as prices continued a downward slide, dropping 25 per cent in the summer.

That downward slide was caused in large measure by the U.S. farm bill. It has created downward pressure on prices in the agricultural industry.

Wayne Easter of the National Farmers Union said that the $1.1 billion payment to grains and oilseed producers was not enough. I will quote from an article which is attributed to Mr. Easter.

> Wayne Easter, who was in Prince Albert Wednesday to speak on free trade, said the payment, which was announced earlier in the week by Prime Minister Brian Mulroney, should have been at least $2.6 billion if the industry is to maintain its share of the work marketplace.
>
> "It's an investment in the future," he said.

I do not want to take up any more time on this issue, but in summary I want to say that although the funds that have been appropriated in today's Bill are indeed necessary and required by farmers—and as I said earlier, that is why the Opposition has been so co-operative with the Government across the way—it is still a fact that the funds appropriated are insufficient for the present agricultural situation.

We could deal with other sectors of farming which are in distress right now. The lack of funding available to the Farm Credit Corporation over the past year has been apparent. Last year it was unable to assist farmers in my constituency and elsewhere.

We could also discuss today issues involving the negative effect of free trade on much of the agricultural industry, an industry which has been savaged by the Conservative Government in its wrong-headed free trade initiative. I am sure that there will be other opportunities for myself and others to tell the Government what we think of its free trade initiative and the negative effects it will have on agriculture.

[*Translation*]

Mr. Speaker, although the measure under consideration today is inadequate in terms of assistance to Canadian farm producers, we have decided to support it because, to some extent, it will help the agricultural sector, particularly grain and wheat producers in Canada. Still we point out how very important it would be for the Government to create the kind of climate likely to bring agricultural prosperity back in this country. One way to create this climate would be to put an end to the war of subsidies between the European Common Market and the United States of America. This war has been going on for a long time in the case of the European Economic Community and, in the case of the United States, since December 1985 when the famous U.S. Farm Bill was adopted.

I hope this Bill will be adopted today just so we might bring some relief to the Canadian agricultural community.

**The Acting Speaker (Mr. Paproski):** Questions and comments.

• (1530)

[*English*]

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to and Bill read the third time and passed.

# GOVERNMENT ORDERS

[*Translation*]

## IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed, from Wednesday, January 27, consideration of the motion of Mr. Bouchard:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendments 8 and 13(e) made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, but disagrees with amendments 4, 5(a), (b) and (c), 6(a) and (b), 9, 10, 11, 12 and 13(a) because this House believes they contradict the principles of the Bill for the following reasons:

Amendment 4 would exclude only criminals and war criminals from the refugee determination process, but would allow terrorists, spies and subversives to pursue a claim to refugee status, notwithstanding the fact that Article 33 of the UN Convention would permit the removal of these latter individuals to their countries of nationality or permanent residence, even if they were determined to be Convention refugees.

Amendment 5(a) would eliminate the authority of the Minister to direct a ship to leave or not to enter Canadian waters. This amendment would reopen a significant gap in Canada's ability to control its borders.

Amendments 5(b) and (c) arise out of Senate amendment 5(a), which is not acceptable, and are therefore inappropriate.

Amendments 6(a) and (b) would reverse the policy on which the Immigration Act, 1976 was based, which policy was not changed in the Bill as passed by this House. The amendments jeopardize the possibility of successfully prosecuting persons who profit from organizing illegal migration and from counselling fraud among refugee claimants.

Amendments 9 and 10 would restrict the ability of peace officers and immigration officers to act quickly to search for evidence of major offences under the Immigration Act, 1976, in exigent circumstances, where lives are at risk or where evidence with respect to those offences may be lost or destroyed.

Amendments 11 and 12 would restrict the ability of peace officers and immigration officers to execute search warrants which have been duly authorized by a justice of the peace, by denying explicit authority to break open containers where it is reasonably believed evidence will be found and by limiting the authority to execute these warrants at night.

Amendment 13(a) would reduce the initial period of detention without review from seven days to forty-eight hours, which would allow insufficient time for the gathering of information to substantiate allegations or to identify the individual, particularly when large groups of undocumented persons arrive at one time.

And that this House agrees with the principles set out in amendments 1, 2(a), 3, 7 and 13(b), (c) and (d), but would propose the following amendments:

Amendment 1 be amended to read as follows:

"Strike out lines 22 and 23 on page 1, and substitute the following:

(c) to deter those who assist in the illegal entry of persons into Canada and thereby minimize the"

Amendment 2(a) be amended to read as follows:

"Strike out lines 29 to 39, on page 4, and substitute the following:

(a) examine within seven days, *in camera*, the security or criminal intelligence reports considered by the Minister and the Solicitor General and hear any other evidence or information that may be presented by or on behalf of those Ministers and may, on the request of the Minister or the Solicitor General, hear all or part of such evidence or information in the absence of the person named in the certificate and any counsel representing the person where, in the opinion of the Chief Justice or the designated judge, as the case may be, the evidence or information should not be disclosed on the grounds that such disclosure would be injurious to national security or to the safety of persons;"

Amendment 3 be amended to read as follows:

"Strike out lines 7 to 12, on page 5, and substitute the following:

(d) determine whether the certificate filed by the Minister and the Solicitor General is reasonable on the basis of the evidence and information available to the Chief Justice or the designated judge, as the case may be, and, if found not to be reasonable, quash the certificate; and"

Amendment 7 be amended to read as follows:

"Add, immediately after line 6, on page 10, the following:

95.21 No proceedings for an offence under Section 95.1 or Section 95.2 shall be instituted except by or with the personal consent in writing of the Attorney General of Canada or Deputy Attorney General of Canada."

Amendment 13(b) be amended to read as follows:

"Strike out lines 1 to 22, on page 21, and substitute the following:

(2) Where, with respect to a person detained under subsection (1), the Minister certifies in writing

(a) that

(i) the person's identity has not been established, or

(ii) the Minister has reason to suspect that the person may be a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g), and

(b) that an additional period of detention is required to investigate the matter referred to in subparagraph (a)(i) or (ii), the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention."

Amendment 13(c) be amended to read as follows:

"Strike out lines 23 to 47, on page 21, and substitute the following:

(2.1) Where the Minister has issued a certificate under subsection (2), the Minister may amend the certificate to which the detention relates to include any matter referred to in subparagraph (2)(a)(i) or (ii), following which the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention.

(3) Where a person is detained under subsection (1) and the Minister has not issued a certificate under subsection (2), the person shall be brought before an adjudicator forthwith after the expiration of the period during which the person is being detained and that person shall be brought before an adjudicator at least once during every seven-day period thereafter, at which times the reasons for continued detention shall be reviewed."

Amendment 13(d) be amended to read as follows:

"Strike out lines 48 to 50, on page 21, and lines 1 to 18, on page 22, and substitute the following:

(4) Where an adjudicator who conducts a review under subsection (2) or (2.1) is satisfied that reasonable efforts are being made by the Minister to investigate the matter referred to in subparagraph (2)(a)(i) or (ii), the adjudicator shall continue the person's detention.

(4.1) Every review under subsection (2) or (2.1) of the detention of a person suspected of being a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g) shall be conducted *in camera*.

(4.2) Where (a) the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at any review under subsection (2) or (2.1) of the detention of a person referred to in subsection (4.1) should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons, and (b) a request therefore is made by the minister, the adjudicator shall order that the review or any part thereof be conducted in the absence of the person and any counsel representing the person.

(4.3) Any person excluded by an order under subsection (4.2) from the whole or any part of the review under subsection (2) or (2.1) may apply to the Chief Justice of the Federal Court or to a judge of that Court designated by the Chief Justice for the purposes of this subsection to have the order quashed and sections 36.1 and 36.2 of the Canada Evidence Act shall apply, with such modifications as the circumstances may require, to such applications.

(4.4) Unless quashed, an order under subsection (4.2) shall, with respect to the person to whom the order relates, apply to every review under subsection (2) or (2.1), or part thereof, at which the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at the review, or part thereof, should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons.

(5) Where the adjudicator who conducts a review under subsection (2) or (2.1) does not continue a person's detention under subsection (4), the adjudicator shall make the appropriate order under subsection 104(3).

(6) An adjudicator who conducts a review under subsection (3) shall make the appropriate order under subsection 104(3)."

And the amendment of Mr. Marchi:

That the message of the House of Commons to the Senate be amended by:

a) deleting, in paragraph one, the reference to Senate amendment 4;

b) deleting paragraph two;

c) adding to paragraph nine a reference to Senate amendment 4; and

d) adding after amendment 3 the following:

"That amendment 4 of the Senate be amended by deleting the said amendment and by striking out line 16 on page 7 of the Bill and substituting the following therefor:

"(2)(c) and against whom a deportation order has been upheld by the Board; or""

**Mr. Alfonso Gagliano (Saint-Léonard—Anjou):** Mr. Speaker, I notice Members on the Government side are in a hurry, but that should not keep us from expressing our views in the House on legislation as important as Bill C-84.

Mr. Speaker, first of all, I would like to provide some background on Bill C-84 and remind Hon. Members and Canadians that we came back during the summer because there was an emergency—remember? There was a national emergency because one morning, a hundred or so refugees were found on the shores of Nova Scotia. Once the House had been reconvened to introduce this Bill, the Government took its own sweet time, giving various excuses for the subsequent delay. The result is that today, in January 1988—I am sure you will agree, Mr. Speaker, that between August 1987 and January 1988, there was no national emergency, and if the Government intended to amend the Immigration Act, if it intended to table a new immigration policy for this country, it could have done so during our regular session without rushing things, without the phony excuse that we were faced with a national emergency in this country.

Mr. Speaker, Canada and Canadians are known for their tolerance. This country has opened its doors to millions of people from all parts of the world who have made this country a multicultural mosaic where they feel at home, a country that is free in every sense of the word. The Conservative Government has tried several times to change this tradition at some very difficult moments in our history when refugees arrived at our borders without going through the normal process. Granted, in several cases these were phony refugees, but in many cases they were genuine.

Mr. Speaker, it was these circumstances that the Government tried to use in August 1987 to create a so-called national emergency so that it could recall Parliament.

If we want to set up a system to stop phony refugees from entering our country, we should realize it is equally important to make sure that genuine refugees can enter this country.

Over that long period of time, Mr. Speaker, the Opposition Parties, as well as various Canadian groups and individuals have begged the Minister of Immigration and this Tory Government to amend Bill C-84 in an effort to uphold this great Canadian tradition of tolerance, to maintain our great open door policy for genuine immigrants and to preserve our reputation as a tolerant country where all citizens of the world who fear for their lives can find here a secure heaven. This way we could continue to show leadership and thus urge all the other countries of the world to hold an international conference, thereby making sure that all those who are persecuted everywhere in the world would not give up hope of coming to a country such as Canada.

Mr. Speaker, of course there are abuses. As in any society, there are abuses: abuses of the unemployment insurance scheme, abuses of the income tax legislation, abuses of the Transport Act. Abuses are everywhere. We are all human and there are people who will take advantage of the system. It is indeed our responsibility, as Parliamentarians, to try to improve our system, to do the utmost to limit the number of possible abuses. But the fact that there are abuses does not justify closing all doors and adopting legislation which is not consistent with the traditions and aspirations of Canadians.

When, having adopted Bill C-84, the Parliament of Canada and this Tory Government with its enormous majority sent it to the other place—I mean, the Senate—the Senators decided to fully discharge their constitutional responsibility and to examine this Bill like any other Bill. They heard witnesses who had come from every part of Canada to make sure that this Bill was consistent with our traditions and our Charter of Rights and Freedoms.

After a while which I would describe as short, without delaying unduly the whole process or using delaying tactics not to be accused of filibustering, a charge this Tory Government has made often recently—the Senate sent back this bill to the House with a few reasonable amendments which would make it possible for the Government to correct the deficiencies which existed in the original Bill C-84.

Mr. Speaker, the Liberal Senators were not the only ones to propose these amendments. The whole Senate did, which means both Parties represented there. They said this to the Minister: We are proposing a few amendments which we believe are reasonable. We believe that these amendments will improve this bill and make it more consistent with the Canadian tradition and our Charter of Rights of Freedoms.

Mr. Speaker, when we consider the amendments the Minister accepted and those he rejected, we really wonder whether—

**Mr. Fontaine:** Mr. Speaker, on a point of order.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Lévis (Mr. Fontaine), on a point of order.

**Mr. Fontaine:** Mr. Speaker, I heard the Hon. Member mention the results of the vote in the Senate on this Bill. He said that the Conservative Senators voted with the Liberals.

When the Bill was examined in committee, one of the Conservative Senators voted with the Liberals. When the Bill came before a Committee of the Whole, I think the House ought to know—because he did not say what he should have said—

• (1540)

[*English*]

**The Acting Speaker (Mr. Paproski):** That is not a point of order, it is a point of debate. If the Hon. Member wishes to ask the Hon. Member a question or make a comment, it would be fine to do so after the speech. I do not consider that to be a point of order, and the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) has the floor.

[*Translation*]

**Mr. Gagliano:** Mr. Speaker, I have great respect for the Hon. Member, and just to set his mind at rest, I did not say the senators voted. I said the Conservative Senators did not vote against, in other words, they did not block the Bill. That means they agreed. You could call that tacit agreement.

[*English*]

**The Acting Speaker (Mr. Paproski):** I would just like to bring to the attention of all Hon. Members that it is not customary to state in this House what goes on in the other place. I wanted to bring that to the attention of the Hon. Member for Lévis (Mr. Fontaine) and also to the attention of the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

[*Translation*]

**Mr. Gagliano:** Mr. Speaker, we will try to focus on the Bill, but I am sure you realize this is quite difficult, since the proposed amendments come from the other place.

Mr. Speaker, I was saying that the purpose of these changes was to amend a Bill that was tabled in the House in August 1987 to cope with a so-called national emergency.

Mr. Speaker, as I said earlier, it is now January 1988, and Canada is facing neither war nor famine, there is no revolution, and at the time all we had was a hundred or so refugees who arrived one morning on the shores of Nova Scotia.

To get back to the amendments, Mr. Speaker, I would like to discuss the matter of ships whether the Minister has the power to turn back ships. Of course, last summer, at one time the Minister spread rumours that there were boatloads of refugees coming to Canada. Those rumours proved to be no more than that.

So I wonder how we are going to board all ships approaching Canadian shores and make sure everybody on board has a

passport and the right papers. Wouldn't it be more convenient, once a ship arrives in a Canadian port, to have legislation so that if there are refugees on board we can take legal steps, confiscate the ship, put the captain in prison, all of which would act as a deterrent to others. On the other hand, if a ship is prevented from entering Canadian waters or a Canadian port, what is going to prevent it from doing what happened this summer, when the ship's captain put his refugees ashore in small boats, at night while no one was looking? In that case, will the Canadian Government at least consider increasing very substantially the surveillance of its shores?

Mr. Speaker, I think the amendments are reasonable. I think the Government and the Minister of Employment and Immigration (Mr. Bouchard) could have accepted these amendments and thus have a piece of legislation that would reflect Canadian tradition and conform to the Charter of Rights and Freedoms. However, although the Minister accepted a few amendments because he really had no choice, he said no to all the others because they allegedly changed the substance of the Bill and he could therefore not accept them.

[*English*]

Therefore, we cannot support the action of the Minister in refusing these amendments. We believe that the amendments were necessary in order to keep the Canadian tradition of tolerance and to open our border to those who are in danger.

Yes, there are abuses. There are abuses in the immigration law, there are abuses in the tax law, there are abuses in the transportation laws and there are abuses in the environment laws. So what? Do we arrest everyone? Do we reject completely the unemployment insurance system because some have abused it, or do we try to improve the system and ensure that no one abuses it or that those who abuse it can be prosecuted in a fair and legal way? That is what the other place is trying to tell us. It is not filibustering anything. It is trying to ensure that we in this House pass a Bill that reflects the Canadian tradition and our Charter of Rights and Freedoms.

The Government has accepted some more minor and technical recommendations. This has signalled a recognition on its part that the Bill was overkill. The flexibility proves it erred in drafting the Bill and has vindicated the position we have articulated throughout the debate on Bill C-84. That was not only our position but it was the position of many Canadian groups, churches, unions and people who every day work with refugees.

Let me touch on another point that was part of these amendments which were rejected by the Minister. Let me give the House an example of what sometimes happens to us in our role as Members of Parliament. What will we do if one day someone knocks at the door of my riding office and is desperate, telling me that his life is in danger? Am I to ask him for proof that his life is in danger? I would look at the person and say that I think he is telling the truth and would decide to help the person get refugee status.

If, after investigating all the facts, the Immigration Department finds that that person was not telling the truth, am I to go to jail because I helped someone in need, believing and trusting that person who, I thought, was telling the truth? Is that not the Canadian tradition? Is that not what Canada is all about?

Why do we have to close all the doors? If, in 1968 when I came to Canada, the doors had been closed, I would not be here. Perhaps my colleague would not be here and maybe your parents would not be here, Mr. Speaker. Canada would not be the same. Why are we changing something that is so fundamental to Canadian life? That is what we have been telling the Government since August when the Government called Parliament back by saying that there was an emergency. Since then, we have been debating it, and now even the other place is.

Regardless of what government Members or members of the NDP say about the other place, I think it is very reasonable and sensible. They gave us a message. They tried to tell us not to make mistakes and change the Canadian way. I say, let us make those amendments to the Bill and we are going to have a law that reflects and represents Canadian aspirations, Canadian traditions, the Canadian way, and then our kids for generations to come can be proud.

[*Translation*]

Mr. Speaker, I have about three minutes left. It is important that we as Canadians continue the tradition of our predecessors and show other countries that Canada is a just and free country, and that when a person arrives at our borders and is telling the truth and says that he needs help and needs a place to live, he should be allowed to stay. Since there are people who take advantage of the situation and are trafficking in refugees or abusing the system, we should have legislation that provides for severe penalties in those cases, Mr. Speaker. However, penalizing someone who was acting in good faith to save someone else's life is certainly not the right way. It is not the Canadian way, to let a person who just wanted to help save another human being's life be penalized because that other person abused the system and did not tell the truth. I think the person who failed to tell the truth should be penalized, not the person who was trying to help him. I think that is a very fundamental point, Mr. Speaker. This is part of our Canadian tradition and should remain so.

**Mr. Marchi:** Mr. Speaker, I was listening carefully to the speech by my colleague, the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano). He spoke very eloquently and I may say very emotionally about the subject of immigration and refugees.

• (1550)

[*English*]

I would like to ask one question of my colleague and it concerns the question he raised in his speech, namely the legal implications of this legislation. One of the overriding, if not the

overriding, responsibilities of this Chamber and its Members is to draft legislation in keeping with the Constitution, which is our basic law, and the Charter of Rights and Freedoms. We have been told by virtually every legal expert who appeared before the legislative committee dealing with this Bill that it is so seriously flawed that as soon as it hits the books every lawyer worth his or her salt will be challenging it in the courts. It was the same story in the Senate committee. Many of those experts predicted that the court would agree that it is flawed.

That sets up the possibility of a very dangerous situation developing. The Government is conducting a public relations campaign to try to convince Canadians that somehow this legislation will take care of all our problems. The Government is saying not to worry, from this day forward our problems with the refugee determination system will be cured. What, then, is the Government going to do if a court strikes this legislation down because it violates the Charter? That will obviously paralyze the policy and again throw it into chaos.

Could the Hon. Member perhaps share with this House his thoughts on what that will do to the confidence of Canadians in the law, as well as causing increasing frustration and anger among people who have been misled into believing that the problem was solved only to find it worse than before?

**Mr. Gagliano:** Mr. Speaker, I want to thank my colleague for reminding me of this aspect of the legislation and the overall public relations framework the Government has been building since last summer. You will recall that we were called back in the middle of the summer recess because there was a national emergency. One morning we found around 170 refugees on the Nova Scotia coast. Years back we received thousands of refugees and there was no emergency, but the Government is trying to convince Canadians that there is an emergency now. It said there was something drastically wrong with our system and the only way to solve it was to call Parliament back to deal with this Bill, which gave the false hope that it would solve all the problems. Yes, our immigration and refugee policy needs to be amended, but not in this fashion.

I agree with my hon. colleague that the possibilities are very high that this legislation will be challenged in the court, so that this exercise is useless. We go back to the beginning and those people who should be penalized, those people who take advantage of the system, those people who charge a fee to bring in false refugees, will increase their activities and we will be in a worse situation than we were last summer.

Therefore, I agree with my colleague that the amendments proposed by the other place should be accepted so that this legislation is at least in accordance with our Constitution and Charter of Rights and Freedoms. It can then be put in place and we hope the Government will continue to look at our refugee policy so that Canada can continue its traditions, which are very well accepted by the rest of the world.

• (1600)

**Mr. Marchi:** Mr. Speaker, the Member for Saint-Léonard—Anjou (Mr. Gagliano) quite correctly pointed out the false hope which this administration was trying to generate by trying to fabricate and create a crisis which only existed in the wild imagination of the people on the other side. A measure of that false hope can be seen in the changes which the Government has made in response to the report from the other place. That is to say, even though those changes are to the more minor aspects of the legislation, the Government still made changes which it was not prepared to make last summer.

After a few months had passed and government Members had an opportunity to reflect on what they had done, I think they recognized that they had erred and that the legislation was overkill. I would like to commend the Member for Saint-Léonard—Anjou for his observations.

The other aspect was that of creating a new offence for religious institutions, other organizations, and individual Canadians who help with refugees who may not have documents to come to this country. I find that very offensive. Could the Member go into some detail on what he thinks about this particular aspect upon which he touched very briefly?

**The Acting Speaker (Mr. Paproski):** I will allow a very short response by the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

**Mr. Gagliano:** Mr. Speaker, if before a refugee comes into Canada he has to wait to ensure that he has all the documents to prove he is a genuine refugee, I do not think he will ever make it to Canada. Therefore, it is important that our system allow refugees to come to Canada so that they can be safe, and we can then verify whether they are genuine refugees.

With this legislation we will close all the doors. We will even tell boats not to come near us, to get away because they are not allowed to come. I do not know what measures we will use to accomplish that. Is the Minister going to call in the Army to start shooting? We shall see. Let us hope that we never go that far. This is how ridiculous this thing is getting. It is paranoia. Let us allow any refugee who comes here to come in. We can check them and if they are real refugees they will be welcome because that is our tradition and policy. If they are not genuine refugees they should be looked after and we will ensure that those who profited from bringing them here are penalized. Instead of turning the boat away we should confiscate the boat, arrest the captain, and ensure that the next captains know about it so that they will not take the risk of losing their ships.

## THE BUDGET

DESIGNATION OF ORDER OF THE DAY

**Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines):** Mr. Speaker, pursuant to Standing Order 84(2) I ask that you designate an Order of the Day for February 10, 1988, to allow the Minister of Finance (Mr. Wilson) to present his Budget.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Western Arctic (Mr. Nickerson)—External Affairs—Arctic Co-operation—Proposals made by Soviet Union leader; the Hon. Member for York Centre (Mr. Kaplan)—Canada Lands Company—Alleged failure to file annual financial return/ Request that annual report be presented by next Monday at latest; the Hon. Member for Thunder Bay-Nipigon (Mr. Epp)—Shipbuilding—Inquiry when six frigates will be built/ Request that Minister of Finance meet representatives of shipbuilding industry.

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## GOVERNMENT ORDERS

[*Translation*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Bouchard concerning the Senate amendments to Bill C-84, an Act to amend the Immigration Act 1976 and the Criminal Code in consequence thereof, and the amendment of Mr. Marchi (p. 12340).

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, I am pleased to take a few minutes to deal with the legislation put forward by the Hon. Member for Roberval (Mr. Bouchard), the Minister for Employment and Immigration, which legislation is aimed primarily at stopping the massive entry of bogus refugees into this country. As you know, faced with repeated instances of refugee groups coming to this country, we had to recall in August 1987 the House of Commons in order to prepare our legislation aimed at stopping human traffickers, those who offered for financial gain to bring people into Canada, to have them enter illegally. A stop had to be put to that kind of traffic with an aim, first to protect their victims, second to ensure a greater degree of security to Canadians and to protect the interests of Canadian taxpayers who for all practical purposes foot the bill each time there is a massive influx of people by sea or air.

That whole legislation was prepared with a view to maintaining a hospitable climate for legitimate refugees and people who want to enter Canada in order to later live here legally. Those considerations are an integral part of the legislation.

Our proposal received massive support from the people—there were only a few objections.

The opposition comes mainly from the coalition, what we now call the Liberal-Socialist coalition, a coalition described by the Leader of the Liberal Party (Mr. Turner), because they claim that at the next election, if there is a coalition of people from the left, this will help sink us lower into debt, as those people from the left did during the last 20 years under Liberal rule.

We therefore face an opposition from a coalition of Liberals in partnership with their Socialist comrades. Those people always refused to support the introduction of our Bill to the Senate.

We introduced it recently to the Senate, and it came back. Because in the Senate they also decided to oppose democracy.

Some 120 years ago, Mr. Speaker, this Chamber was given authority to legislate. And since last year the Senate, which is dominated by Liberals, Grits, friends of the former Prime Minister—perhaps enemies of the current Leader of the Opposition—has increasingly opposed legislation from the House of Commons, defying the Canadian Constitution, defying democracy. Curiously, the Senate should be the keeper of democracy—

So, they opposed our legislation, they sent it back. As they did when we proposed Bill C-22 concerning the Drugs Act. It was a non-ending struggle against the Senate. Liberal senators travelled across Canada, as they did with this legislation, in order to listen to Canadians, to hear them repeat the same things. Canadians agreed with Bill C-22, but the Senate, supported by the Liberal caucus—and I see that some members of the Liberal caucus are here now—defied the House of Commons on Bill C-22 and continues to defy it on Bill C-84, with the support of some of the Members from Quebec. For instance, the Hon. Member for Laval-des-Rapides (Mr. Garneau) was quite happy to delay passage of Bill C-22, which could create thousands of jobs in the Montreal region.

Mr. Speaker, it is important to expedite passage of this Bill because there are now 30,000 claims for refugee status in Canada. In 1987, 30,000 applications were made. We have to speed up the processing of these claims, but to do so, the Members of the Liberal-socialist coalition must help us move matters forward, and it is especially important for the Liberal caucus and its questioned and questionable Leader to advise Members opposite of the urgency of this legislation. There are

still two parties in the Opposition; the coalition is not a fact yet.

It would also be appropriate to tell the public about the position of the socialist party as concerns this Bill. Their lack of interest is obvious as there are not very many of them in the House to discuss this Bill. However, what is their position? What have they been saying?

[*English*]

**The Acting Speaker (Mr. Paproski):** Order. I would hope the Hon. Member would not bring attention to attendance in the House. There are people outside this Chamber who are watching the proceedings on television. There could be Members outside. Attendance should never be brought up in debate.

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, I would like the socialists to explain their position. They want to maintain the right to claim refugee status in the legislation, even in the case of a recognized terrorist.

However, as you know, Mr. Speaker, last week, these same socialists demanded that the case of Mr. Mohammad be settled immediately. They were screaming: "Crucify him! Send him back immediately! Rid the country of that individual!" Yet, these same people now ask that the right to claim refugee status be maintained for terrorists in this particular Bill.

I would therefore like the Leader of the socialist party, of this whole group of comrades, to tell us where he stands. Does he want us to settle quickly the case of terrorists or would he prefer us to keep them in Canada? The fact is that the socialist Leader is an opportunist. Last week, it was convenient for him to say: "Crucify him!" Yet, this week, the same man should not be crucified. This week, we should set up a system which would delay the processing of each claim from recognized terrorists. That is the socialist party, Mr. Speaker. They are inconsistent. They say one thing one day and another the next. They are chameleons. I find it surprising that the Liberals would want to try to get into bed with the socialist party. This is a questionable alliance, Mr. Speaker, but their Leader himself has mentioned the possibility. This is unfortunate because it will make the left stronger and emphasize its leftist tendencies in Canada, which is not good for our businesses.

I find the position of the socialist Leader on Bill C-84 surprising. He has two positions. He wants to keep the terrorists, but when one of them makes the headlines in the newspapers, he gets crucified. It is the same for the Meech Lake Accord. In Quebec, the socialist party says that it finds the Accord quite acceptable. Elsewhere in the country their position is different. Concerning Bill C-22, they spoke against it in the rest of Canada, but they would not say so in the Province of Quebec. That is still their position.

When we prepare our budgets we want to reduce expenditures, but they are against that. If we suggest a new tax they are against that too. Just where do they stand? When talking about the foreign policy of the socialist party . . . I am glad to see the Hon. Member for Winnipeg North (Mr. Orlikow) is listening to me. When talking about the foreign policy of the socialist party—

**Mr. Rossi:** A point of order, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

**Mr. Rossi:** Unless I am mistaken, Mr. Speaker, the Member for Lévis (Mr. Fontaine) is talking about everything but Bill C-84. He is referring to Bill C-22 and talking about all kinds of bills except Bill C-84. I think he ought to be more knowledgeable and stick to Bill C-84.

• (1610)

[*English*]

**The Acting Speaker (Mr. Paproski):** I believe the Hon. Member was just coming to Bill C-84. Does the Hon. Member for Winnipeg North (Mr. Orlikow) wish to raise a point of order?

**Mr. Orlikow:** Mr. Speaker, I am quite prepared to let the Hon. Member continue to speak about anything he wants because he displays his ignorance with every subject he mentions.

**The Acting Speaker (Mr. Paproski):** There is no point of order. That was a point of debate. The Hon. Member for Levis (Mr. Fontaine) has the floor.

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, I only wanted to focus on the contradictory positions taken by the socialist party. I simply wanted to explain . . . You did say that people outside the House of Commons are listening to us. I wanted to explain to them that the socialist party does not have a position on anything, a position which relates to a philosophy and a strategy. They come up with a new position every day, and I was about to explain how they see the position of Canada with respect to NATO: some of their Members said we must withdraw, others said no, we have to stay.

We heard the Hon. Member for Ottawa Centre say that some of the Atlantic Canada shipbuilding contracts ought to be cancelled, yet within 24 hours his leader gave him a dressing-down about that. Not long after the leader himself was on the carpet before Bob White, because Bob White happens to be their boss, the man who pays them with the workers' union dues. So Bob White told the Member for Oshawa (Mr. Broadbent) to tone down his opposition to free trade because now they see that the people are getting more enthusiatic about this issue, and coming out too strongly against free trade might prove to be an albatross come election time.

In conclusion, Mr. Speaker, I would ask the Members of the Liberal-socialist coalition to co-operate with the Government. More specifically, the Liberals ought to reconsider their

caucus directive and get the senators to work more closely with the House of Commons, and especially to show more respect for the democratic system under which we live. That is the way the Senate should approach the Bill introduced by my colleague from Roberval, the Minister of Employment and Immigration (Mr. Bouchard). This measure is good for all Canadians, a measure to welcome people who want to come to Canada on a permanent basis and who are prepared to show respect for our customs and our laws. The Bill ought to be adopted as soon as possible, in the best interest of Canadian taxpayers and of people who seek legal entry into this country.

[*English*]

**Mr. Orlikow:** Mr. Speaker, the Hon. Member said that those who oppose passage of this Bill are part of the Liberal-socialist coalition. Among the organizations that opposed the original Bill and still oppose the present Bill are the Canadian Conference of Catholic Bishops, the Canadian Council of Churches, the Anglican Church, the United Church, the Presbyterian Church, the Salvation Army and the Mennonite Central Committee. Does he include the leaders of all these organizations as part of the Liberal-socialist coalition?

I also have a comment with respect to the terrorist whose continued stay in Canada is being challenged. Does the Member not realize that when a person wishes to come to Canada as an immigrant or refugee he or she is asked a number of questions, including whether that person has ever been convicted of a crime and served a sentence for that crime? If so, they are almost automatically excluded from the right to come to Canada.

This terrorist who came to Canada lied about his situation. He did not give the security forces who examine applications the information that he had been involved in a terrorist activity, had been arrested, charged, tried and convicted.

While there must be a hearing, of course, he has obviously violated the law. He has lied and obviously cannot stay in Canada. I do not know any responsible politician from any Party who would argue that he should be permitted to stay in Canada. Why is the Member critical of the fact that our Members, along with Members from every Party have said that this man should be deported as rapidly as possible?

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) asked two questions. The first one had to do with representations from various Canadian church federations. I was here on Parliament Hill last summer to listen to the representations made by a number of Canadian churches. We realized that there was a powerful Liberal-socialist coalition lobby, a powerful lobby with a lot of misleading information about our bill. After the spokesmen for the various churches had a chance to listen to Conservative Members they changed their position and now they understand the purpose of this measure. The only people who are still raising objections—other than the odd exception—are those who belong to the Liberal-socialist coalition here in the House.

As to the second point, you mentioned a refugee named Mohammad. He is not a refugee, he is an immigrant who made false statements.

The fact that the Hon. Member for Winnipeg North referred to this immigrant prompts me to ask the question again: Where does his leader stand, where does his Party stand, suggesting as they do that the man be given the right to claim refugee status even though he was a terrorist when he came to this country? The Hon. Member for Winnipeg North did not respond to this question, but that is what we wanted to have, a clear answer and a definite position on the part of his leader, the comrade from Oshawa (Mr. Broadbent).

**The Acting Speaker (Mr. Paproski):** The question and comment period has expired. Debate. The Hon. Member for Winnipeg North (Mr. Orlikow).

• (1620)

[*English*]

**Mr. Orlikow:** Mr. Speaker, any Bill which deals with immigration or refugees, brought in by any Government whatsoever, would have to lead to very vigorous debate and discussion because the people of Canada are as divided on these questions as they are on any question. It is not surprising when we have over a million Canadians unemployed that many Canadians believe we have permitted too many immigrants to come into this country. They believe this has resulted to a large extent in this unemployment problem. Those people who believe that will not listen or pay attention to any study—and many have been done—which indicates that immigrants bring more benefits to the country than difficulties and that immigration has not been a factor with respect to the large number of unemployed in Canada. There are people, such as the former Chief Justice of the Supreme Court of British Columbia, and a former senior official in the Department of Immigration, who opposed the legislation we passed in the 1960s and the present legislation because, under the provisions of the legislation, under the regulations, a substantial number of people have come to Canada as immigrants or refugees who are non-white and these people believe, and I completely reject their belief, that we ought to maintain our white civilization, as they call it.

I am not surprised we have a great deal of debate, some of it pretty emotional, any time we talk about changing our immigration laws. Let us get the record clear. The Bill brought forward by this Government months ago has been thoroughly analysed, discussed and debated by thousands of Canadians. The fact is that many organizations representing millions of Canadians expressed their opposition to the provisions of this Bill and to its objectives when the Bill was first introduced, and they expressed those same objections when the Bill was being discussed and debated in the Senate. They approved in the main the amendments moved in the Senate which were rejected almost entirely by the Government. As I said on an earlier occasion, I have never in my 25 years as a Member of

Parliament seen such a unanimous reaction and opposition to this Bill as we have seen in the last year. Let me put on the record the names of some of the organizations which have expressed their opposition to this Bill.

The organizations include the Canadian Ethnocultural Council, which represents most of the ethnic groups and peoples in this country, the Canadian Bar Association, the Canadian Jewish Congress, the Canadian Labour Council, and the Canadian Council of Churches, which takes in the major non-Catholic churches. Included among these are the Anglican church, the United church, the Presbyterian church, the Mennonite Central Committee, the Salvation Army, the Quakers and the Baptists. We have the World Relief Canada which acts on behalf of 23 of the evangelical Protestant denominations. Last but not least, and I wish the Hon. Member who spoke a few moments ago were still here, we have the Canadian Conference of Catholic Bishops. To suggest that these organizations—which are almost all, if not all, non-political—are part of some kind of Liberal-socialist coalition, and participating, therefore, for partisan political reasons, is, of course, so ludicrous that one wonders why any Member would make such a suggestion.

It is not that they want anyone to be permitted to come into this country as a refugee. They recognize, as everyone does, that there is no way in which any Government in Canada, regardless of its political persuasion, could permit all the people who want to come to Canada as immigrants or refugees to do so.

This is one of the best countries in the world in which to live. We have one of the highest standards of living. We are one of the most democratic countries in the world. Of course, people from nearly every country in the world would like to come to live in Canada. Of course, no Government could permit everyone who wants to come here to do so. We know, and these organizations which oppose this particular piece of legislation know, that there are many people who come to Canada claiming refugee status who are in fact not refugees but who come here for economic or other reasons.

We know that any Government would have to pass legislation which would permit sensible screening and inquiry with respect to the application. However, that is not what this Bill does. This Bill ignores the recommendations made by the organizations which I have listed. It ignores the recommendations made by Rabbi Gunther Plaut, who was appointed by the former Liberal Government to do a study of the whole question of refugees and how we should deal with their applications. He tabled his report after the Conservative Government took office. He made a number of very sound and sensible, humanitarian proposals. The Standing Committee on Employment and Immigration held a whole series of hearings. That committee, as every committee of this House, included a substantial majority of Conservatives. They made a number of very good recommendations. Those recommendations were almost entirely ignored by the Government in the drafting of the Bill.

The United Nations High Commission for Refugees has said that this Bill violates our agreement with the United Nations with respect to how we deal with refugees. The Government has demonstrated conclusively that it does not have a policy which is based on any kind of principles. The best illustration of that fact is how the Government dealt with two groups of people who claimed refugee status in very similar circumstances.

• (1630)

The first case involved the case of the Tamils who arrived by boat on the coast of Nova Scotia and who claimed refugee status. They were welcomed by the Government of Canada. They were assured by the Prime Minister (Mr. Mulroney) that they would be treated in a friendly way. The assumption was made, very properly, that they would be granted refugee status.

One year later another similar group of over 100 Sikhs under similar circumstances arrived on the shores of Nova Scotia. This time they were given the cold shoulder. We were told that they were not genuine refugees and that they would not be granted refugee status quickly and easily. Why? They were in the same circumstance as was the earlier group. The Government listened to what it thought was the feelings of Canadians. It came to the conclusion that the Canadian people had had enough and that they wanted to get tough with so-called refugees. The Government felt that Canadians did not want to let these people in. Thus the Government changed its position and brought in this legislation.

Groups which have opposed this type of legislation have made it clear that they want the Government to deal with refugee claimants fairly, humanely, honestly and expeditiously. They have not said that every person who claims that he or she is a refugee should be permitted to stay in Canada. The Government has demonstrated its inability not only to adopt the policy based on any principle but to deal with cases which arise quickly, fairly and expeditiously.

I remind Hon. Members that several years ago there were hundreds of Portuguese flying into Canada claiming refugee status. They claimed that they were Jehovah's Witnesses and as such were being persecuted and prosecuted in Portugal. That was obviously and patently untrue. It took the Government months before it made a simple decision which would have stopped such nonsense. All it had to do was to put in place a regulation stating that people wishing to come from Portugal had to have a visa, one which they could obtain from the Canadian Embassy in Portugal. The Government did not do that.

A similar situation occurred when hundreds of people came to Canada from Turkey claiming that they were being prosecuted and persecuted. This occurred at a time when Turkey was moving to a more democratic system of Government. They did not appear in Canada when Turkey was under military rule, when people were being arrested, imprisoned and

worse. Again, the Government took forever before it insisted that people coming to Canada from Turkey had to have a visa.

The Government has demonstrated that it does not know what to do and how to deal with refugees. It has failed to do it and continues to fail to do it. As I indicated to my friend in the case of the terrorist, of course, he cannot be a genuine refugee. Of course he cannot be permitted to stay in Canada, because he was involved in a terrorist activity. He was arrested. He was charged. He was tried and convicted. He was sentenced. He served time in prison. He hid all of this from the Canadian authorities in the Department of Immigration and officers in the security service when he was asked to give information about his record. It is obvious that the Government in bringing forward this Bill has brought forward a Bill which is deficient in most of its major provisions.

What should there be in this Bill? What is wrong with it? There is no provision for any meaningful appeal process. Given the decision that the Supreme Court of Canada made today on the question of abortion, and although I am not a lawyer, I am certain that if and when this Bill passes there will be appeals to the courts by people who wish to be granted refugee status because there are provisions in the Bill which violate the provisions of the Charter of Rights and Freedoms which is now part of the Constitution. This is something with which the Canadian Bar Association agrees.

There is no provision in the Bill for humanitarian or compassionate cases, something that exists in the present Act. This Bill puts emphasis on whether the applicant for refugee status stopped in a safe third country. What that means is that we in this independent country of Canada will permit to an alarming extent the type of decisions we make was to be made by another country.

There are thousands of people who are in the United States as refugees who have come from Chile or some of the Central American countries such as El Salvador, Nicaragua or other countries with respect to which the American Government refuses to recognize refugees under its laws. Since those people have moved from the country where they used to live to the United States, which is a safe third country, when they come to our country under the provisions of this Bill they could be denied refugee status. This is so not because they are refugees coming from the countries which they have left because of political persecution or other reasons but because they were already in the United States, which is a safe third country.

I wish to tell Hon. Members that in the United States members of a number of churches, including the Roman Catholic Church and the Mennonites, who have been involved in helping these refugees whom the United States consider to be illegal have been charged with offences under American law as interpreted by the Reagan administration. They have been taken to court and found guilty of aiding people who are illegally in the country. If this Bill is passed, it will mean that Canada could be co-operating with that type of action which is being taken by the United States. I want to tell Hon. Members that I certainly intend to have no part in that kind of situation.

• (1640)

Let me conclude by saying what I indicated earlier. The Government has rejected many of the proposals of the parliamentary committee which dealt with this question. As I also indicated earlier, a majority of the members of the committee were Conservative Members. They proposed in their report that there should be a swift and fair system of refugee status determination. They also proposed that a refugee claimant should be sent directly to the refugee board without a lot of immigration procedures, and that the board could decide on that status having been trained and authorized to do so. The Immigration Department could take over from there and either admit the person on refugee grounds or, if there are no other humanitarian grounds, expel the person from the country. According to the committee, that would have required only four months, not the years it presently takes. The Government rejected that.

Members of the committee suggested that there should be an immigration adjudicator who would be a member of the refugee division, to examine the eligibility and credibility of the claimant. That person would not judge the merits of his or claim, but only whether he or she could be safe in another country through which he or she passed and should be removed to that country, or whether the country from which the claimant is fleeing is in fact one which does not produce refugees. That suggestion was rejected by the Government, as were almost all others.

When the Bill went to the Senate, hearings were held on it. With the exception of representatives of the Department and the Government, I understand that virtually all other submissions by witnesses as individuals or organizations pointed out the faults in the Bill and called for amendments, which were approved in the main by the Senate. Some of the most responsible organizations in the country, including the churches, the Labour Congress, and the Canadian Bar Association, have called for those amendments. As I have indicated, those suggestions embodied in the amendments have almost entirely been rejected by the Government.

I want to say again, as have other members of the New Democratic Party, that we opposed the original Bill and that we continue to oppose what is contained in the present motion.

**Mr. Blaikie:** I should like to make a comment, Mr. Speaker. One thing which amazed me about the Government's response to the criticism of this Bill has been its complete unwillingness to admit the unjustified nature of putting a great many church people in the situation in which it is going to put them by passing this legislation. It makes no distinction, as I understand it, between those who aid and abet or help someone, who they believe is a legitimate refugee but may not have the appropriate documents, and people who, for money or for other less justifiable reasons, knowingly bring people into the

country who do not have documents without any conviction that they are legitimate refugees. The Government has not made that kind of distinction. It did not make it when it first brought in the legislation.

It has, for reasons which are completely mysterious to me, resisted any attempts to clarify the legislation in a way which would make it possible for a great many otherwise law-abiding, decent Canadians, most of whom are active in one Canadian church or another, to work actively within a network that sometimes extends through the church all the way down to Central America, for instance, and to help people who are legitimate refugees get into the country. They do not smuggle in these people in that sense. They do not do anything clandestine. As soon as a person comes to this country, they take that person without documents directly to the nearest immigration office and say: "We have reason to believe that this person has a legitimate refugee claim". Everything is above board and everything is on the table, yet these people are to be classified as criminals under this legislation.

For the life of me I cannot understand why the Government will not make a distinction between those kinds of people and the people who everyone agrees should be curbed by the law, people who are organizing one scam or another for getting people into the country who do not have, and no one believes to have, a legitimate claim to being a refugee.

I do not know whether the Government is planning some kind of persecution of the churches in Canada. One starts to wonder after a while just what is coming down the road. the Minister says that that is not what they have in mind and that they would not do that sort of thing. If that is so, then why not clarify the legislation so that it would not be possible for them to do it? I just do not understand.

I think it is one of the more reprehensible aspects of this Bill alongside its reprehensibility in respect of the way it treats the human rights of refugees.

**The Acting Speaker (Mr. Paproski):** I should just like to advise the Hon. Member for Winnipeg North (Mr. Orlikow) that I gave him an extra five minutes on debate, so I hope he will complete his answer and we can continue with debate.

**Mr. Orlikow:** Mr. Speaker, I thank the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) for his remarks. He has highlighted a very important point.

The Government does not seem to understand that there is a tremendous difference. The captains of the ships which brought the Tamils and the Sikhs to Canada did it for the money they made, and they should be prosecuted to the full extent of the law. There is a vast difference between them and the people about whom my colleague has just spoken.

In Winnipeg there is an interchurch committee on refugees. I know some of these people. They are prominent in the Anglican Church, the United Church, and the Roman Catholic Church. They help people who get into Canada to establish themselves. They provide them with clothing, if needed, and help them to find home and eventually jobs. There is a Mennonite living in the Town of Morden. There is no more a Tory area of Canada than that part of Manitoba. Although I never discussed it with him, I am 99 per cent certain that he voted Conservative in the last election. He spends a good deal of his time and effort in helping people who come to Canada as refugees. They come here, having been helped by other churches to get from Central America to Canada. He and the people in Winnipeg have made clear that, although under the provisions of the Bill they could be prosecuted and sent to jail for helping people without proper documentation who come here as refugees, they will continue to do the work they have done because they believe it is right and proper.

The present Minister says that the Government has no intention of prosecuting such people. I believe him when he says that. However, when he is no longer the Minister and another Government is in power, that legislation, if passed, will be on the books and a Government could prosecute and send to jail people who help refugees. It is for that kind of reason that we are so determined to oppose the Bill.

**The Acting Speaker (Mr. Paproski):** Questions and comments have now terminated. Before recognizing the Hon. Member for Hamilton East (Ms. Copps), I should like to make an announcement.

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## BUSINESS OF THE HOUSE

### DISPOSITION OF PRIVATE MEMBER'S MOTION

**The Acting Speaker (Mr. Paproski):** I have received written notice from the Hon. Member for Ottawa—Vanier (Mr. Gauthier) that he is unable to move his motion during the hour provided for Private Members' Business on Friday, January 29, 1988. It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 39. Accordingly, I am directing the Table to drop that item of business to the bottom of the order of precedence. Since notice will be removed, the hour for Private Members' Business will be suspended and, pursuant to Standing Order 39, the House will continue with the business before it prior to that hour until the ordinary hour of daily adjournment.

• (1650)

## IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Bouchard, and the amendment thereto of Mr. Marchi (p. 12340).

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, in examining this issue, I am very happy that my colleague, the Hon. Member for York West (Mr. Marchi), is here. From the perspective of the Liberal Party he has been leading the fight.

In an analysis of what I have to say, even after the amendments that have been accepted by the Government, Bill C-84 is a very bad Bill. I think we have to look at the political context. If we recall last summer, some of us were working in Hamilton on a by-election and others were lounging on beaches across the country or enjoying their vacations with their families when we were called back to Parliament allegedly to deal with an emergency issue. It was an emergency issue that in my estimation the Government trumped up in response to a situation which saw a number of refugees coming to Canada by boat. Rather than following the recommendations of the refugee study that had been conducted by Rabbi Gunther Plaut, the Government chose to ignore the whole issue during the three first years of its mandate and then, all of a sudden, came forward with emergency legislation in late summer which was supposed to deal with an emergency situation. It was so urgent that the Bill dragged on and on and the Government did not move ahead as quickly as it said it would.

In the meantime, what we have seen is certainly a great degree of public concern about some of the policies that touch immigration in Canada. I think those are valid concerns. But unfortunately I believe the Conservative Government has been exploiting those legitimate concerns of Canadians about having a fair and equitable system. It has been mixing apples and oranges, if I can use the analogy. The Government has been mixing apples and oranges because it has been reaching out claiming somehow that the opposition Parties have been delaying passage of legislation which would improve the situation.

**Mr. Horner:** Haven't they?

**Ms. Copps:** In fact, what we have been trying to do is to continue the long tradition that we have in Canada of reasonable laws to deal with immigration in an open way and to deal with refugees in a sympathetic way and in a manner which has been historical in our country.

You will recall that Canada is the only country that as a nation has been recognized internationally for its contribution to those people who fled from Vietnam by boat, the so-called boat people. We were recognized internationally because, among all other nations, we reached out from our pocket books, as church groups and from our hearts as individuals and decided to mount a massive campaign assisted by the Government to permit legitimate refugees to settle in Canada. We have had a long and proud tradition of accepting not only immigrants who come to Canada through the normal application process, applying from their native countries, but we have also had a long and cherished tradition of accepting the stateless, the homeless and people who have nowhere else to do. I think this is a tradition we want to continue. That is why we cannot support the Bill currently before the House in the terms of Bill C-84.

There are two major flaws to Bill C-84. I think it is important we discuss them. At first blush I do not think the public, not even the politicians, always understand the nuances of the difference between an immigration policy and a refugee policy. In my own riding I spent a lot of time trying to assist people who would like to bring relatives from other countries. They look at people who come by boat and say, "Hey, this person is somehow getting ahead of me. He is jumping the queue. He should wait, stand in line and take his turn". But we know quite clearly that there are two streams for entry into Canada. One is the immigration process. Every year, through the Minister of Employment and Immigration (Mr. Bouchard), a number is established for immigrants who want to come to Canada from other countries. I personally believe that the number we establish generally is far too low. My friend the critic from the riding of York West may correct me but I believe on average we usually accept somewhere in the neighbourhood of about 200,000 people who emigrate from other countries. In my own case I was privileged to be able to sponsor a spouse from another country. That is the process that we have in place for general immigration and for family reunification. These are objectives that should be lauded.

On the other hand we have always recognized as a people that there are difficult political situations and different kinds of immigration solutions. Hence we have established a process to permit refugees to come to Canada in a way that is different from the way in which we assist the normal immigration process. For example, if you are required to flee your country with only the shirt on your back to save your life you cannot always apply with the proper documentation. I have friends in Hamilton who fled from Vietnam and I was involved with a group who sponsored them. They came to Canada with only the shirts on their backs. They literally left Vietnam in the dead of night, escaping a rule that was not acceptable to them, and they came to Canada and were accepted as refugees. They did move ahead of the normal immigration process because they did not have a homeland. They were stateless people, floating around in a boat.

While, on the one hand, you could argue that we should assist the Government in its objective to make sure that people who come to Canada and claim refugee status are legitimate refugees, but, on the other hand, how can we allow that process to be established if we pass a law which says we will turn the boat away?

Let us examine that for a moment, Mr. Speaker. You will remember this very sad story in the Second World War of the boat full of Jewish refugees that went from port to port and country to country getting turned away at every place. Hopefully, as Canadians, when we turned that boatload of Jewish refugees away, we learned a lesson. We said that in the future if a person or a group of people come to our shores and wanted to claim refugee status, we owed them the responsibility of due process.

If we turn a boat away, which is the intention of the Government's amendment, in violation of U.N. conventions, not only are we denying due process but we are assisting the very people whom, we claim, we want to put out of business. If I were the captain of a boat, a mercenary, and I wanted to drop a boatload of refugees or alleged refugees off the shores of Canada and I knew Canadians would turn the boat away, I would drop the people off farther offshore so that I was not in Canadian waters and I would get away with it. Captains of boats are receiving cash on demand, payable in advance. The boat owner is often running, probably having skimmed millions of dollars from refugees or would-be refugees who have sought passage on the boat, and is scot-free in another country merely because he drops refugees outside the 200 mile limit. The refugees or would-be refugees may drown, they may reach our shores and they may be dealt with in the due process at that time.

• (1700)

We are suggesting what we think is a more reasonable amendment, that would be, to throw the owner in jail, seize the boat and dispose of its assets for the Crown. That will make the boat owner realize that he cannot rip off would-be refugees and exploit the poor and homeless. That is why we are proposing these amendments.

I realize that my time is up so I will resume tomorrow.

**The Acting Speaker (Mr. Paproski):** The Hon. Member will have 10 minutes left in debate plus 10 minutes in questions and comments.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

### CRIMINAL CODE

MEASURE TO AMEND

**Mr. Bob Horner (Mississauga North)** moved that Bill C-264, an Act to amend the Criminal Code (instruments and literature for illicit drug use) be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am here this afternoon to begin debate on second reading of what I feel is a very important Bill which I introduced for first reading on September 14, 1987. I do not have to tell you about the problem that exists in Canada, Mr. Speaker. I know that you as a long time Member of the House know that there is a very, very serious drug abuse problem in Canada, a problem which affects all Canadians but mainly young Canadians. It is the young Canadians I am trying to protect by bringing in this Bill.

This problem has been discussed many times in the House in recent months. I do not think that any one of the 282 Members of the House would refute its importance. We all know the social and economic cost of drug abuse. I could quote reams and reams of statistics showing that drug use is on the rise. Drug seizures by police forces in Canada measured in kilograms show that in 1981, 38.528 kilograms of cocaine were seized. In 1986, that figure was 102.686. In 1981, 7.154 kilograms of heroin were seized, and in 1986, the figure was 44.482. It is on the rise and we know that. We are facing a very, very serious problem.

Many people have studied this problem. The Health and Welfare Committee studied it at length and came to certain conclusions and recommendations. I think it is time some action was taken on them.

As a Member of Parliament, and I think I am fairly typical, I have commiserated with parents of young people who were in foreign jails for attempting to smuggle cocaine. I have talked with them and tried to console them. I have tried to arrange consular visits. Recently I was with the Justice Committee in Kingston and spoke with a young woman in the women's penitentiary there. She was 35 years of age and told me that she started on drugs when she was 15 and had been an addict since. It had led her to the women's penitentiary. She cried when she spoke to me.

I do not think there is anyone in the House who does not know of a family in his or her community who has been touched by drug abuse. I think that this is the most serious situation we face. How can we expect to be a country that can compete with all other industrialized countries in the world on a free trade basis when our youth are subjected to drugs?

Most of these drugs are cultivated elsewhere and are brought into Canada. There is a constant supply of them. If there is no demand for them, the supply will cease. Sometimes it is very difficult, but if we could educate our children to say no to the supply that constantly exists, brought in by unscrupulous people, the supply would dry up because the demand would not be there. Sometimes, though, adolescents do not have the self-assurance or self-confidence to say no to things like this and therefore become involved.

I would like to tell the House where the inconsistency arises. Everyone knows that cocaine and heroin are illegal substances. At the same time, there are stores across Canada that sell drug paraphernalia. Believe me, there are not just one or two of them but hundreds of them. In Ontario, there are 300 and in

Alberta there are 100. There are some in the Yukon and they are moving into the smaller communities as well.

How can it be that a substance like cocaine is illegal while at the same time it is perfectly legal to sell drug paraphernalia anywhere in Canada, down on Rideau Street, on Yonge Street in Toronto and in Mississauga, I am sure, although I have not looked? These shops are called head shops by the youth. This comes from the word "pothead". In the 1960s, drug addicts were called potheads.

There are head shops where one can buy all of the drug paraphernalia one needs. We know that cocaine is illegal and that crack is made by mixing cocaine with caustic soda and water and boiling it. I do not know exactly how it is done, but it is a very dangerous drug. It has to be smoked in a pyrex pipe with a screen. These pipes can be purchased in these stores. There are many things including dispensers for cocaine and razor blades that do not fit any razors that are used to line up and mix cocaine. These can be bought anywhere.

Parents Against Drugs was the organization which so effective impressed me with the seriousness of the problem of drug paraphernalia in Canada, and that is what we are here today to debate. This Bill is a very small, concise Bill. It calls for an amendment to the Criminal Code of Canada to prohibit the sale of drug paraphernalia. I believe it is a good Bill.

I believe that there are shopkeepers who have drug paraphernalia on their shelves who, if they come to realize the heartbreak and misery these paraphernalia bring to the youth of Canada and their parents, will take them off their shelves and will replace them with something else. However, I also believe that there are unscrupulous people who do not care if they leave a trail of heartbreak behind them. They are in it for the money. They set up these shops next to video arcades where young people happen to be and they glamorize drug use. They sell products which tell the youth of our nation that drugs are the greatest thing that ever happened and that without drugs they cannot get along. These shops must be closed.

If I may, I would like to refer to the testimony of Assistant Commissioner Heaton of the RCMP before a Standing Committee of this House. He said:

> I think if we are really serious about the drug problem, there is probably no better place to start than to look at the drug paraphernalia. At a time when we put forth preventive education of our young people as a priority, there is an industry that thrives in this country delivering a completely contradictory message. We permit retail outlets that are called "head shops" to operate, and they distribute literature, equipment, and material to facilitate and enhance the use of illicit drugs. The paradox of such an industry is all too obvious. It relies on the message of drugs and their glamour for youth, and it delivers a message that really is directly opposite to what needs to be taught.

● (1710)

I do not think anyone in this House objects to closing these shops. Every one of the 282 Members must know that if we are going to combat drug abuse effectively we must get on with it.

We have had calls for the banning of head shops by witnesses from the RCMP, the Canadian Association of Chiefs of Police, the Ontario Association of Chiefs of Police, Alcohol and Drug Concerns Inc., Parents Against Drug Abuse, the Ontario Secondary School Principals Council, the Ontario Association of Home and School Associations, Youth Alcohol and Drug Community Action, and many others. I believe this is something the Government must do during this mandate.

I would like to pay special tribute to Mrs. Joan Gitterman of Parents Against Drugs who wrote me a letter asking me to become involved. I have spoken at banquets and meetings of that organization and, believe me, I think every Member of this House should vote in favour of this amendment to the Criminal Code.

The Bill is only two pages and I will read the explanatory note:

> The purpose of this Bill is to prohibit commerce in illicit drug paraphernalia. At present, although narcotics and certain drugs are outlawed, literature glamorizing their use and devices and kits facilitating it are freely available in so-called "head shops" and elsewhere.

If an addict came to a town and did not know where to get a drug supply, where would be the obvious place to go? I think he would go to a head shop where he would be directed to where he could get a supply of the drugs he needs.

We have in Canada today an outrageous number of addicts. In Alberta, the province you represent, Mr. Speaker, there are over 2,000 heroin addicts alone. There are over 2,000 in Metropolitan Toronto. These lives are being wasted. These are people Canada needs and I would hate to see any more of our youth brought to the use and abuse of drugs because of these head shops. I call on every Member of this House to stand in his or her place and vote with me to bring about the abolition of the sale of drug paraphernalia and thereby cut down on drug abuse in this country.

[*Translation*]

**Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)):** Mr. Speaker, Bill C-264, introduced by my friend the Hon. Member for Mississauga North (Mr. Horner), addresses an issue which is both important and delicate. The purpose of this bill is to prohibit commerce in illicite drugs paraphernalia. At present, although narcotics and certain drugs are outlawed, literature glamorizing their use and devices and kits facilitating it are freely available in so-called "head shops" and elsewhere. I intend to deal quickly with the problem of drug abuse in Canada as well as those connected with the sale of drug paraphernalia. First of all, I want to congragulate the Hon. Member for his interest in this matter. All those presents realize the importance of the drug abuse problem in Canada.

I certainly feel very strongly about the drug abuse problem in Canada. Such recent events as the announcement by the Government of a national strategy against drugs have caused me and many Canadian people to ponder the general issue of drug abuse.

We are aware that the drug abuse problem in Canada is both complex and old; it includes the use of illicit drugs as well as the uncontrolled consumption of alcohol and prescription drugs. The social cost of drug abuse on individuals is enormous. The detrimental effects of drug abuse on individuals, families and communities through highway accidents causing injuries and death, and threaten the security of the work place.

I will emphasize that over the past years, the most monstrous and frightening crimes were commited following the use of drugs.

Concerning illicit drugs, we know that a great many Canadians are using them socially. This habit has taken such proportions, especially among the young people of high school and college age, that the use of some of these drugs, especially marijuana, is almost part of the social mores.

The number of users has increased in spite of two decades of severe penalties, a strict enforcement of the legislation and increased police powers. This has brought many people to conclude that current legislation have been unable to discourage the use of drugs. The present penal system, as established under the Narcotic Control Act as well as the Food and Drug Act, prohibits the use, distribution and production of narcotics, controlled drugs and restricted drugs.

All offences created by those statutes are indictable offences or hybrid offences, that is offences that could be prosecuted by way of indictment or by way of summary conviction.

The penalties are very serious and include a maximum seven-year imprisonment for drug possession, life imprisonment for drug trafficking and possession for trafficking purposes and a maximum seven-year imprisonment for growing common opium poppy or marijuana, that is cannabis.

Aware of the problem, the federal Government announced in May last year a five-year action plan against drug abuse that involves $210 million. The federal plan will bring new resources to fund initiatives in the area of public information, treatment and rehabilitation, law enforcement and research at the international, national, provincial and community levels.

The work of police forces and federal and provincial government agencies has not been in vain. We see the trends in illicit drugs usage change. For instance, young people seem to use fewer and fewer illicit drugs. A recent study by the Addiction Research Foundation of Ontario looked at alcohol and drug usage by Ontario teenagers in 1987 and the trends observed in that area since 1977. It considered the consumption habits of 4,267 students of the seventh, ninth, eleventh and thirteenth grades. Researchers have found that consumption had gone down between 1985 and 1987, which confirms the trend first noted in 1979.

The amendments to the Criminal Code proposed by my hon. colleague for Mississauga North (Mr. Horner) are well-intentioned. However, this anti-drug paraphernalia Bill is very vague. It refers to the devices generally, but without describing them or giving a complete list. Such lack of precision would only cause serious problems to the police officers responsible for enforcing the proposed amendments. I recognize that the battle has not yet been won although there seems to be a downward trend in drug use. We have to remain vigilant as concerns the problem of drug abuse and continue the fight against illicit drugs in accordance with the guidelines of the federal action plan against drug abuse. In this regard, Mr. Speaker, the Minister of Justice (Mr. Hnatyshyn) has announced a review of the whole issue of illicit drug paraphernalia. The results of this review should be known later this year. This is why I believe that consideration of the Bill introduced by my hon. colleague should be delayed until the results of the review being carried out by the Minister of Justice are known.

• (1720)

[*English*]

**Mr. Jim Caldwell (Essex—Kent):** Mr. Speaker, I want to compliment the Hon. Member for Mississauga North (Mr. Horner) for presenting this Bill. We all realize, from his speech and from his past interest in this subject, the seriousness with which he presents it. The Member speaks with some authority. He represents one of the biggest urban ridings in Canada and I am sure he has come in contact with many people experiencing this problem which we have, especially in our urban areas. The Member also speaks with authority as a former law enforcement officer. He had a distinguished career with the Royal Canadian Mounted Police.

With all of that in mind, we must take this Bill very seriously. It is not a trivial matter as some people may perceive it. At one time or another we all come in contact with the problems which drug abuse has created in our society. We often perceive it to be a teenage problem, but that is not the case because it is not only teenagers who are involved with drugs today. There are people who are not yet teenagers who get involved with drugs.

As the Hon. Member for Mississauga North pointed out, while head shops do not sell drugs, they certainly give the indication that that is what that paraphernalia will be used for. As he pointed out additionally, while they do not sell drugs, I am sure that if you wanted to find out where drugs were sold they would be among the better places to find out. I am not saying that all head shops perform that service, but they are in the business of selling paraphernalia which will be used in the selling and glamorization of drugs.

The Hon. Member for Mississauga North has introduced this Bill to amend the Criminal Code. The purpose of the Bill is to prohibit commerce in illicit drugs paraphernalia. As we all know, although narcotics and certain drugs are prohibited, books and other literature glamorizing the use of these drugs and devices and kits facilitating the use of these drugs are presently freely available in what we call head shops in many of our major urban areas.

The introduction of this Bill is very timely. As you know, the issue of drug abuse is a very serious one on which the Government has recently taken a great deal of action. You may recall that not long ago the Government announced its national drug strategy whereby it indicated its very real intent to come to terms with the drug abuse problem in the country. The issue of drug paraphernalia is closely related to the whole problem of drug abuse.

Many of us are aware that several states in the United States have adopted anti-drug paraphernalia legislation. Accordingly, for the next few moments I would like to outline some of the actions that U.S. authorities have taken.

Accessories for drug use include pipes, water-pipes, rolling papers, clips, mirrors, razor blades, and a host of gadgets to aid in the preparation, storage, and consumption of controlled substances. These items first became commercially available on a relatively small scale in the mid-1960s in boutiques and record stores. As the popularity of paraphernalia grew, so did the number of stores that sold them. Some shops began to appear that carried nothing else. These stores in particular came to be known as head shops. There were several thousand of them in the United States in the early 1970s.

While the paraphernalia industry grew, opposition began to be voiced by concerned parents, religious leaders, and government officials. Initially the resistance was weak and much of it disorganized. As long as shops were small and relatively inconspicuous they attracted little attention, but by the 1970s head shops could be found in suburban malls and in respectable neighbourhoods.

The first organized group to oppose the paraphernalia industry emerged in Georgia in 1977 under the name of Dekalb Families in Action. They argued that the entire industry was in conflict with the government policy of controlling drugs and that head shops give young people the impression that drug use is socially acceptable. Similar groups organized in other parts of the country and pressed local Governments for ordinances prohibiting the sale of drug accouterments.

Between 1977 and 1979 many municipalities and three states passed laws prohibiting the possession and distribution of paraphernalia. These first statutes were inevitably struck down as being unconstitutional. In May, 1979, the White House requested that the Department of Justice's Drug Enforcement Agency attempt to develop a constitutionally permissible approach to the control of paraphernalia.

The DEA's response to the White House request was to develop a model drug paraphernalia Act. Hearings were held before the House Select Committee on Narcotics and Drug Abuse control in November, 1979, to review the model Act. The committee concluded its review by finding that the paraphernalia industry contributed to the flagrant and harmful use of drugs and found that the model Act was necessary to eradicate the paraphernalia industry.

However, it was suggested that the problem of drug paraphernalia would be better addressed by state and local government initiatives. Because many state and local anti-paraphernalia laws had been struck down as unconstitutional, the DEA developed the model Act which could then be adopted into the state anti-drug statutes.

I would like to go over some of the basic provisions of the American model Act. First, it provides a comprehensive definition of the term "drug paraphernalia" with specific descriptions of the most common forms of paraphernalia. It outlines the relevant factors a court or other authority should consider in determining whether an object comes within that definition. It makes the manufacturer, advertisement, delivery, or use of drug paraphernalia a criminal offence. It makes the delivery of drug paraphernalia to a minor—that being a person under the age of 18 years—a special offence.

The Act it defines clearly what conduct is prohibited regarding the manufacture, advertisement, delivery, or use of drug paraphernalia and specifies what criminal state of mind must accompany such conduct. It also provides for the civil seizure and forfeiture of drug paraphernalia.

In addition, local Governments in the United States have also taken the initiative by adopting zoning and licensing regulations that bar sales of drug paraphernalia to minors, limiting the type of advertising and display of drug paraphernalia items, and controlling where head shops can be located. Such regulations are similar to those governing pornography shops and adult theatres.

I will cite some examples of the municipal exercise of this jurisdiction. A Philadelphia ordinance requires zoning board approval to open a head shop within 1,000 feet of a school, church, or library. In Massachusetts there is an ordinance which requires current paraphernalia merchants to be licensed and prevents new stores from offering the merchandise. In Illinois there is an ordinance which makes it unlawful to sell or display paraphernalia in premises in close proximity—that being 1,500 feet—to any public or private school, daycare centre, nursery, church, synagogue or any place of worship, park, or liquor licence seeker.

Alternatively, municipalities in Florida and New Jersey adopted anti-paraphernalia ordinances that include bans against the promotion or advertisement of drug paraphernalia. Given the wide-ranging initiatives that have developed at the local government level in the United States, it is encouraging to note that the Supreme Court of Canada has recently ruled as constitutional a provincial prohibition of nude dancing that was a condition of issuance of a liquor licence. This case would appear to endorse local government initiatives to regulate illicit activities without falling into constitutionally prohibited areas.

I hope that municipalities across Canada have taken a good look at this decision to assess their competence to deal with the problem of drug paraphernalia merchants. I am sure that the study group that is being created by the Minister of Justice (Mr. Hnatyshyn) will also be looking at this new development.

• (1730)

At the same time as U.S. legislative initiatives were developed, the industry that was involved in the manufacture and distribution of so-called neutral products that could be adopted for use in the ingestion or storage of controlled drugs adopted a responsible position of self regulation. The *Suggested Paraphernalia Industry Guidelines* stated that smoking-related products and other novelty items should not be advertised or merchandised with any reference or illustration involving: the possible illegal use of the products; any illegal drugs or substances; or claims that the product can increase the strength or effectiveness of illegal drugs or substances.

The retail seller of smoking-related products and other novelty items should: post signs prominently indicating "smoking-related items not sold to minors"; require proper identification if a customer's age is in question; instruct sales personnel that customer requests for specific illegal products such as hash pipes, marijuana rolling papers, cocaine spoons, should be courteously turned aside while indicating that pipes, rolling papers and other novelty items are available.

This is a short review of the experience that our neighbours to the south have had. It is clear that the road to creation of legislative responses to the problem of drug paraphernalia has not been smooth. Given the extent to which American constitutional jurisprudence is being accepted in Canadian courts, it is appropriate to review their initiatives and judicial responses.

I want to compliment the Member for Mississauga North for bringing this to our attention in the Chamber. I hope the Government takes his initiatives seriously. All of us realize that there is a problem and I emphasize again that these head shops are there for only one purpose. We know why they exist and, as far as I am concerned, it is time the Government took a serious look at the Hon. Member's Bill, and, if not pass it, do something in this particular area.

**Mr. Bob Brisco (Kootenay West):** Mr. Speaker, it is indeed due to the work of a thoughtful and concerned Member that this Private Members' Bill is introduced dealing with the paraphernalia used in the consumption of illicit drugs. I want to congratulate him for his foresight.

I am pleased to have the opportunity to speak in support of the Member for Mississauga North (Mr. Horner) who has introduced this amendment to the Criminal Code. The purpose of this Bill is to prohibit the sale of drug-related paraphernalia.

Presently, the sale of such material is not prohibited by any specific provision of the Criminal Code, Food and Drugs Act or Narcotic Control Act even though the sale, possession and use of illicit drugs is clearly prohibited.

This obviously leads to a perceived contradiction relating to the federal Government's approach to the drug problem. On the one hand, illicit drugs are rigorously controlled by law, while on the other hand, the accessories used to consume or otherwise ingest these drugs are being allowed to be openly marketed in stores across Canada. I believe that is a frightening situation and, accordingly, I am very sympathetic with the underlying motives of my colleague in introducing this Bill.

I want to take a few moments to discuss the broad problem of drug paraphernalia and the drug problem on the whole.

During the past 50 years public pressure to control drug abuse has waxed and waned. In the 1960s and 1970s, marijuana use appeared to receive a degree of acceptance in some quarters. Later, cocaine took on an unprecedented fashionability, again in some quarters. While heroin continued to be feared and loathed, attitudes were still sufficiently permissive that the controlled distribution of synthetic opiates such as methadone to confirmed addicts became acceptable.

Head shops, purveying intriguing and attractive paraphernalia for the storage, preparation and ingestion of drugs, emerged as symbols of the apparent acceptance of drug use. Therein lies the danger.

Thus, the paraphernalia industry is a merchandising outgrowth of the phenomena of the expansion of so-called recreational drug use in the United States and Canada over the last 25 years. The industry's history really begins in the counter culture movement of the United States during the mid 1960's, which most Members will recall. Its development parallels the emergence of "alternative lifestyles" which were reflected in the credo developed by the "guru" of the sixties, Dr. Timothy Leary who encouraged the youth of North America to "tune in, turn on and drop out". I wonder how many lives were destroyed with that simple misguided philosophy.

Much of this counter-prevailing attitude was fostered by a substantial degree of disfavour with the involvement of the United States in the Vietnam conflict. Anyone old enough will remember the spill-over effect of this conflict into Canada. Clearly I recall it because much of the spill-over effect was felt in Kootenay West. The occupation and destruction of equipment at the computer centre of Sir George Williams University in Montreal in 1969 is a classic example which comes to mind. It was a time of considerable malaise in North America. It was a time of social confusion and absence of direction.

Extensive use of marijuana, cocaine and other drugs has created enormous social, health and legal problems. There are factions that proclaim the dangerous consequences of all non-medical drug use as well as those that advocate the legalization and availability of all substances. I would certainly oppose the use of these dangerous drugs.

Other lobby groups for the reform of marijuana laws have been active. In certain American states, civil fines have been substituted for criminal penalties resulting from possession of small amounts of marijuana. There are persuasive studies to show that the use of marijuana may be more harmful than thought 10 or 20 years ago. Yet it continues to be a cash crop in my riding, referred to as "Kootenay Green".

One of the more visible repercussions of the drug revolution has been the multimillion dollar industry that has developed to supply the equipment used to grow, process, store, conceal and use illicit drugs and to profit from the demands of their customers. The manufacturers, most of whom are in the United States, and retailers of these implements associated with so-called recreational drug use are new entrepreneurs who acknowledge, thankfully, the precarious nature of their prosperity and unfortunately capitalize on their connection with illegal activities of the illicit drug industry.

"Paraphernalia" is not a precise term. Even when limited to drugs, paraphernalia can refer to equipment for legal or illegal administration of legal or illegal substances. For example, hypodermic needles can be used to inject medically approved drugs as well as illicit substances such as heroin. Alligator clips that have a legitimate use in the electronic and hobby industry are also perfectly suited as a "roach clip" in the smoking of marijuana cigarettes. A kitchen spoon becomes drug paraphernalia when used to snort cocaine and cook heroin. There is a great deal of difficulty, therefore, in defining exactly what is drug paraphernalia.

The industry that manufactures, distributes and sells the drug paraphernalia has limited itself to the creation of an enormous and varied number of products primarily related to the two most frequently used drugs, marijuana and cocaine. A minor interest has been shown in equipment to grow psychedelic mushrooms and to cultivate opium and various herbs, spices and teas. Generally, the paraphernalia industry does not involve itself in the selling, displaying, advertising or in any way glamorizing implements for making, storing, or administering so-called hard drugs. This includes syringes, "cookers", needles, gear for making veins more prominent and thus more easily injectable, powder-like substances for diluting narcotics, purifying equipment, and the like. However, there are complaints of products such as free-base kits for use in cocaine consumption that demonstrate a willingness on the part of these enterprises to enter the hard-drug field.

• (1740)

In any event, we must consider what to do in relation to any use of paraphernalia associated with all illicit drugs. What has not been mentioned so far in this debate is that the use of these syringes and needles for the injection of drugs often means, in the drug addict community, a sharing of the needle or syringe. It is in that fashion that the deadly virus, commonly referred to as AIDS, is transmitted. So, apart from the application of some of this paraphernalia for the sole purpose of taking drugs, there is, as a consequence, in some parts of our society, a very terrible risk of the continued escalation of the virus AIDS.

The Drug Paraphernalia Model Act which was developed by the American Department of Justice, which was expected to deal with the broad problem of drug paraphernalia, has been subjected to a considerable number of court challenges. The rationale behind these court challenges is really quite simple. The description or definition of "paraphernalia" is excessively vague and imprecise, thus, the model Act runs afoul of the U.S. Constitution's Fourteenth Amendment's guarantee of due process. The problem is clearly stated in the judgment of the United States Court of Appeal, Seventh Circuit, in 1982: He reads:

> The difficulty that has plagued draftsmen of drug paraphernalia ordinances is how to control traffic in drug-related equipment without also proscribing wholly innocent conduct. Mirrors, spoons, pipes and cigarette papers are all multiple-purpose items. A statute that has no ambiguities will reach only the most obvious items of drug paraphernalia, while a statute that casts a broader net may be too vague.

While the United States Supreme Court upheld the constitutionality of a similar definition of paraphernalia in a regulatory scheme requiring the registration of paraphernalia sales, the court has not ruled on the model Act's attempt to prohibit and criminalize the paraphernalia trade. The national drug strategy announced by this Government in May of last year, I hope will resolve the problem. It is a multi-faceted attack on the drug problem in Canada. The development and funding of innovative approaches to the demanding side of the problem by means of education programs, including media communication, are now operating for all to see. In addition, I am hopeful that the specific use of drug paraphernalia which is now being addressed by the Minister of Justice (Mr. Hnatyshyn) will add further enlightenment to the process.

Drug paraphernalia availability is a matter that concerns all the citizens of Canada. It concerns this Government, and this Government, in my view, will act upon it in a responsible way to the satisfaction of responsible Canadian citizens.

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, first, I would like to praise the concern expressed in this Bill by its proponent. I think it can be said that most Canadians share his concern about the issue of drug abuse in Canada.

I would just like to say that it is important to recognize that quite recently a report of the Standing Committee on National Health and Welfare entitled *Booze, Pills and Dope* was released, which dealt with the issue before us today. Given what has been said in reference to this Bill, I think it is important to refer to the report because a good deal of what is said reflects a stereotyping of drug abuse. In oral testimony and in briefs presented to the standing committee, witnesses expressed special concern about the extent and severity of the abuse of alcohol which, it became clear from those representations, is the most widely abused drug in Canada, to the extent of around 95 per cent. Perhaps there is an error in focus here. In fact, we seem inclined to ignore the real problems, and those problems, in addition to alcohol, would include the over-the-counter sale of legal drugs that are abused far more than marijuana or cocaine.

I would like to point out that a great many recommendations were made in our report which, by the way, had the unanimous agreement of representatives from all Parties with no one dissenting. I would just like to say that there are a number of recommendations one might have hoped would have

become the subject of a Private Member's Bill. If we are to refer to the issue of drug paraphernalia, I think we should take note of the recommendation and commentary which was made with respect to drug paraphernalia in this report. The development of legislation aimed at banning drug paraphernalia is a difficult task as in most cases items of drug paraphernalia also have legitimate and non-drug applications. It was therefore recommended that instead of attempting to outlaw the ordinary items used in connection with drug use, some legislative attempt be made at dealing with the issue of head shops.

The standing committee recommended that the Minister of Justice, in co-operative efforts with his provincial counterparts, develop legislation to close head shops, commercial enterprises whose principal business is the sale of drug paraphernalia and items which describe their use and which advocate the use of illicit drugs. With respect to Bill C-264, I have to say that its drafting is almost bizarre. It is so poorly drafted that if it were to pass, I would have to suggest it would call Parliament into disrepute. It would outlaw as an instrument for illicit drug use:

> —anything designed primarily or intended under the circumstances for consuming or to facilitate the consumption of an illicit drug;

Literature for illicit drug use would also be outlawed. That means any printed matter describing or depicting and designed primarily or intended under the circumstances to promote or glamorize the production, preparation or consumption of illicit drugs. According to this suggested legislation the following items would perforce be outlawed; cigarette papers, razor blades, pipes, water pipes or otherwise, syringes, hypodermics, electrical clips, bobby pins, cigarette holders, glass tubing, rubber tubing, cigarette machines, mortars and pestles, and I am told by some, even twenty dollar bills, brand new, of course.

Let us also consider the history of literature with respect to drug use. Under some circumstances as described in this Bill, we would outlaw the following literature; *A Rebours* by Joris-Karl Huysman, *Kubla Khan, A Vision in a Dream* by Samuel Taylor Coleridge, *Ulalume* by Edgar Allen Poe, *The Adventures of Sherlock Holmes* by Sir Arthur Conan Doyle, *Alice in Wonderland*, by Louis Carroll, *Tropic of Capricorn* by Henry Miller, *Naked Lunch* by William S. Burroughs, *On the Road* by Jack Kerouac, *Howl and Other Poems* by Allen Ginsberg, *Beneath the Underdog* by Charles Mingus and *The Collected Works of Billy the Kid* by Michael Ondaatje, winner of the Governor General's Award for Poetry in 1971.

• (1750)

This legislation is a sloppy bit of draftsmanship. It should not be accepted as such. However, that does not mean that we reject the notion that an effort should be made to ban head shops. There is a possibility that that approach would have some merit. But, of course, it is outside the jurisdiction of the federal Government. It resides at the provincial level and at the municipal level.

I would commend to the Minister of Justice that, in lieu of this Bill being enacted, means be explored, with the other levels of Government, to bring about a practical attack on the matter of drug paraphernalia as it can only be done through legislation aimed at head shops.

I would like to make one more plea. If we are going to deal with the issue of drug abuse, then let us be conscious of the fact that, although it conjures up all kinds of fears and visions of kids smoking dope on the street, the real issue in Canada is not the abuse of marijuana or of cocaine, however dangerous it may be, but the abuse of alcohol by all too many without full cognizance of the dangers involved in its use and the tragedy that has been costing so many lives. If we want to do some good, then we should read the report entitled, *Booze, Pills and Dope*. Let us act on that. If we follow the recommendations in this report which reflect the knowledge of those who have been involved in the issue of drug abuse then we might indeed make some material progress.

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I am glad to be able to participate in this debate. I want to begin by saying that I agree with my colleague, the Hon. Member for Windsor—Walkerville (Mr. McCurdy), that there is a lot wrong with this Bill. That is to say that it could be extended to a degree which, as we have seen from American experience with similar Bills, would make it totally unworkable. Such items as hairpins, safety pins, books and ashtrays, as well as many other products which are innocently used in one character can be not so innocent when used in another. There will always be a problem to ensure that the subject matter is covered precisely in a Bill so that our criminal law is as clear as possible.

While it is possible to draft the Bill in a better fashion I think there is a good idea contained in it. It would be constructive to see this Bill move forward, perhaps with similar Bills which are on the Order Paper. In this way a committee could look at the issue to see whether it is possible to define with some precision a class of products whose identification with drug use is so close that it would be fair to criminalize their sale.

I would like to achieve that result because I believe that a very peculiar signal is being given by the existence and character of head shops to people across the country. We were told by the Prime Minister (Mr. Mulroney) about one year ago that there was a drug epidemic in Canada. Perhaps that was an exaggeration. Perhaps it was a bit of grandstanding by the Prime Minister. However, when we look at it we ought to be prepared as a society to do what we can to deter drug use.

Head shops are hard to explain to young people when trying to tell them that the use of hard and soft drugs is undesirable and that they ought to try to avoid their use. I want to use the criminal law not only to deter harmful conduct but to a certain extent send a signal about our views as a community on drug use.

At the present time we are looking at Bill C-51 which deals with the smoking of tobacco which is also a harmful drug. It is not a mood-altering or mind-bending type of drug but it is harmful and a killer. While considering this Bill we are also entitled to look at the use of drugs, hard and soft, and the type of paraphernalia that is associated with their use. I am not sure whether such a goal is attainable. The burden is on the mover of the Bill, on those who favour it and witnesses who come forward to convince us that we would not be launching a witch- hunt and criminalizing the use of innocent products. If a means could be found, I think it would be desirable to stop sending such a signal out and to take steps to see that we stop tolerating the use of hard and soft drugs by permitting easy access to products uniquely associated with their consumption in one form or another.

I would like to remind the House, and perhaps it has already been done, that a parliamentary committee looked at drug abuse. It made a unanimous report. That report included support for legislation of this type. It was a very general recommendation and I do not like general amendments to the Criminal Code. I want specific amendments to the Criminal Code. However, I have in mind as a goal the improvement of the signal that we are sending to young people about drug use.

I would like to conclude by saying that if one wanted to challenge me I know that making these products illegal will not stop drug use and perhaps not even reduce the access to drugs or to associated products by those who are looking for them. One cannot reduce the amount of smoking that goes on in society just by banning ashtrays or matches. That is something which no sensible person would suggest. But in this case I think there is a signal being sent out at a time when young people make their minds up about whether they want to try these products before they are addicted to them. Before they become the socially in-thing for them and their set to do I would like them to get a proper signal from the community that we oppose them.

This is a Private Member's Bill. I am only speaking for myself. However, I know that a great many of my colleagues in the Liberal Party share these concerns. We would welcome further study of the Bill in an attempt to try to find a proper descriptive formula for classifying products which could be banned, something which we are trying to do in the area of tobacco smoking.

May I call it six o'clock, Mr. Speaker?

**The Acting Speaker (Mr. Paproski):** Is it agreed that we call it six o'clock?

**Some Hon. Members:** Agreed

**The Acting Speaker (Mr. Paproski):** When this Bill is next debated, the Hon. Member for La Prairie (Mr. Jourdenais) will have the floor.

The hour provided for the consideration of Private Member's Business has now expired. Pursuant to Standing Order 36(2) the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### EXTERNAL AFFAIRS—ARCTIC CO-OPERATION—PROPOSALS MADE BY SOVIET UNION LEADER

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, it was on October 1 of last year that Mikhail Gorbachev, the leader of the Soviet Union, made a very major speech in Murmansk in the far northwest of the Soviet Union on the Kola Peninsula, a town which is familiar to certain Canadians. It is evident that a great deal of thought and preparation went into that presentation. There were a number of new policy initiatives contained therein.

What Mr. Gorbachev was trying to do on that occasion was to take a polar view of the world rather than the view which is more familiar. He was trying to look down on the world from the polar region so to speak. He made six major points in his presentation.

• (1800)

The first two dealt with defence issues and contained a lot of the normal rhetoric which one expects. It is quite clear that the people in the Soviet bloc do not trust us in the western bloc any more than we really trust them. We would both like to work toward disarmament and a lessening of tensions, but at the same time we both want to keep our defences up. He made reference to a northern nuclear free zone at some point in time. He realized that it could not happen overnight, and he suggested methods by which this might be achieved over a number of years, or how we might start discussions toward that end. It is somewhat ironic that this proposal came from the Kola Peninsula, one of the most heavily armed parts of the world, which is literally bristling with arms. His ideas might carry a little more weight were the Soviet Union to cease and desist from sending their Bear H. bombers over to my riding.

Also he proposed in the defence field possible restrictions on naval activity in certain northern waters, or at least mechanisms leading toward that end, such as agreements on notification of naval manoeuvres and the possibility of having observers when those manoeuvres take place.

What I really want to talk about is the other four proposals in the non-military field. There was a proposal concerning co-operation in developing the natural resources of the North—oil, gas, and minerals in particular. There were offers made of possible joint business projects which might take place in the northern part of the Soviet Union. There was a proposal for a

joint Arctic Scientific Council. The Soviet Union, Canada, the United States, Finland, Sweden, and Norway would be the logical participants, together with Greenland and Denmark, of course.

There was a suggestion that social sciences might be discussed as well as the physical sciences. Usually scientific co-operation with the Soviet Union has dealt with the physical sciences and engineering. They have been extremely reluctant to discuss the social sciences, history, ethnology, or that type of thing because they have their ðwn views on those particular subjects. It does not seem that they want those views contaminated by some of the views which we have in the West. It is a new initiative to talk about co-operation, especially in the field of the social sciences.

Another point was co-operation on environmental protection, which is important in the North—both water or marine protection and the necessity for having clean air in the North. A lot of contaminants seem to gravitate toward northern areas.

He proposed an extension of the system which is in place in the Baltic Sea where I understand there is a commission comprised of the seven states that border the Baltic Sea and where they co-operate to reduce environmental pollution in that particular body of water.

He suggested the possible opening up of northern sea routes with lots of ice-breaker protection, et cetera. He suggested the possible opening up of the Northeast Passage along the northern coast of the Soviet Union, which would go hand in hand with what we have in mind with the opening up of the Northwest Passage at some point in time. On January 11 we concluded an agreement with the United States of America toward that end, co-operation on navigation in arctic waters. These were important proposals that were made in Murmansk. I know, because I was in the Soviet Union with the Secretary of State for External Affairs (Mr. Clark) some years ago, that there are existing agreements dealing with scientific and cultural exchanges. These are good and are working reasonably well. There is no reason that we cannot improve upon them, extend and invite more countries to get involved, the other northern countries, Scandinavia, the United States, et cetera.

• (1805)

There has been a fair amount of diplomatic follow-up on this speech by Soviet diplomatic staff here in Ottawa. Shortly after the speech had been made, I had the pleasure of meeting with the Minister Counsellor from the U.S.S.R., Mr. Alexei Makarov. He impressed upon me the importance of this speech. I think that a formal response should be forthcoming from the Government of Canada to address some of these points that have been raised. I hope that can take place in the not-too-distant future.

[*Translation*]

**Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, the proposals contained in the speech made on October 1, 1987, in Murmansk by Secretary General Gorbachev were recently developed further in a speech given by Soviet Premier Ryzhkov in Oslo on January 14. However, in our opinion, the Soviet Premier added but a few new elements to the speech of Mr. Gorbachev.

As indicated by the Secretary of State for External Affairs (Mr. Clark) in his speech of December 9 at the Norway-Canada Conference on Circumpolar Issues, we wish for the development of a pacific cooperation between the countries of the Arctic Basin, and we are therefore heartened by the statement made by Secretary General Gorbachev in Murmansk on October 1. We have especially noted his suggestion of co-operation in the areas of energy, science and environment."

We are pleased to learn that the Soviet Union is interested in the establishment of an Arctic Scientific Council, a project in which Canada, Norway and other countries are involved.

He also added this: We have especially noted his interest in the development of cultural ties among Northern people. We hope that the Soviet Union will accept for the first time to participate in the Inuit Circumpolar Conference in 1989, as well as the Inuit Youth Camp in 1988, which will be hosted by Canada.

However, we have asked for more detailed information about what the Soviet's interest means for all practical purposes. Moreover, we shall continue to pursue our own objectives and defend our interest in the Arctic.

Our military capabilities in the North are all defensive and will remain so. The nuclear submarines which we are buying will help identify and oppose all ennemy naval activities in the Arctic, especially under the ice cap. However, the comments made by Mr. Gorbatchev and Mr. Ryzhkov do not reflect the actions of their Government. Contrary to Canada and other Northern countries, the Soviet Union has an enormous concentration of military power and weapons in the Arctic. Especially in the Kola Peninsula region where is stationned a large part of its fleet of submarines equiped with strategic missiles. The denuclearized northern zone proposed by the Soviets would not effect these forces. We believe that negotiations first and foremost offer the best hopes of a reduction, to an acceptable level, of nuclear arms and a better balance of conventional forces.

[*English*]

## CANADA LANDS COMPANY—ALLEGED FAILURE TO FILE ANNUAL FINANCIAL RETURN—REQUEST THAT ANNUAL REPORT BE PRESENTED BY NEXT MONDAY AT LATEST

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I rise with regard to a question I asked on December 9, 1987 about the Government's mismanagement, incompetence and possible corruption relating to the disposition of lands in the Mirabel Airport area. This is in connection with resales of land to former farmers, former tenants, the farmers being the original

owners and to land speculators, many of whom as events have unfolded are Tory Party organizers or Tory Party supporters.

I asked a tough question not only because of the allegations which have come out, some of which are already the subject of lawsuits relating to the company, but because the Mirabel Land Corporation had failed to file its financial statements. According to the Auditor General, it was the only Crown corporation which had failed to file its corporate statements during the time and on time as provided.

• (1810)

The Canadian people have seen a lot of scandals associated with this Government. Some of them are before the criminal courts, some of them have been dealt with by special inquiries. This one is in part already before the courts in a civil suit.

I would like to remind the House what this civil suit is about. A farmer whose land was expropriated claims that he was offered his land back provided he would flip it to a Tory organizer who operated a quarry. When he agreed to flip the land at a small mark-up which was settled in an agreement he was asked to keep secret, he consulted his Member of Parliament, and the media tell us that his Member of Parliament told him to keep his mouth shut and not complain or he would not get the land. When the land was transferred, not only did he get the 80 hectares of which he had originally been expropriated but he got 320 hectares, I believe, and so it went throughout the entire scandalous disposition of this land.

I want to give the Government more opportunity than the ordinary Question Period provides to explain itself. I do not think the explanations that government Members have been giving so far are washing. The explanations they are giving involve alleged improper sales or improper conduct on the part of the Liberal Government, the preceding Government, in the way this project was put together. One can see that that is not a logical defence.

There is no reason for what was done before this Government took office in connection with land deals to excuse the type of conduct and behaviour we are criticizing in the House of Commons. However, government Members have not even gone so far as to explain why they consider the conduct of the former Government scandalous.

When we were the Government, one thing we did have was a pretty vigilant operation. The people who are now in Government were the Opposition. In that entire period, I cannot recall, with all the efforts they made to damage the Government of the day, to find scandals and to force Ministers to resign, anything arising from this that at the time was used to successfully or otherwise damage us.

I suggest that the kinds of defences and explanations government Members have been using—

**Mr. Nickerson:** How can you say that with a straight face?

**Mr. Kaplan:** The Hon. Member will have a chance to answer, and I am looking forward to hearing the kind of answer that will condone or excuse the type of behaviour that we on this side of the House have been criticizing. I do not think that the Canadian people care to hear government Members defend their reprehensible behaviour in the Mirabel Land Corporation by making allegations about the former Government. Government Members are big boys and girls. They owe it to the Canadian people to have ethical standards in their own Government, and I would like to give them the opportunity to try to explain or defend the reprehensible conduct that is now a matter of public record.

**Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, the question the Hon. Member for York Centre (Mr. Kaplan) asked in the House on December 9, 1987 contained two items: one, the filing of the annual report, and two, the so-called dismissal of the board at that time. The Hon. Member stated that the Canada Lands Company had broken the law by failing to file its Annual Financial Return statement by last June. The Minister explained previously that discussions with the Auditor General were being concluded and that he would have the information tabled at the first opportunity. The Minister tabled the financial statements on December 14, immediately following his receipt of the required Auditor General's accompanying letter. The entire annual report of the corporation was then tabled on January 18, 1988, when the House reconvened.

• (1815)

It is obvious that you cannot close a corporation's books for the year while the auditors are there and you cannot have the financial statements finalized until the auditor's report is complete. So to say that the company broke the law is rather misleading. Perhaps the timing requirements of the Financial Administration Act in this regard are a bit too rigid and should be looked at. The point is that the Minister provided the House with all information and fulfilled all of his statutory obligations in this regard at the earliest possible opportunity. That is fact.

The Member might want to note that under the previous Liberal Government, which he said administered the country so well, the financial statements for the years ending 1982 and 1983 were not tabled until mid-1984, unbelievably late by today's standards. They were not considered late by the Liberals then because they had not bothered to have any such legal requirements. It is clear that the Opposition's record on these matters is poor.

What is of more importance is that the board of directors was not "fired by the Government" and replaced last summer, as alleged by the Hon. Member for York Centre. It has been well established over past weeks that the Minister made several improvements over the past months in certain administrative practices of the corporation. Various audits and reviews did identify minor deficiencies, but basically the corporation's record is a very good one. The corporation has done extremely

well since 1984 in bringing a just and equitable solution to a terrible Liberal legacy.

One of the actions the Minister took was to make three new board appointments in July, 1987. This was in response to the observation of the Auditor General that all the members of the board consisted of officers of the corporation. The new appointments were made to broaden the board's representation to include the federal Public Service and the private sector. The appointments were not made in criticism of the then board members, but to eliminate any possible perception of a conflict of interest.

The direction of the company was not changed in August, 1987, as the Hon. Member suggested. Unlike the previous Government, which only got itself deeper and deeper into trouble, never resolving anything, the corporation under this Government was well along in implementing real solutions. Real progress had been made and justice delivered. A difficult concept for the Hon. Members to understand, it would seem, but true nonetheless.

## SHIPBUILDING—INQUIRY WHEN SIX FRIGATES WILL BE BUILT/REQUEST THAT MINISTER OF FINANCE MEET REPRESENTATIVES OF SHIPBUILDING INDUSTRY

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, on November 4 I asked questions in the House relating to the Canadian shipbuilding industry. I asked about the awarding of a second contract for the construction of six patrol frigates for the Canadian Navy. I also pursued removal of the exemption from duty of large fishing boats, a policy of the previous Liberal Government which has been continued by the present Government. The answers were quite unsatisfactory and reflected the failure of the Conservative Government to develop policy for the shipbuilding industry. In my few minutes this evening I want to address the importance of proper and open planning to the shipbuilding industry in Canada, a need which the Government has failed so lamentably to recognize, it seems.

The plight of the industry of course needs little elaboration. There is very little commercial work to be done other than repair of vessels. There is a great deal of unemployment in every community where a shipyard or a related facility has long been in existence. The only possibility that exists under the present Government's inactive policy is that government work may, as was true in the last days of the Trudeau Government, provide some opportunity for employment in a variety of shipyards. The question is: How many yards will be able to use government contracts in order to keep men at work and keep those companies in operation?

In this context, I want to express my astonishment at the Government's decision just days before Christmas past to award the second half dozen patrol frigates entirely to the Saint John shipyard. That was truly an incredible decision which went against all the expectations aroused in Quebec and which betrayed, I assert, the assurances given to the people of Quebec. It created an enormous amount of ill feeling up and down the St. Lawrence Valley against the present Conservative Government. In response to the Member for Montreal—Sainte-Marie (Mr. Malépart) on November 4, 1987, in specific relation to the matter of the frigate contracts, the Minister of Supply and Services (Mr. Côté) said:

• (1820)

> We will continue to defend the interests not only of Quebecers but of all Canadians as well.

That is one of those famous statements which deserves to be carved in stone up and down the St. Lawrence Valley with regard to that particular contract.

It is particularly repugnant to Quebecers to see one particular enterprise, the Irving interests in Saint John, receiving this very large contract to the detriment of the provincially owned Marine Industries Limited with yards up and down the St. Lawrence.

The other point that I was determined to make had to do with the refusal of the Government to consider a removal of the exemption of large fishing boats from the payment of duty. That exemption is now justified to be removed. The fishing industry is in good shape and there is a possibility that construction of large vessels for the fishery could be carried on in Canada in Atlantic yards for which the Government seems to have such tender feelings.

The refusal of the Minister of Finance (Mr. Wilson) even to meet with Marine Industries early in 1987, when planning was going forward on the Budget that he brought forward last February, is simply incredible. It indicates the blindness of the Government in one particular area where commercial work might be developed for Canadian yards. In the Minister's absence again, unfortunately, I want to make the point again that that is one of the items which the Government should be looking at as it considers the Budget for 1988.

In this context, although undeclared, we have seen a policy of rationalization which means closure of yards. It has been most obvious in Ontario where the Admirable Yard, a century old in Collingwood, had to be closed. As a result, ship building and ship repair operations in the Province of Ontario are now entirely controlled by one company. I note again that when the Minister was responding to my question, he spoke of the need to provide healthy competition in order to encourage regional development. There is no healthy competition left in the Province of Ontario.

Rationalization along the St. Lawrence became obvious to us first in the spring of 1986 when a letter came to the attention of the public which made it clear that there was to be a rationalization which is now being carried through under the compulsion which the Government, by its lack of policy, has imposed on the industry. As a result of that, building will be carried on only at Lauzon. Sorel may be involved in the construction of modules for vessels. Vickers is completely out of the maritime industry under this policy. That is the

consequence of the lack of policy which the Government has had.

The possibility that there will be naval work of sorts is still an entirely open question. The Government's determination to build a certain number of nuclear submarines will soak up incredible amounts of public funds. Will we see the patrol vessels and minesweepers built which could provide work in other yards? Surely it would be far better to have conventional submarines at less cost and other vessels including perhaps another half dozen patrol frigates.

In conclusion, we need a process of open dealings with the industry and consultation with the public, workers, and management in order to establish the policies which could put shipbuilding on a sound basis and continue it with prosperity into the 1990s.

**Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, I am pleased to respond to the concerns raised by my colleague from Thunder Bay—Nipigon (Mr. Epp). The Government's strategy regarding shipbuilding and repair is clear and precise. We have two primary objectives which guide our policy, the rationalization of our shipbuilding industry and regional development. The awarding of the frigate contract to Saint John Shipbuilding proves the Government's commitment to these objectives.

• (1825)

We are all aware of the considerations that led to the announcement that took place in late December. In reaching this decision, our Government took into account that in 1983, Saint John Shipbuilding Limited had obtained the prime contract through the competitive bidding process. Thus the Government did not have to draw up a new contract, it simply added a modification to the old one.

Over the course of the past four years a great deal of time, energy and money has been invested in order to develop installations and expertise and to improve the over-all administrative structures necessary to execute the work. During a period of fiscal constraint, we have endeavoured to avoid repeating unnecessary expenditures and to take advantage of what we already possess. It is evident that these reasons of economy, efficiency and expertise helped determine the Government's decision.

Similarly, the design, construction and integration of the weapons-control systems—work amounting to approximately $800 million—will be carried out, as in the case of the first six frigates, by Paramax Electronics of Montreal.

The award of the frigate contract again demonstrates the Government's firm commitment to making procurement work for the economic development of Canada as a whole. For example, the sub contracts that will go to other companies will bring industrial benefits to many regions of Canada. Part of that contract will be handled by a firm in Hamilton adjacent to my riding in Ontario. It is estimated that in the second phase of this project 50 per cent of the benefits will go to Atlantic Canada; 24 per cent to Quebec; and 26 per cent to Ontario and western Canada.

Calculated over the entire life of the 12-ship project, the breakdown is slightly different: 37 per cent to Atlantic Canada; 33 per cent to Quebec; and 30 per cent to Ontario and western Canada. Over the course of the next nine years, the construction of the six patrol frigates will represent the equivalent of 14,000 person-years of employment, with more than half of the jobs going to workers in the Atlantic region alone where employment opportunities are most welcome.

Our Government is pleased that the Atlantic region will benefit so much. At the same time, we are pleased with the benefits in which all Canadians will share.

In closing, the announcement of the patrol frigate contract to Saint John Shipbuilding confirms their status as a centre of excellence for Canadian shipbuilding.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourn until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

# HOUSE OF COMMONS

**Friday, January 29, 1988**

The House met at 10 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*English*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed from Thursday, January 28, consideration of the motion of Mr. Bouchard:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendments 8 and 13(e) made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, but disagrees with amendments 4, 5(a), (b) and (c), 6(a) and (b), 9, 10, 11, 12 and 13(a) because this House believes they contradict the principles of the Bill for the following reasons:

Amendment 4 would exclude only criminals and war criminals from the refugee determination process, but would allow terrorists, spies and subversives to pursue a claim to refugee status, notwithstanding the fact that Article 33 of the UN Convention would permit the removal of these latter individuals to their countries of nationality or permanent residence, even if they were determined to be Convention refugees.

Amendment 5(a) would eliminate the authority of the Minister to direct a ship to leave or not to enter Canadian waters. This amendment would reopen a significant gap in Canada's ability to control its borders.

Amendments 5(b) and (c) arise out of Senate amendment 5(a), which is not acceptable, and are therefore inappropriate.

Amendments 6(a) and (b) would reverse the policy on which the Immigration Act, 1976 was based, which policy was not changed in the Bill as passed by this House. The amendments jeopardize the possibility of successfully prosecuting persons who profit from organizing illegal migration and from counselling fraud among refugee claimants.

Amendments 9 and 10 would restrict the ability of peace officers and immigration officers to act quickly to search for evidence of major offences under the Immigration Act, 1976, in exigent circumstances, where lives are at risk or where evidence with respect to those offences may be lost or destroyed.

Amendments 11 and 12 would restrict the ability of peace officers and immigration officers to execute search warrants which have been duly authorized by a justice of the peace, by denying explicit authority to break open containers where it is reasonably believed evidence will be found and by limiting the authority to execute these warrants at night.

Amendment 13(a) would reduce the initial period of detention without review from seven days to forty-eight hours, which would allow insufficient time for the gathering of information to substantiate allegations or to identify the individual, particularly when large groups of undocumented persons arrive at one time.

And that this House agrees with the principles set out in amendments 1, 2(a), 3, 7 and 13(b), (c) and (d), but would propose the following amendments:

Amendment 1 be amended to read as follows:

"Strike out lines 22 and 23 on page 1, and substitute the following:

(c) to deter those who assist in the illegal entry of persons into Canada and thereby minimize the"

Amendment 2(a) be amended to read as follows:

"Strike out lines 29 to 39, on page 4, and substitute the following:

(a) examine within seven days, *in camera*, the security or criminal intelligence reports considered by the Minister and the Solicitor General and hear any other evidence or information that may be presented by or on behalf of those Ministers and may, on the request of the Minister or the Solicitor General, hear all or part of such evidence or information in the absence of the person named in the certificate and any counsel representing the person where, in the opinion of the Chief Justice or the designated judge, as the case may be, the evidence or information should not be disclosed on the grounds that such disclosure would be injurious to national security or to the safety of persons;"

Amendment 3 be amended to read as follows:

"Strike out lines 7 to 12, on page 5, and substitute the following:

(d) determine whether the certificate filed by the Minister and the Solicitor General is reasonable on the basis of the evidence and information available to the Chief Justice or the designated judge, as the case may be, and, if found not to be reasonable, quash the certificate; and"

Amendment 7 be amended to read as follows:

"Add, and immediately after line 6, on page 10, the following:

95.21 No proceedings for an offence under Section 95.1 or Section 95.2 shall be instituted except by or with the personal consent in writing of the Attorney General of Canada or Deputy Attorney General of Canada."

Amendment 13(b) be amended to read as follows:

"Strike out lines 1 to 22, on page 21, and substitute the following:

(2) Where, with respect to a person detained under subsection (1), the Minister certifies in writing

(a) that

(i) the person's identity has not been established, or

(ii) the Minister has reason to suspect that the person may be a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g), and

(b) that an additional period of detention is required to investigate the matter referred to in subparagraph (a)(i) or (ii), the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention."

Amendment 13(c) be amended to read as follows:

"Strike out lines 23 to 47, on page 21, and substitute the following:

(2.1) Where the Minister has issued a certificate under subsection (2), the Minister may amend the certificate to which the detention relates to include any matter referred to in subparagraph (2)(a)(i) or (ii), following which the person shall be brought before an adjudicator forthwith and at

least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention.

(3) Where a person is detained under subsection (1) and the Minister has not issued a certificate under subsection (2), the person shall be brought before an adjudicator forthwith after the expiration of the period during which the person is being detained and that person shall be brought before an adjudicator at least once during every seven-day period thereafter, at which times the reasons for continued detention shall be reviewed."

Amendment 13(d) be amended to read as follows:

"Strike out lines 48 to 50, on page 21, and lines 1 to 18, on page 22, and substitute the following:

(4) Where an adjudicator who conducts a review under subsection (2) or (2.1) is satisfied that reasonable efforts are being made by the Minister to investigate the matter referred to in subparagraph (2)(a)(i) or (ii), the adjudicator shall continue the person's detention.

(4.1) Every review under subsection (2) or (2.1) of the detention of a person suspected of being a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g) shall be conducted *in camera*.

(4.2) Where (a) the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at any review under subsection (2) or (2.1) of the detention of a person referred to in subsection (4.1) should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons, and (b) a request therefore is made by the Minister, the adjudicator shall order that the review or any part thereof be conducted in the absence of the person and any counsel representing the person.

(4.3) Any person excluded by an order under subsection (4.2) from the whole or any part of the review under subsection (2) or (2.1) may apply to the Chief Justice of the Federal Court or to a judge of that Court designated by the Chief Justice for the purposes of this subsection to have the order quashed and sections 36.1 and 36.2 of the Canada Evidence Act shall apply, with such modifications as the circumstances may require, to such applications. (4.4) Unless quashed, an order under subsection (4.2) shall, with respect to the person to whom the order relates, apply to every review under subsection (2) or (2.1), or part thereof, at which the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at the review, or part thereof, should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons.

(5) Where the adjudicator who conducts a review under subsection (2) or (2.1) does not continue a person's detention under subsection (4), the adjudicator shall make the appropriate order under subsection 104(3).

(6) An adjudicator who conducts a review under subsection (3) shall make the appropriate order under subsection 104(3)."

And the amendment of Mr. Marchi:

That the message of the House of Commons to the Senate be amended by:

a) deleting, in paragraph one, the reference to Senate amendment 4;

b) deleting paragraph two;

c) adding to paragraph nine a reference to Senate amendment 4; and

d) adding after amendment 3 the following:

"That amendment 4 of the Senate be amended by deleting the said amendment and by striking out line 16 on page 7 of the Bill and substituting the following therefor:

"(2)(c) and against whom a deportation order has been upheld by the Board; or""

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, before I finished speaking yesterday I was beginning to make the points about the two major flaws that we see in the Bill as proposed by the Government.

The first flaw dealt with the decision to incorporate an amendment which would see a boat turned away at the point of entry into Canadian waters. The reason we believe that that particular amendment is seriously flawed is two-fold. First, we may in many cases see legitimate refugees who are turned away without even been given the right to a hearing. We may see a situation similar to what we as a country experienced in the Second World War when shamefully we turned away a boatload of Jewish refugees without giving them any kind of a hearing. As a country, it is not the kind of precedent that we would like to set.

The second flaw is that it permits the shipowner, who is the real mercenary, the rip-off artist, the trader in human flesh, to drop refugees outside the 200 mile boundary thus putting potential refugees at risk of drowning. But that individual will already have cash at hand. He is paid before the people get on the boat. He will drop the refugees outside the 200 mile limit and be gone. He will be laughing all the way to the bank.

If we are going to introduce an amendment, we want to get at these shipowners to discourage them from trading in human flesh. One way would be to accept the Liberal amendment. This would make sure that those refugees who come to Canada are given due process and a fair hearing while the shipowner who trades in human flesh will have his boat and assets seized, will be put in jail and have his boat sold off.

**Mr. Hudon:** Good.

**Ms. Copps:** Yes, good. That is exactly what we would like to see happen. Unfortunately, in Bill C-84 as it presently exists there is no provision to seize the boat and throw the owner in jail. The boat will be turned away before it actually enters Canadian waters. The Hon. Member will understand that that particular measure will prevent potential legitimate refugees, like the boat people, like the Jewish refugees in the Second World War, from coming to Canada and getting a fair hearing. In the meantime, it will still permit the ship owner to cash in on human flesh. He will be able to take his hundreds of thousands of dollars, drop the refugees outside Canada's territorial waters, and disappear.

The Bill as proposed does not deal with the issue of shipowners who are trading in human flesh. If the Government accepts the Liberal amendment, this would permit the seizure and the sale of the boat, if it is determined it is in Canadian waters illegitimately, and the imprisonment of the ship owner. That is the route we should take.

• (1010)

By turning away a boat, we are violating a UN Convention which provides for due process. We could be turning away legitimate refugees without giving them a fair hearing. Canada is the only nation in the world that has been recognized internationally for its open and generous attitude toward stateless and homeless people. I do not think we want to see that reputation thrown out of the window by incorporating in law a provision which violates the United Nations Charter.

The second part of this Bill which is seriously flawed was not addressed by the Government, either through amendments that had been proposed in the House of Commons by the Liberal Party or amendments that had been proposed in the Senate by all Members of all Parties, including the Independents and the Conservatives. The amendment we would like the Government to accept deals with people who assist and aid refugees.

The Government has introduced legislation which provides that anyone who, without remuneration, out of the goodness of his or her heart, assists a stateless person who may not have proper papers is potentially in violation of the Immigration Act. In many cases, people who flee their homelands for fear of their lives and for the safety of their families may not have proper documentation. The Government wants to implement a measure which would tell any church group, priest, nun or religious person that if he or she tries to help a stateless person who does not have proper papers, he or she could be guilty of a violation of the Immigration Act. We think that is wrong.

Not only do we think that is wrong, Conservative Members in the other place felt so strongly about this issue that they returned a unanimous report condemning the Government for refusing to amend that clause we are discussing today. Not only are the Conservatives in the other place and the Opposition in the House of Commons opposed to these two Draconian measures, many others are as well. For example, Nancy Pocock who works with the Inter-Church Committee for Refugees, has said:

> If my Government tells me it is a crime to help these people, I will have to say I am obeying a higher law and I am going to continue to help them when they need me.

George Cram of the Inter-Church Committee for Refugees, hardly the subversive trader in human flesh the Government alleges it is trying to curb with this legislation, has said:

> I do not want to be guilty of committing an offence for doing humanitarian work. I do not want to feel inside myself that what I am doing is illegal, and I do not want to be liable for prosecution. The offence is what you are creating, not the prosecution.

[*Translation*]

Mr. Speaker, both the Liberals and the Conservatives in the other place tell us there are two major flaws in the legislation as tabled by the Government. First of all, we have the section prescribing that all ships are to be turned back without allowing the refugees on that ship due process. In that case, Mr. Speaker, ship owners or those who trade in human flesh are not being affected at all. They are not being affected since they already have their money and they can let the refugees disembark at sea.

Mr. Speaker, we suggest the legislation be amended to give the authorities the right to seize the ship and sell it, with the proceeds of such sales going to the Crown, and to jail the ship owner who tries unlawfully to bring people into Canada. This reminds me of the situation in 1979, when we had the so-called "boat people" leaving Vietnam under cover of night. I have several friends who went through this process, and I was part of a group that sponsored them.

At the time, some of these people were unable to leave with the proper documentation, and according to the Bill as it now stands, the fact that I helped people who were without the proper documentation because they were obliged to leave Vietnam under cover of night, would today be a crime. And the same applies to all members of religious groups who try to help people who are stateless or have to leave their country. Although they receive no money, no remuneration for what they do, they will be violating the law by helping refugees.

Mr. Speaker, Canada is the only country in the world that has received international recognition for the role it played in helping people who were leaving Vietnam. We received that recognition because we opened our homes and our hearts to refugees who had no place to stay and who were in fact stateless.

And now we have Bill C-84 and these two measures which, in fact, mean that we do not give due process, we do not give a hearing to people who arrive on ships, even if they happen to be genuine refugees. We are going to turn them back as we turned back the Jews during the Second World War, without giving them a chance to tell their story to our officials and explain how they had to flee their country without the proper documentation.

Second, according to the Bill, Canadian men and women—whether they are priests, nuns, or members of various churches—who try to help people who do not have the proper documentation because they had to flee their country with only the clothes they had on, may be committing a crime by helping refugees who lack proper documentation.

Mr. Speaker, this is so ridiculous that even Conservative senators in the other place objected to the Bill's recommendations out of hand. Both the Liberals in the House of Commons, and the Conservatives in the other place have unanimously rejected the Bill as it now stands.

We already know the Minister of Employment and Immigration (Mr. Bouchard) accepted a few amendments because he realized that the Bill as tabled last summer was an overly hasty attempt to react to a situation.

[*English*]

Last summer when the Minister brought in the legislation it was a knee-jerk reaction. He realized that in part, because he did agree to certain amendments which would clarify some of the procedural matters dealing with the Bill. However, he refused to amend the two fundamental clauses of the Bill, and I will tell you why he refused to amend them, Mr. Speaker. I know that this will be provocative, but I hope it will assist Conservative Members in their deliberations on this Bill.

The Government is attempting to use refugees to score political points by whipping up a public frenzy on an issue

which is very poorly understood by Canadians. The Government is attempting to use refugees to improve its own standing in the popularity polls. If the Government is not attempting to use refugees in that way, then I challenge it to bring forward two amendments.

First, we should give refugees the right to a full and fair hearing, and that means all refugees, whether alleged or otherwise. If they are proven not to be refugees, they will be deported. That is the law of the land. Second, we should ensure that those people who in the legitimate course of humanitarian good, whether they be members of church groups or are doing it because of a personal commitment, try to help those people who are stateless and homeless, who do not have proper documentation, are not considered criminals. With those two amendments maybe the Government will stop using this issue as a political football and stop exploiting refugees.

• (1020)

**Mr. Deputy Speaker:** Questions and comments.

**Mr. Murphy:** Mr. Speaker, obviously the Hon. Member is very exercised about the Government's strategy on this issue. I would like her to explain to the House why she believes this is part of an electoral strategy by the Government rather than a sincere piece of legislation.

**Ms. Copps:** Mr. Speaker, when the Government originally introduced this legislation it was supposed to be a response to an "emergency". It was such an emergency that here we are seven months later and the Government did not choose to bring it back for several months. The Government brought in two Bills and this is one. The other Bill was the more reasoned approach.

I believe the reason the Government brought this Bill in last summer, a Bill with very invidious sections dealing with the refusal to grant due process to prospective refugees as well as the refusal to allow Canadians the right, under the auspices of church organizations and private groups, to engage in assisting stateless and homeless peoples, is that it looked at the issue and saw how many people feel. I know people, and I have them in my riding, who see someone coming to Canada without using the normal immigration process and thinking somehow they are getting ahead of everyone else. What they do not realize, and what I alluded to yesterday, is that we have two streams of people coming into this country. One stream is the stateless and homeless; that process is accepted and endorsed by all Canadians. All Canadians believe in it. The other stream is normal immigration.

Because the immigration process is so tight right now, and because there are so many good people who are not allowed to come to Canada because of quotas and other rather severe restrictions, those who are waiting to be reunited with their families feel that somehow if we accept refugees we are lessening their opportunity to have their relatives and friends come into the country. That is not the case, but you have to be a student of the Immigration Act to even understand the nuances and differences.

Unfortunately, most of us when we read the papers tend to have a knee-jerk reaction to the question of someone arriving here by boat. Persons arriving by boat may indeed be a legitimate refugees who could face death if they went back to their own country. We should not be going after the refugees who may be legitimate and who should have the right to due process. We should be going after the shipowners who are simply attempting to exploit people by accepting money for passage. They will be off on the high seas and the people we will be going after are those who may need our help and a home in Canada.

I think the Government is trying to cover up its own incompetence in dealing with the question of immigration by isolating certain instances and trying to get the public whipped into a frenzy on an issue which is very poorly understood. The Government has a responsibility to clear up the two-track system, one being refugees and the other normal immigration, and deal with the real culprits, the traders in human flesh, not simply those who may be legitimately seeking a new home.

**Mr. Hawkes:** Mr. Speaker, I had the opportunity to represent Canada at an executive counsel meeting of the UN High Commissioner for Refugees the first week of October, 1987. I had the opportunity there to discuss this issue with representatives of most of the nations in the world who are involved in providing significant support for refugees. Perhaps even more importantly, I also had the opportunity to meet with the legal affairs division of the UNHCR. As a consequence of that in depth discussion about Canadian law and the law of other countries, I have been able to go on public platforms in Canada and assert that the legal protection for refugee claimants under Canada's new legislation, a combination of Bill C-84 and Bill C-55, will be a standard to which the rest of the world can aspire. I have said rather flatly that there is no legal system in the world which will come close to matching Canada's new system in providing legal protection for refugee claimants.

I simply want to ask the Hon. Member this. If she believes in what she has been saying to this House today, will she have the courage to stand in her place and name a single country in this whole world that will provide better legal protection to refugee claimants than the projected Canadian system—one country, I challenge her?

**Ms. Copps:** Mr. Speaker, the Hon. Member obviously does not understand the Bill we are discussing. If he did he would know that the precise point he is alleging, protection for refugees by way of due process, is being denied to people who come by boat. The provisions of Bill C-84 require that the boat be turned away before those people have a chance to be considered as prospective refugees. That is the very point that makes this Bill completely unacceptable. That is the reason it was rejected by those in the UN who are knowledgeable on the question of refugees. That is the reason we have to reject this

Bill. It is a blight on a very laudable Canadian record around the world in accepting and welcoming bona fide refugees to this country.

**Mr. Hawkes:** Mr. Speaker, it is interesting that no country was named by the Hon. Member opposite. It is also interesting to have been involved in discussions with those legal experts and recognize that the specific wording of the clause which the Hon. Member tries to bring to the attention of the House and the Canadian people says that a boat can be turned away when the Minister is satisfied that the health of the passengers will not be compromised, their safety will not be compromised, and their rights and Canada's obligations under the Convention will not be compromised. Those are prohibitions on the conduct of the Minister to make sure that the rights of refugee claimants are respected.

Once again I say to the Hon. Member, name a country that will have better legal protection for refugee claimants. Name me one in the whole wide world.

**Ms. Copps:** Mr. Speaker, the Hon. Member has just admitted the difficulties with this legislation. He said that the people who are on that boat will not be given individual due process. He just said it is up to the Minister. If the Minister is under political pressure and feels like turning the boat back, it is going to go back. These people, who could be bona fide refugees and who should have their cases heard individually, are going to be denied that due process. They will not be given the kind of protection which has been afforded to every refugee claimant in Canada and that will be afforded under certain clauses of Bill C-55, which is not the Bill we are discussing today.

Bill C-84 was a knee-jerk reaction by the Government at a time when a boat was coming towards Canada. Frankly, I do not want to leave due process and the protection of prospective refugees in the hands of a Minister who may be responding to political pressure in the way he did last summer when he introduced this piece of garbage we are now considering.

• (1030)

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, I am happy to join in this debate on the proposed Senate amendments to Bill C-84. I am not pleased, however, because of the Bill itself, which I join with members of my caucus and many other Members of the House in opposing as an attack on Canadian humanitarianism and a reaction to some of the darkest tendencies in the Canadian nation—a desire to close the doors on refugees. That is a very partisan and political move of the worst sort.

I want to speak with satisfaction on amendments which would make it possible to improve this Bill somewhat. If the Government is determined to go through with it, let us have at least the removal of some of the elements of the Bill which would interfere with the desire of so many Canadians to provide refuge to persons who are in danger of life and limb in the countries from which they have fled.

I want to recognize the observations of the critic on immigration in our caucus, my good friend the Member for Spadina (Mr. Heap), who spoke very well earlier this week in support of the proposed amendments. He indicated what the strategy of the Government has been. It is worth spotlighting some of what has happened on this matter earlier before considering the particular amendment which is before us this morning, that being Amendment 4 from the Senate.

As my friend indicated, it took a little while for the policy of the Government to become clear. In the first months of this Parliament the Commons Committee on Labour, Employment and Immigration was at work considering the question of how to treat refugees and considering an important document, a report commissioned by the previous Government which Rabbi Gunther Plaut produced. This report was in the best tradition of Canadian humanitarianism. The committee of Members from the government caucus and the two opposition caucuses, in lesser numbers, worked together on consideration of that report making representations to the House, and, consequently, to the Government and Canadian people, on how refugees should be treated.

It became clear later that at the same time a task force on saving money in the Government and on the efficiency of government operations was at work. That task force was under the direction of the then Deputy Prime Minister, Erik Nielsen. It became clear when that report was released later that a very different agenda was being pursued at the highest levels of the immigration department and within the Government itself. That agenda looked to the saving of money. It was suggested that some $60 million could be saved and it became clear that a good deal of that could be saved in the area of immigration by tightening up in particular ways.

As my friend the Member for Spadina indicated, the Government never responded to the report of the Standing Committee on Labour, Employment and Immigration. That report recognized the contributions and recommendations of Rabbi Gunther Plaut and called on the Canadian Government to improve and streamline the system for refugee determination. It called upon the Government to provide resources so there would be enough people to carry through the process of determination, get rid of the backlog, and ensure that Canadian humanitarianism was manifested in procedure as well as in principle, so that persons would have their status recognized at an early stage and could consequently settle down to life among the Canadian people. The Government, which was preoccupied with its agenda of the Nielsen task force, never commented on or reacted that report of the committee.

In the summer of 1986 refugees arrived and the Prime Minister (Mr. Mulroney) himself spoke in a commendable way on the traditions of Canadian humanitarianism. In the summer of 1987 more refugees arrived by boat on the Atlantic coast. We observed the most remarkable night-against- day turn by the Prime Minister as he began to pander to very different tendencies, those of the minority that is prepared to close the door, the minority which fears refugees, particularly

from the southern hemisphere, the minority which wants still to have a white Canada as some Canadians have always wanted. Playing to those tendencies, to prejudice in Canada, some of the best hopes that had been manifested by Ministers of the Government earlier were suddenly contradicted.

Late in the year I spotlighted a statement made by the Minister for Employment and Immigration who, speaking in the spring, promised a campaign against racism. He recognized that the way to deal with racism, prejudice, and discrimination in Canada was to deal with the ignorance on which they feed. During the summer the Government pandered to ignorance and stupidity and the Minister for Employment and Immigration (Mr. Bouchard) has not launched such a campaign. The Government has been strangely silent in developing race relations policy in the area of multiculturalism.

That failure is directly related to this most unfortunate decision to play to Canadian prejudice generally, to bring in legislation, and to allow individual case situations to be made known to the Canadian public. These leaks are still going on. There has been controversy in the House, appropriate or otherwise, in the last weeks on certain cases. How could that controversy occur if it were not that individual files were being made known to the media? It is clear that information is leaking out from the immigration department. That is surely being done quite deliberately to continue pandering to Canadian prejudice.

Not only do we have silence as far as a campaign against racism is concerned, but the Government is allowing officials to pander to those feelings by putting out partial information and allowing the press to build up the kind of anger that can develop among people when they think that something terribly wrong has been allowed to happen.

This kind of attack on Canadian humanitarianism is not just an attack on the expression at the national level, where the Inter-Church Committee, for example, has been eloquently leading, supported by lawyers who have been working in the immigration area for years who know the shortcomings of the system, who want improvement of it, and who certainly never expected that the Government would bring in the kind of vicious legislation which we have before us. It is not an attack on a national activity or on people active in particular in the City of Toronto where so many persons wanting to put refugee claims forward first appear.

In the City of Thunder Bay in northwestern Ontario, many miles from Toronto, only a few score of persons are accepted each year as government-sponsored refugees. In my community the expression of Canadian humanitarianism through the Friends of Refugees organization and through members of the Thunder Bay Multiculturalism Association has been one of the most heartening expressions of Canadian humanitarianism. This movement was fostered and developed in the mid and late 1970s by the Government itself. When people from Vietnam were coming to Canada great encouragement was given to individual Canadians, groups, and churches in particular, to undertake the work of providing refuge to people, supporting them in Canada, and assisting them to become established. That work has been brilliantly successful.

In my own church in Thunder Bay, St. Paul's United Church, I have been contributing for a year or more in support of a refugee project. I mention that without wanting to arouse envy anywhere else because I could name other churches in the City of Thunder Bay that are very active.

I hesitate to single out names, but I think of the efforts of Lloyd Jones in Thunder Bay and on the national level and of Mel McLaughlin and others in the Friends of Refugees organization. These are manifestations of the best desire of Canadians to allow our rich country to provide the refuge that people from other parts of the world need.

What have we seen in contradiction to this from the Government? We see a particularly refusal to recognize the legitimate problems that exist in immigration. Our caucus realizes that illigitimate refugee claims are made occasionally and procedures are necessary to deal with those. However, there is not the kind of clandestine entry in those cases on which the Government wants to focus. There is not the lack of documents, very often in those cases. Usually someone outside Canada is involved in aiding in the offence of sending bogus refugees to Canada who very often arrive with legitimate documentation. These people who arrive from Portugal, Brazil or perhaps Turkey would not be caught by the Government's legislation.

• (1040)

Those people who arrive from Central and South America, where they have been made refugees by the civil wars that rage in a number of those countries, are the owner who arrive without documentation, because they would not be able to obtain the visas or other papers to make them legitimate entrants to Canada. These people are very often regarded in their own countries as subversives and may well be shot by the death squads in a number of those countries. These are the people who will be caught, and those who assist them in coming to Canada, recognizing that the United States is much less sensitive to the legitimate refugee claims of these persons, could very easily be caught by this legislation and end up with their vehicles confiscated, facing fines and conceivably prison terms.

The Government, which has broken its word on so many other matters, gives us asssurances in the House that it would not act or authorize prosecutions against such persons. That is simply not acceptable. The Government does not have the credibility with this Parliament and the people of Canada to be trusted with such promises.

Therefore, speaking on behalf of constituents, friends and persons whom I admire very much in Thunder Bay, I oppose what the Government has put forward and support the amendments put before us from the Senate, and specifically

the amendment put forward by the Member for York West (Mr. Marchi) dealing with amendment No. 4.

Let me note the significance of the amendments put forward by the Member for York West in regard to Central America. When the Secretary of State for External Affairs (Mr. Clark) visited Central America recently, he made a number of observations on the situation. Probably the most remarkable and controversial was his suggestion that those involved in the contra effort against the Sandinistas in Nicaragua might be allowed entry into Canada, to allow refuge to these freedom fighters of President Reagan.

Of course, one must explain this somewhat. These people are counter-revolutionaries, the henchmen of the Somoza regime in Nicaragua. They are the people who exploited the Nicaraguan people until the people were successful in the Sandinista revolution in overthrowing that dictatorship, supported so long by the United States. They achieved a government which, if not for the war, would have made the kinds of advances for Nicaraguan people that the Cuban revolution has made over 30 years on that island. However, the American government has chosen to support these henchmen of the Somoza regime.

The President who should be an example of truth to the so-called free world has allowed his integrity to be completely destroyed by attempting to turn these counter-revolutionaries in Nicaragua, who worked for that previous dictatorship, into freedom fighters. That has been one of the abominations of the 1980's, and has only been intensified every time the President speaks about strengthening democracy in the 1980's, as he did in the State of the Union Address. That is an abomination when American money is destroying property, slaying Nicaraguans and being used to destroy the efforts of aid workers from other countries to support the Nicaraguan people in rebuilding their revolution.

In El Salvador death squad members in the El Salvadorean military, in this case supporting a government that is fighting a revolution, had launched an attack on a restaurant, killing several Americans, among others. According to a recent report, it had been determined at a trial that these death squad members had been involved in a political act. When we see the murder of off-duty Americans, of civilians and persons in a social setting by members of the El Salvadorean forces being regarded as a political act, surely it is not possible to argue against the reality of circumstances that create refugees who have every right to the safety that Canada can provide.

The Hon. Member for York West, in his amendment specifically dealing with amendment No. 4, is focusing on a matter of enormous importance, an amendment which would not preclude from the refugee determination process persons who might be security risks. That focuses on a particular item in which the legislation the Government has put forward is in fact a contradiction to the United Nations convention on refugees.

In this respect the Parliamentary Secretary was posing questions to the Member for Hamilton East (Ms Copps) in which he wanted to find some country that was better than Canada in providing refuge. I am not an expert on this internationally and would not be able to name a country which is better, although I think it would be a terrible judgment on the western world in our time if there is no country that has better law than Canada. It would be a terrible judgment on the whole western world if western humanity has sunk to the level of violation of U.N. convention which the Government proposes to put forward.

The U.N. convention allows persons, even those who may be security risks, to put forward a claim for refugee status. Of course, it allows governments to provide safety and that person may have to be detained, but the point is that even those who might be security risks have the right under the U.N. convention to have their claim to refugee status considered.

When the Government refuses to accept amendment No. 4 from the Senate, which is designed to maintain that right, it loses any right to talk about morality, to praise Canadian law and to raise comparative standards. That is simply illigitimate as long as the Government takes the vicious stand it has on amendment No. 4 from the Senate.

I speak in support of the resolution by the Liberal critic and in support of what the Senate has attempted to do in upholding Canadian traditions against a House of Commons tragically dominated by a Conservative majority that is prepared to abandon the best Canadian traditions in order to appeal to the worst tendencies among some Canadians.

• (1050)

**Mr. Hawkes:** I wonder if the Hon. Member would like to share with the Canadian people the information in his possession about the proportion of people inside the country who are found to be in violation of immigration law and, therefore, go to inquiry? What proportion, once they are caught by enforcement officers, all of a sudden claim to be refugees? They have plenty of time to lodge a claim before they become in violation of immigration law. They are already inside the country. I wonder whether or not the Hon. Member thinks we should continue to have a legal system which allows people, simply by saying those words, to be virtually non-removable from the country, to have extended stays going in to two, three, four, five, years.

The Hon. Member has brought up Motion No. 4. Does he think that Motion No. 4 in reality is a good idea because of the number of situations of the kind I mentioned? First, does he know the statistics? Does he know how many hundred people a month suddenly make this claim when they are caught by enforcement officers?

**Mr. Epp (Thunder Bay—Nipigon):** Mr. Speaker, I believe in speaking bluntly and honestly about these things. I do not know the number. I suppose the former chairperson of the Standing Committee on Labour, Employment and Immigration, who withdrew from that position for whatever reasons, would know the number. However, knowing the number is far

less important in this matter than recognizing why there might be such appeals.

Of course, the reason they occur is because the previous Government, and the present Government, have not wanted a good refugee determination system. Those Governments have allowed a cumbersome system to bog down. They have clearly refused to put the people into the system who are required. Again, I do not have the dates at my fingertips, but months passed. Recommendations had been made for increased numbers. If my memory serves me correctly, it had been clear in the country a long time before that more people were needed in the immigration review, refugee determination context in order to carry out the process properly.

This Government, even worse than the previous Government, refused to put the resources in place. It was worse because the situation was perfectly clear. It was obvious the process was bogging down. It would be obvious to anyone looking at the system that when one gets into a situation where it takes two, three or four years, whatever it may happen to be, that is a cruelty in itself. It is administrative cruelty by the Canadian Government to the person applying. To allow that to happen is one of those failures of Ministerial direction and responsibility; refusing to make the system efficient. If the system were efficient, no one would be able to do more than extend the time by perhaps three or four months. Perhaps half a year would be the most that would be gained by making such a claim. It is only the failures of Government administration that has opened the door to such an opportunity. If people abuse it, it is an indication of administrative weakness.

What is an abomination to the Canadian people and Canadian morality and humanitarianism is to allow the system to bog down and allow abuses to develop. Abuses will always develop when systems break down, but to then use those abuses in order to strike a vicious law, which the Canadian people in other circumstances would not want, is an abomination to the Canadian people. I am disappointed in the Parliamentary Secretary, who was a good chairperson of that committee and who, I think, has a humanitarian sense, for raising this kind of issue with me and with the Canadian people. It is shameful.

**Mr. Hawkes:** Mr. Speaker, it is a bit astonishing that Members opposite can complain so vehemently when they have not taken the time to learn a little more about the problem. Every month there are about 750 to 800 people in the category I mentioned who are afoul of the law and are caught up by the enforcement officers of Employment and Immigration Canada. These people are already inside the country and suddenly make the claim to be refugees. Three-quarters of the people that are caught suddenly make the claim. That is a significant part of the problem.

The Member brings up the issue of delay. This Government brought forward the Plaut report, which was set up by the previous Government. The committee dealt with it and reported to the House by the end of December 1985. The Government announced changes by May of 1986. Legislation was brought back to this House last May in the form of Bill C-55. Both Parties in Opposition refused to move it quickly to committee. They filibustered rather consistently. Yesterday the Senate began hearings on Bill C-55. It is better than three-quarters of a year since the solution was presented to the House and we still do not have the changed system.

It defies reality and defies common sense to attempt to tell the Canadian people and Members of this Chamber that the Government is delaying the correction necessary. The Government is eager. I wonder if the Hon. Member might commit to us here right now that Bill C-84 will finish today and go back to the Senate? We operate on a five-day week in the Parliament of Canada. This has been the subject matter of debate for the fourth solid day, simply on Senate amendments. I wonder how much longer the Hon. Member and his Party intend to delay the legislation and then attempt to blame the Government for delay? The delay lies on the other side of this Chamber.

**Mr. Epp (Thunder Bay—Nipigon):** Mr. Speaker, I would like to make a further comment on what the Parliamentary Secretary has the gall to say, although I recognize that in his job he has to do that. The Parliamentary Secretary says that 850 to 900 persons a month are doing this. That is an indication of how serious the consequences of administrative failure have been.

He knows perfectly well that in a parliamentary system, with two Chambers, it takes time to pass law. It is not my right to say anything about what will happen today. I do not control the House. Neither does he, and nor does the Minister of Employment and Immigration (Mr. Bouchard). I suppose the Government deserves credit for publishing it rather than suppressing it. Let me give it that credit. But what are the dates the Parliamentary Secretary was suggesting?

The Government was formed in September of 1984. The Plaut report came forward early in 1985, I believe. The committee had considered it through to the end of 1985. That is a year and three months into the life of this Government. Proposals for action came from the Government in the spring of 1986. I remember debating some of those. Action could have been taken in the fall of 1984, because I think it was needed. It was clear at that time that action was needed, but action was not taken until the spring of 1986. That was almost two years into the life of this Government.

The Parliamentary secretary pointed to the legislation that was put forward not in the spring of 1986 but in the spring of 1987. Another year had passed. Then, of course, in the summer it attempted to capitalize on the situation and here we are almost six months after that particular attempt. The Government has let all this time pass when it could have been dealing with its administrative shortcomings and getting on with it.

## STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

### SUPREME COURT

JUDGMENT ON ABORTION

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, yesterday the Supreme Court rendered a judgment on abortion. I should like to single out three individuals who opened this debate 20 years ago: Dr. Lise Fortier of Montreal, Marion Powell of Toronto, and Dr. Peter Gillett of Montreal.

[*English*]

The Supreme Court of Canada rendered a historical judgment yesterday. It struck down a law that treated women unequally. The judges found this law unconstitutional because women in some provinces were found to have more choice available to them concerning their reproduction than women in other provinces. Under the Charter of Rights and Freedoms every individual must be treated equally. Therefore, this law must be changed so that all Canadian women have access to the same services and options across the country.

• (1100)

I call on the Government to introduce legislation in the House that will recognize that women must be treated equally across Canada. I also call on the Government to recognize that the Supreme Court of Canada has given the federal Parliament the role of regulating how, when, and where these services will be made available and how we will balance the competing interests in this issue.

Now that we have been given this trust, let us proceed cautiously and wisely. Let us recognize that all women must be treated equally and have the same options and services.

* * *

### PUBLIC SERVICE

PENSIONS—CALL FOR WITHDRAWAL OF BILL C-33

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, on Wednesday the Government decided at the last minute not to proceed with debate on Bill C-33, the Bill which would have deindexed future pensions for 250,000 federal government employees.

Bill C-33 is a bad Bill. It is out of step with the trend toward indexation in the private sector. It is unfair to all those federal employees who have been paying extra contributions since 1973 so that their pensions would be fully indexed.

My colleagues and I plan to oppose the Bill with every tool at our disposal. A delay of the Bill is not good enough, however. The current situation creates uncertainty for federal employees which should be ended now.

*S. O. 21*

I call on the Government to announce that it is abandoning its proposal to deindex federal employees' pensions and to consult with the Public Service unions so that the other parts of the Bill which would give civil servants direct input into the management of their pensions can be implemented quickly.

I urge my Conservative colleagues from the national capital region to stand up and to join the New Democrats to say publicly that Bill C-33 is a bad Bill and that the proposal to deindex federal employees' pensions should be scrapped.

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### SPORTS

TRIBUTE TO KOOTENAY WEST ATHLETES

**Mr. Bob Brisco (Kootenay West):** Mr. Speaker, I stand in the House to commend the people of Kootenay West, the home of champions.

In the past we have had many outstanding athletes from Trail, Rossland, Fruitvale, Nelson, and surrounding communities, each of them excelling to national and international sports fame.

Last Sunday, the City of Castlegar held the first Celebration '88 activity in Kootenay West. An overwhelming number of people congregated for a torchlight parade and a special dinner which singled out the family of Canadian ski hero, Felix Belczyk. Felix, ironically, decided to make his own statement from Switzerland where, on the same day, he won the World Cup super giant slalom ski race.

I commend the Belczyk family and the Kootenay West community for the strong support given to local athletes. I thank the committees, athletes past and present, and the people of Kootenay West for making the Celebration '88 events a resounding success.

To Kootenay West—it is still our turn!

* * *

### DEPARTMENT OF NATIONAL HEALTH AND WELFARE

TRIBUTE TO DRUGS DIRECTORATE EMPLOYEES

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, Canadians can, in large part, be assured of the safety and effectiveness of drugs sold in Canada because of the good work of the Drugs Directorate of the Department of National Health and Welfare.

Last year approvals were issued for 640 prescription drugs, 1,700 non-prescription drug products, and about 150 veterinary drugs. The Canadian Drug Identification Code Book

contains information on the some 17,000 drug products sold in Canada.

In addition, the Directorate conducts programs to reduce the misuse and abuse of dangerous drugs, inspects drug manufacturing plants, and undertakes drug research.

Canadians are well served by the competent and professional public servants in the Drug Directorate.

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## ABORTION

SUPREME COURT DECISION—FUTURE ROLE OF PARLIAMENT

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, the decision of the Supreme Court of Canada yesterday reflects the polarized nature of the debate on abortion. The judgment was rendered with seven of the Justices sitting. It was a 5-2 decision. Of those who sat on the majority there were three separate sets of reasons for judgment.

The Minister of Justice (Mr. Hnatyshyn) has suggested that it is now up to the provincial legislatures to deal with the issue of abortion. In my respectful submission the Supreme Court of Canada made it clear that Parliament must act now to bring in legislation that will comply with the Charter of Rights and Freedoms.

I hope that the Government of Canada will assume the responsibility to ensure that whatever legislation is passed will comply with the Charter of Rights and Freedoms. It is not fair to pass the issue off to the provincial Governments.

The Supreme Court of Canada made it very clear that Parliament does indeed have a role. For those who suggest that abortion should be totally unregulated, that is not the right course to take, in my view. I hope that the Minister of Justice and the Government of Canada will deal with this issue as soon as possible.

* * *

## ABORTION

SUPREME COURT DECISION HAILED AS VICTORY

**Ms. Pauline Jewett (New Westminster—Coquitlam):** Mr. Speaker, it is the view of the New Democratic Party that the exact opposite should be the case to what the Hon. Member for York South—Weston (Mr. Nunziata) has just proclaimed.

In its historic decision yesterday, the Supreme Court of Canada made absolutely clear that the country's abortion law, Section 251 of the Criminal Code, is a violation of the life, liberty and security of the person guaranteed in Section 7 of the Charter.

The words of the Chief Justice could not be clearer. He stated:

> Section 251 clearly interferes with a woman's physical and bodily integrity. Forcing a woman, by threat of criminal sanction, to carry a fetus to term unless she meets certain criteria unrelated to her own priorities and aspirations, is a profound interference with a woman's body and thus an infringement of security of the person.

In the words of Madam Justice Bertha Wilson:

> Section 251 of the Criminal Code, which limits the pregnant woman's access to abortion, violates her right to life, liberty and security of the person within the meaning of Section 7 of the Charter—

The decision is clear. Let the Government not attempt to fudge it or circumvent it in any way, or try to limit this great victory achieved by the women of Canada.

* * *

## POLITICAL PARTIES

NATO—POSITION OF NEW DEMOCRATIC PARTY

**Mr. Patrick Crofton (Esquimalt—Saanich):** Mr. Speaker, this weekend, in what promises to be a real Donnybrook, the New Democratic Party will review its defence policy, especially with respect to Canada's participation in NATO. Many Canadians will recall that the NDP released a defence policy paper this past summer reaffirming its policy of withdrawal from NATO. However, the unpopularity of this policy, as noted in the polls which the NDP so avidly read, has called for a review of the policy.

Canada now waits with bated breath for an answer. Will pragmatism win out over principle? Will New Democrats seek salvation through polls? Are we seeing the emergence of a new New Democratic Party? Or is it something more sinister?

Perhaps the NDP defence policy is all that stands between the long awaited NDP-Liberal coalition. Will members of the NDP in their unseemly haste to jump into bed with an already amorous Liberal Party shed their principles at the door? Will the fruits of this union be an Old Democratic Party or a New Liberal Party?

Stay tuned next week for the dramatic conclusion of this political Peyton Place.

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## CANADIAN BROADCASTING CORPORATION

BILL C-33—UNFAIR REPORT ON MEMBER'S POSITION

**Mr. Barry Turner (Ottawa—Carleton):** Mr. Speaker, I have been in the House for three years and five months. I have always worked clearly and consistently on behalf of all my constituents on all matters. I have granted hundreds of interviews and have been treated fairly and professionally in most of them.

However, yesterday, the CBO radio *Morning Show* displayed a despicable, unfair, inaccurate contempt for my personal integrity and privacy. Because I politely refused more than once to grant an interview concerning the current status of Bill C-33, CBO *Morning* concluded that I did not know anything about the Bill. This is simply untrue.

On February 6, 1986, I arranged the first meeting ever between Ed Halayko, Chairman, Armed Forces Pensioner's Association, with the then President of the Treasury Board.

I spoke on Public Service pension indexation in the Adjournment Motion of June 17, 1986. I met with Don Love and Lou Tenace from Treasury Board on January 17, 1987, to discuss Bill C-33.

In January, 1987, I received a long response concerning Bill C-33 from Pierre Gravelle, Associate Secretary, Treasury Board, and Jack McKinnon, President of ESSA.

In February, 1987, I received a response from the then President of the Treasury Board to my letter of January 14, 1987.

I wrote Mr. Bernhardt, President of FSNA. I wrote Mr. Butt, President of the Air Traffic Control Association.

This CBO reference implying that I did not know anything about Bill C-33 is a disgusting display of incompetence, ignorance, and a total lack of journalistic integrity.

* * *

• (1110)

## INDUSTRY

### CLOSURE OF FIRESTONE PLANT IN HAMILTON

**Ms. Sheila Copps (Hamilton East):** I guess we will fix that by fixing the CBC.

Mr. Speaker, 66 years ago today Firestone opened in my riding. This weekend Firestone will close. For the record, I wish to say that I think the Minister's handling of this issue has been incredibly incompetent, inept, and uncaring.

This week I received a letter from the Minister, who fled to France, refusing to deal with the dossier, and refusing to meet with individuals who had expressed an interest in buying the plant. The Minister sent me a letter in which he stated that he facilitated the payment of $400,000 odd in severance pay to the workers. Because of the Government's changes to the unemployment insurance legislation, and the fact that if people receive severance they do not receive unemployment insurance, that may work out to a paltry $9 per worker.

After sitting idly and doing nothing while 1,200 jobs in my riding disappear, the federal Government has the gall to brag about paying out a total sum of $9 to each of those workers. Many of those workers have 20, 25, and 30 years of service. It seems to me that a Government that was prepared to pay over $6 million to an American company for training and retraining, another $6 million in duty remission for a total of more than $12 million, should be pathetically embarrassed by suggesting to the same workers in Hamilton, who have lived and supported our community, that they will receive $9.

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## CANADA POST CORPORATION

### APPLICABILITY OF CANADA LABOUR CODE

**Mr. Rod Murphy (Churchill):** Mr. Speaker, yesterday the Federal Court of Appeal rejected Canada Post's attempt to pretend that postal services should be under provincial jurisdiction. Yes, Mr. Speaker, I found the actions of Canada Post rather strange. Here we have a federal Crown corporation arguing that it is not federal. It took the Federal Court to inform Canada Post management of something that is obvious to Canadians. Postal services have always been the responsibility of the federal Government, and Canadians want that to continue.

Canada Post simply did not want to work under the laws as set out in the Canada Labour Code. Management at Canada Post do not want to accept the provisions of the Canada Labour Code when it interferes with their business plan. They do not want employees in franchise operations to be paid a living wage, or to give them the protection of a union contract.

Yesterday the Federal Court of Appeal refused to allow Canada Post to create an employment ghetto in the Post Office. Once again Canada Post's sacred business plan has been dealt a fatal blow. Again Canadian workers, especially women, are grateful that the Canada Labour Code does protect workers in this country.

* * *

[*Translation*]

## ENVIRONMENTAL AFFAIRS

### RESULT OF CO-OPERATION BETWEEN PRIVATE ENTERPRISE AND THE GOVERNMENT

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, today I should like to commend the Ultramar Canada board members who, with their employees, associates and senior management, in co-operation with the Laval University research centre, made a breakthrough in environmental protection. Henceforth, wide open fields where unrefined products used to be dumped will be a thing of the past. Congratulations to the Ultramar team, for in future they will be using this muddy substance in an industrial process called "pyrolysis".

My riding stands to benefit from private sector employment opportunities created by Ultramar Canada. Within two years

the company expects to build a plant in Saint-Romuald to recycle its products.

Through the free trade agreement my Government makes it possible for Ultramar to boost its sales on the American market. A stiff tax of 80 cents on each barrel of refined petroleum will be phased out over five years. This amount represents 4 per cent of refining costs.

Mr. Speaker, that is the outcome of co-operation between the private sector and this good Government.

* * *

[*English*]

## STATUS OF WOMEN

INCREASE IN MANAGERIAL AND PROFESSIONAL EMPLOYMENT

**Mrs. Mary Collins (Capilano):** Mr. Speaker, one of the important objectives of the Government has been to promote economic, social, and legal equality for the women of our country. Recent reports show that our policies are indeed working in promoting economic opportunities for the women of this country.

In only 40 months, 528,000 new jobs have been created and filled by Canadian women. Of greatest interest is that 55 per cent of those jobs have been in the managerial and professional sectors. Now, almost 30 per cent of the 5 million working Canadian women are employed in these high income sectors of our economy. Another exciting fact is that there has been a 42 per cent increase in the jobs for women in the natural sciences. Women are truly breaking down traditional barriers.

These figures show that the economic policies of this Government, low interest rates, less government interference, promotion of free trade, and encouragement of the small business sector, are working for the country as a whole, but in particular are ensuring a bright future for Canadian women.

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[*Translation*]

## EMPLOYMENT

GOVERNMENT'S PERFORMANCE

**Mr. Barry Moore (Pontiac—Gatineau—Labelle):** Mr. Speaker, I should like to emphasize today the importance for such ridings as Pontiac—Gatineau—Labelle of the Community Futures Program. This program is directed at peripheral communities which are faced with high unemployment.

The Federal Government has already allocated $600,000 to help the operation in my riding of local development assistance committees under its Canadian Job Strategy . Mr. Speaker, I am pleased to indicate that within this framework, additional credits of over $312,000 have been allocated by Employment and Immigration Canada. The greater part of this amount will provide 30 unemployed people in my area with income support to help them develop their skills and become autonomous workers.

Through its involvement, our Government is helping workers become more efficient, which in the long run can only have positive results by making our region and Canada as a whole more competitive at the international level.

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## CANADA POST CORPORATION

OPPORTUNITY FOR GOVERNMENT TO TELL CORPORATION TO ACT AS A GOOD CORPORATE CITIZEN AND RESPECT CANADIANS

**Mr. Alfonso Gagliano (Saint-Léonard—Anjou):** Yesterday, Mr. Speaker, Canada Post has again demonstrated its arrogance and lack of consideration for ordinary citizens and their local representatives by announcing the closing of the Laval Post Office without giving advance notice to the mayor of Laval, the employees and unions.

Over the past few months, Mr. Speaker, we have seen Canada Post impose three day suspensions on employees who had forgotten to punch out and in before and after their lunch break. Instructions were issued warning Canada Post employees not to speak out openly against their employer.

Mr. Speaker, basic rights such as freedom of consultation are completely ignored by this Crown Corporation. I suggest the time has come for this Tory Government to assume its responsibility and instruct Canada Post Corporation to act as a good corporate citizen and respect the Canadian public.

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# ORAL QUESTION PERIOD

[*English*]

## ABORTION

SUPREME COURT DECISION—REQUEST THAT PARLIAMENT DEAL WITH ISSUE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I have a question or two for the Minister of Justice.

I know that the issue of abortion is an extremely difficult one for many Canadians. I remember well in the House of Commons, when I had the responsibility of bringing in the 1968 legislation, the agonizing and anguished debate that that provoked in the House of Commons and across Canada. I thought at the time that we had brought in a reasonable and, indeed, the best accommodation between two radically polarized views of the issue.

We now have the Charter of Rights and Freedoms. I respect the Supreme Court of Canada, and I accept its decision striking down that law.

Yesterday and this morning the Minister implied that the issue is now up to the provinces. I do not agree. For instance, in the last 24 hours the actions of the British Columbia Government demonstrate to me how unfair it would be to slough off the issue to the provinces, because all Canadians must be treated fairly and only Parliament can decide the substance of the issue.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** As difficult as this issue is, can I have the assurance from the Minister of Justice that, while undoubtedly the provinces need to be consulted, Parliament and not the provinces will set the rules on how this matter will be dealt with on a national basis in the future, and that it will be dealt with in the very near future by Parliament?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I appreciate very much the question from the Right Hon. Leader of the Opposition. It is a serious issue, and one for which the Government takes its responsibilities very seriously.

As the Right Hon. Member well knows, the responsibility with respect to this matter in the criminal law section has been seriously impacted by the decision of the Supreme Court of Canada on a constitutional basis. The *status quo* position has been rendered in effect unconstitutional.

• (1120)

My response has been that we do take this seriously. I am looking very carefully at the implication of the judgments constituting the majority as well as the minority decisions of the Supreme Court in order to distill the legal implications of this decision.

As far as our responsibilities are concerned, we intend to provide the leadership that is required on this issue. There is a substantial provincial involvement and implication in these issues in terms of their responsibility for the delivery of health services. Accordingly, it would be my intention to work in the interests of Canadians, who are now asking for advice with respect to today's situation, in a position of leadership with our provincial colleagues so we can have, and provide all Canadian citizens right across the country with a uniform approach. That is the commitment we make at this point in time. In addition, we will be dealing with this matter on an urgent basis.

CHARTER OF RIGHTS AND FREEDOMS—GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, Parliament, as the Minister knows full well, has the power by using the *non obstante* clause to bring in legislation which overrides the Charter of Rights and Freedoms. But I have said in this House, and I repeat, as Leader of the Liberal Party, that we will not agree to any such exclusion of the Charter as a solution to this problem.

Whatever anyone thinks of any Supreme Court of Canada decision, we should not undermine, in our view, the Charter of Rights and Freedoms.

Can I have a guarantee from the Minister of Justice that his Government will rule out using the *non obstante* clause to get around the Supreme Court of Canada decision?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I think it is fair to say that the *non obstante* clause would only be used in extraordinary circumstances by any Government. I am not in a position to make a policy statement at this point. We are, of course, looking at the implications of the decision. All I say to the right hon. gentleman is that we are now in a new reality with the Charter of Rights and Freedoms in Canada. We are now seeing in different cases, particularly in this instance, the impact that the Supreme Court of Canada rulings will have on the capacity and abilities of Parliament to deal in certain legislative areas.

What I can tell the right hon. gentleman is that I do not contemplate the use of the *non obstante* clause on the part of the Government with respect to this issue.

[*Translation*]

REQUEST FOR PARLIAMENTARY STUDY OF ALL ASPECTS OF HUMAN REPRODUCTION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I repeat, I accept the decision of the Supreme Court of Canada which has struck down the legislation I had the honour of presenting in the House 20 years ago.

The Supreme Court has declared that Parliament retains the right to protect the fetus, at a given point. It is a question we have to consider. The Supreme Court is in fact obliging us to consider the whole issue of human reproduction in a far broader context, and we must deal with the implications of the Supreme Court's decision very soon.

Will the Minister of Justice immediately order a parliamentary study of all aspects of this very complex question, including artificial insemination, surrogate motherhood, in vitro fertilization and all the new technologies and the ethical issues as well? Is it not time that we, as parliamentarians, considered all these aspects?

[*English*]

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I very much appreciate suggestions from the Opposition. It is clearly an idea which the right hon. gentleman puts forward that can be advanced by his House Leader with our House Leader and the House Leader of the New Democratic Party to examine the appropriate role of House of Commons committees.

I can only say that these issues, as far as the Government and our Party are concerned, are under active consideration and scrutiny at the present time. My colleague, the Minister responsible for the Status of Women, has taken a particular leadership role in this area. There is an inter-departmental task force now carefully examining all these issues that have been discussed by the right hon. gentleman.

As I indicated in my first response to the right hon. gentleman, I think that in view of the circumstance we find ourselves in today, in light of the Supreme Court of Canada decision, that there is a responsibility on all of us to look at this matter in a serious and urgent way. We are prepared not only to give leadership in the areas that the hon. gentleman has indicated, but to try to work with the provinces in a co-operative way, as we have been able to do on so many issues, to get a consistent approach concerning the situation today.

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## CANADA ELECTIONS ACT

FORMER COMMISSIONER OF ELECTIONS' LETTER—PRIME MINISTER'S POSITION

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, if there is an Acting Prime Minister in the House, I would like to address a question to her or to him relating to the Masse affair.

The Prime Minister yesterday, and in preceding days, had been telling us about the important responsibilities of the Elections Commission and offered an official of the Commission to answer questions to a parliamentary committee. But that commission and that process do not relieve the Prime Minister from the responsibility he has for the ethical standards of his Ministers. In his letter on the conflict of interest guidelines the Prime Minister said that he would not shirk his responsibility and there was nothing:

> —which would relieve me and my colleagues of the necessity of exercising judgment.

I want to ask about that judgment. What was the Prime Minister's judgment? What did he do when he saw in a letter from the elections official:

> Proof in the dossier demonstrates that you participated in an infraction against Section 62 of the Elections Act.

That was speaking about the Minister of Energy. What judgment was made by the Prime Minister pursuant to the conflict of interest guidelines, and what was the process when that statement came to his attention?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, these questions have been raised over and over again this week. They have been answered.

I would like to mention one thing about Question Period. Something that Question Period does is to establish the priorities of a Party. Day after day we have seen opposition Members standing up and establishing their priorities. Those priorities are not with employment, they are not with trade, and they are not with social programs. The opposition Parties have not raised these issues because they have no constructive proposals to put forward. That is why they keep raising this subject which has been referred to a committee.

**Mr. Kaplan:** Mr. Speaker, I think the highest priority of the Official Opposition and that of the Canadian people is to have a Government which they can trust.

CONFLICT OF INTEREST GUIDELINES

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, what is the point of the conflict of interest guidelines? What do they mean if Ministers are held only accountable by the Criminal Code and only accountable by other standards that apply to the rest of the House of Commons and to the rest of Canadians? Why do we have conflict of interest guidelines, and what do they mean?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, for some days we have been saying that this matter should be referred to a committee where the proper witnesses could appear and answer, in detail, the questions raised.

I may point out that when the Member talks about support and the way in which people look at Parties, surely he has to ask himself, why members of his own Party are now moving away from backing their Leader to backing someone else. Is it because there is a question of trust?

* * *

## ABORTION

SUPREME COURT DECISION—FREE CHOICE BY WOMEN

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I have a question for the Minister of Justice. The whole country saw and was impressed with the remarkable decision by the Supreme Court of Canada yesterday which clearly came down on the side of individual liberty and choice. Although the decision was clear, all its implications are by no means clear. Certainly given the statements that have already been made by some provincial Governments, there is some clear misunderstanding.

• (1130)

I would ask the Minister of Justice if the Government is taking measures to make it abundantly clear, from British Columbia in the West to Newfoundland in the East, that the question of an abortion is now to be a matter of serious but free choice to be reached by a woman on her own, presumably after consultation with her physician.

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the Hon. Leader of the New Democratic Party has asked me to give assurances that

we will work with the provinces to try to make sure that the appropriate approach is taken in light of current realities. I have already reiterated that position on a number of occasions and have said that that would be our intention.

I think it is important, in light of the decision of the Supreme Court, that we do make sure that Canadians are best served within the federal and provincial jurisdictions. The question raised by the Leader of the New Democratic Party does bring attention to the fact that there is a substantial and significant provincial role in the delivery of health services. This is one of the reasons we are looking at the implications of the decision handed down by the Supreme Court of Canada, a decision which was not made by one person speaking on behalf of the court; rather, there were three different approaches which, I think the Hon. Member will agree, require careful consideration of the implications of the decision and precisely the state of the law in Canada today. That is what we are in the process of doing.

We are in fact very carefully reviewing the state of the law. I am in fact discussing this matter with my colleagues in Cabinet with respect to the response and different areas of responsibility. We will in fact be in communication with provincial authorities to try to bring a consistent and appropriate approach to this matter across Canada.

HOSPITALS—RETENTION OF THERAPEUTIC ABORTION COMMITTEES QUERIED

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, one aspect of the complex decision that was reached that is not complex and is clear is that the Supreme Court of Canada has said that the decision to be reached on the question of abortion is to be made not by some committee from which a woman must get approval but by the woman herself as a free citizen in a free country. Again, will the Minister make sure that all provincial Governments understand that that is so?

In relation to that, since there were some signs yesterday that some hospitals still planned to maintain therapeutic abortion committees, will the Government make it abundantly clear in light of this decision that the very existence of those committees is incompatible with the Supreme Court decision?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I can only say that the decision of the Supreme Court of Canada speaks for itself. This is now a matter of the law of Canada.

The fact is that the Supreme Court of Canada has addressed itself to the criminal law provisions concerning abortion. It has determined that those provisions are now unconstitutional. In the course of its decision, it goes on to reflect upon the basis of its decision and that takes a number of approaches, as the Hon. Member knows. It deals with the right of the woman in matters of abortion, and there is reference in a part of the decision to the right of the foetus, something which I think is important to consider as well. There is other litigation before the Supreme Court of Canada dealing specifically with that particular issue which is being conducted by a former New Democratic Party cabinet Minister, who will be heard by the court again specifically on that area of the question.

I am saying to the Hon. Member that it is a complex issue in its legal implications. We want to make sure that everyone fully understands the legal implications and we intend to act in a way which is in the best interests of the Canadian public.

[*Translation*]

OPPORTUNITY FOR DISCUSSION WITH PROVINCES—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, this is indeed a complex decision. Yesterday, the Hon. Member for Vancouver East asked some questions about this problem and she did not get a very clear answer. Today, my question for the Minister is this: Does the federal Government intend to discuss all the aspects of this decision immediately with the provincial governments in order to clearly establish what the law is in this area in all provinces?

[*English*]

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, without being facetious, I thought that the answer was clearer than the question. Yesterday I indicated that we certainly would be involved with discussions with our provincial counterparts.

**Mr. Broadbent:** *Tout de suite*?

**Mr. Hnatyshyn:** *Tout de suite, absolument.* I do not know how quickly we can act, if we can act more quickly than we are now acting. We are in the process of giving this matter the most serious consideration. As soon as the decision came down, I was immediately in contact with cabinet colleagues with different responsibilities in this area.

We take the matter seriously. It is a serious question. There are divergent points of view in Canada. One of the positions that must be considered is that we want to make sure that our actions are based on the strict and proper interpretation of the law, so I have been working very hard to make sure that a full understanding of this complex issue is had by all of us at the federal government level so that we may share our point of view with other jurisdictions which have responsibilities as well.

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## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—ADJUSTMENT PROGRAMS FOR AFFECTED WORKERS

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, my question is for the Acting Prime Minister. Earlier this week, the Minister of State for Privatization said that special adjustment programs for workers and companies hurt by the Canada-U.S. Trade Agreement were

not necessary, but in response the Premier of Nova Scotia said that she was wrong. The Premier said that her statement does not in any way coincide with what the Prime Minister has said publicly and with what he said to the Premiers and what he said in a letter to the Premier of Nova Scotia.

Who is right? Will there or will there not be special adjustment programs for companies and workers hurt by the free trade agreement?

**Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)):** Mr. Speaker, what was said this week is entirely consistent with what has been said in the past. We have an employment program, the Canadian Jobs Strategy Program, which is highly flexible and has $1.6 million. It is highly flexible in meeting any labour adjustment needs in the community. We have said that we believe that program will be sufficient for those rare cases where there might be some adjustment arising from free trade, remembering that so many opportunities will come out of free trade that, as every independent study has shown, there will be more jobs.

What I said in my speech, what I said in the House, and what has been said many times is that if there is a need for something further, we will of course make sure that people do not get hurt. We have said that. We have also said that we have established an adjustment advisory committee that will make recommendations and tell us whether it thinks we need anything additional. Surely that is a perfectly reasonable approach.

FUNDING OF ADJUSTMENT PROGRAMS

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, the Premier of Nova Scotia does not think that it is a reasonable approach and he does not believe that that is what was told to him and to the other Premiers by the Prime Minister earlier this year. He thinks that special adjustment programs were promised, and, by the way, they were recommended by the Macdonald Commission and by many other commissions in this matter.

Is the Minister telling the House today that there will be no special adjustment programs for workers and companies and that we will have to rely upon the retraining programs that have been cut by 32 per cent since 1984, from $2.2 billion to $1.6 billion? Is she saying that that is all that will be available for Canadian workers and firms, contrary to what the Prime Minister promised the Premiers?

**Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)):** Mr. Speaker, when talking about funds being available, let me remind the Hon. Member that there are one million people working today who were not working when he and his friends left government office. The programs we established helped to meet the needs of Canadians in those circumstances. That is what we think Governments do, they develop programs that help people in changing circumstances. That is what we intend to continue to do.

• (1140)

We have a program that is working. We think it will apply to free trade where we expect adjustments will be small. We think there will be opportunities for people. If changes are required, then we will of course be considering them on the basis of the committee chaired by Mr. de Grandpré.

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## ABORTION

SUPREME COURT DECISION—PROVISION OF SERVICES TO WOMEN WANTING ABORTIONS

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Minister of Justice. As he must know, there are women across Canada waiting right now for an abortion. Some have been waiting for some time. They are confused about what to do now. As the Supreme Court said yesterday, every delay increases risk for these women.

How will the Minister make it very clear to women and their doctors that women no longer need to apply through a therapeutic abortion committee, and how will he make sure they have the alternate resources available?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I thank the Hon. Member for that question. I tried to indicate in the course of my responses to the Right Hon. Leader of the Opposition and the Leader of her Party that this matter involves two jurisdictions. We have responsiblity for the Criminal Code, but there is a significant provincial jurisdiction with respect to the delivery of health services.

It seems to this Government that we would want to work with the provinces as soon as we can to determine the issues which have to be faced in this matter in order to have a thorough understanding that there will be a consistent approach across the country. This is the kind of approach the Canadian public want us to take.

The situation as it now stands is that the criminal law in this respect has been declared unconstitutional. We have to face that reality and we are prepared to give this matter serious attention, as I indicated to her Leader.

**Ms. Mitchell:** Mr. Speaker, is the Minister saying that a woman who is eight weeks pregnant now has to wait six months before the Governments get together and make some decisions? I was asking for some immediate communication to women and their doctors so that they know they have an alternative right now.

THERAPEUTIC ABORTION COMMITTEES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my supplementary is directed to the same Minister. Will he reaffirm that the majority of the Supreme Court judges said

that therapeutic abortion committees caused unnecessary delays, were unfair and contrary to the Charter, and will he confirm that any province retaining this procedure is acting contrary to the Charter?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, we take this matter seriously. We are acting expeditiously. I do not think it is the function of Question Period for me to be giving legal advice and interpreting a judgment for provincial authorities who have jurisdiction in certain areas. All I can tell the Hon. Member is that we believe we should work together with the provinces to make sure this matter can be resolved properly.

I am not here to dictate to any jurisdiction as to how they should carry out their own affairs. However, I think we can work co-operatively to make sure the best interests of Canadian women, the Canadian people at large, are looked after. I intend to work hard to do that.

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## NATIONAL DEFENCE

NEW DEMOCRATIC PARTY PROPOSAL TO PLACE DETECTION DEVICES UNDER ARCTIC ICE

**Mr. Bob Brisco (Kootenay West):** Mr. Speaker, yesterday, in a speech to the Conference of Defence Associations, the NDP defence critic said that instead of Canadian submarines in the Canadian Arctic, the NDP would place detection devices under the ice-pack to detect intruding submarines. The data from these devices would be interpreted by Canadian Armed Forces in the North and then transmitted to the U.S.

My question to the Minister of National Defence is this. Is this policy consistent with Canada's obligations under NATO and NORAD, or is it simply an attempt by the NDP to hand over Canadian Arctic sovereignty to a foreign power, the U.S.A.?

**Some Hon. Members:** Oh, oh!

**Hon. Perrin Beatty (Minister of National Defence):** Mr. Speaker, there is a bit of noise in the room.

I will leave it to the NDP to sort out their policies without my assistance. I wish them the best of luck this weekend in trying to do so. We will all be watching with great interest.

The Government, in the White Paper, indicated it was our intention to put acoustic sensors under the Arctic ice. The difference between us and the NDP is that we want to have an enforcement capability. It is clear that someone's Navy is going to be in Canada's North. The real question that remains is whether Canada's Navy will be there, and we want Canada to have the capacity to go there.

**Some Hon. Members:** Hear, hear!

[*Translation*]

## CANADA POST CORPORATION

REQUEST FOR CLARIFICATION OF LAVAL POST OFFICE CLOSURE AND PROTECTION OF JOBS

**Mr. Alfonso Gagliano (Saint-Léonard—Anjou):** Mr. Speaker, yesterday in a press release, Canada Post announced it was closing the Laval post office, leaving 200 employees uncertain as to their future. Canada Post has once again shown its arrogance and its lack of respect for the parties concerned.

Mr. Speaker, my question for the Minister responsible for the Canada Post Corporation is this: Why didn't Canada Post consult with the Mayor of Laval, the Member of Parliament for the area and the union? Why did Canada Post refuse to consider this reorganization as being caused by technological change and thus protect the jobs under Clause 29 of the Collective Agreement?

[*English*]

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, first, I understand that Canada Post did brief Members of Parliament from that area with respect to its plans. Its plans are very simple: to increase the efficiency and effectiveness of the operations in the Montreal area, and to make use of excess capacity in the other two plants in that area. The changes will lead to a more efficient Post Office, and the employees will be looked after under the terms of their contract which provides for job security.

I do not understand why the Hon. Member keeps insisting that each and every change in the administration of the Post Office has to be brought before the House of Commons. This is ridiculous and contrary to the advice of his own colleague, the Hon. Member for Papineau, a former Postmaster General, who says it is precisely because of that kind of political interference that the Post Office is in the mess it is in today.

**Mr. Gagliano:** Mr. Speaker, if the Minister responsible for Canada Post does not want to play his role, he should resign.

LOSS OF JOBS—TRANSFER OF EMPLOYEES

**Mr. Alfonso Gagliano (Saint-Léonard—Anjou):** Mr. Speaker, the proposed change in the Montreal processing plants clearly indicates that after it is done there will be 181 jobs lost. Yesterday Canada Post said that all the employees will be transferred to the other plants. Which document is true, the press release or this document I have here which was given to the union yesterday? This is a Canada Post document. Could he tell us who is telling the truth here?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** I am quite certain the Hon. Member is not.

**Mr. Boudria:** You can't say that. Apologize.

**Mr. Andre:** Look who is asking for an apology, Mr. Speaker.

**Mr. Boudria:** You can laugh all you like. It is not funny.

**Mr. Speaker:** There are a lot of different ways to express ourselves here, but I would ask the Hon. Minister to make it clear that he was not calling the Hon. Member a liar.

**Mr. Andre:** I think that was quite clear but I will repeat it, Mr. Speaker. That was not what I said, which I think an examination of the "blues" will confirm.

The question of job security and change is well covered by the existing labour contracts. The security offered by the Post Office to its employees is superior to that offered by any business in Canada. There is no job in Canada outside the Post Office that has the same kind of security protection with respect to change. The Hon. Member is simply inaccurate, and it is not true to suggest that the employees are at risk.

• (1150)

The Post Office is trying to manage the Post Office and increase its efficiency so that the mail is delivered on time and at reasonable cost. I think we ought to allow it to carry on with that job.

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## PUBLIC SERVICE

### LANGUAGE TEACHERS' DISPUTE

**Mr. Barry Turner (Ottawa—Carleton):** Mr. Speaker, my question is directed to the Minister of State for the Treasury Board. The federal Government's language teachers are in a legal strike position because of their disagreement with the Treasury Board and their willingness not to accept a conciliation report which would increase their teaching load from 20 hours to 25 hours per week in a 37.5 hour work week.

Can the Minister advise the House what the status is concerning these negotiations? Does he think a resolution will be reached to avert a strike?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, the conciliation board report was a majority board report. It recommended the settlement that had been reached between the employees and employer in September. We are in agreement with the recommendation and would hope that we can settle on the basis of that report.

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## CANADIAN BROADCASTING CORPORATION

### PROPOSED ALL-NEWS TELEVISION CHANNEL—GOVERNMENT POLICY

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, my question is directed to the Minister of Communications who, in November, said: "It is not the role of Cabinet to make precise determinations as to which services should be carried, how these are to be delivered and their cable interrelationships." These are "the domain of our broadcast regulator."

This is a clear and unequivocal statement of principle that the Minister should be proud to have uttered. Would the Minister not, therefore, agree that the Cabinet decision with respect to the CBC news service, which she has since been in the process of carrying out, is a flat contradiction of that principle? Should she not, as a matter of integrity, resign?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, you will note that at the end of the week I am still here.

With regard to the decisions that were announced by the CRTC in November, the licence takes effect as of September 1, 1988. Any legally binding decision that the Government of Canada would make on any of the appeals would have to be announced in that period.

However, I did state some of the concerns which the Government has with the all-news TV channel. One of them concerned the fact that the all-news channel was to be solely in the English language. What do you, Sir, and members of the Opposition think the response would have been in the rest of the country if the announcement of a new channel had been that it would be solely in the French language? I do not really believe that would have been acceptable.

We are signaling to the CBC that we want any service to be available in both languages in the sense that one should take initiatives in the two languages of this country because, first and foremost, we are a bilingual country.

### GOVERNMENT POSITION

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, that is a nice *ex post facto* and political rationalization for an action already established as the thrust of the Government from the back-benches of the Government. The fact is that the Minister gave clear directives and orders to the CBC as to what it should do between now and September 1. The Government has established its own parliamentary news service. It has prepackaged news coming from southern Africa and the Government has now taken this action with respect to the CRTC decision.

Is it that the Government is concerned about the kind of message that Canadians are getting, the kind of image projected by the Government? Are we seeing the first insidious steps toward the establishment of government control over the news?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I am very sorry to see that the members of the New Democratic Party do not attach the same importance to service in the French language as we do. I think that is regrettable.

**Some Hon. Members:** Oh, oh!

**Miss MacDonald:** That is exactly what the Hon. Member is saying. He is saying that if you signal to the CBC or anyone else in the broadcasting system that you expect services to be available in both our official languages, somehow or other that is interference. It is the policy of this Government that we have services available, particularly from Crown corporations, in both our official languages.

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## INDUSTRY

CLOSURE OF FIRESTONE PLANT IN HAMILTON—READJUSTMENT PROGRAM FOR WORKERS

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, in the absence of the Minister responsible I would like to ask any Minister who is interested in the city of Hamilton to answer a question relating to the Firestone plant.

The Minister will know that this weekend the first victims of the Mulroney-Reagan trade deal are the 1,200 workers at the Firestone plant in Hamilton who will lose their jobs. You will remember quite clearly, Mr. Speaker, that negotiations for the sale of the plant broke off a day after the preliminary agreement was signed because the company that had expressed an interest knew quite well that without duty on tires there was no need to establish a tire plant in Canada. That is the reality.

We heard the Minister who was talking about an adjustment program this morning say that a committee has been set up. Can that Minister explain to the House why, in the case of the Firestone workers, the total federal contribution, over and above what is available in terms of any employment strategy, is potentially approximately $9 per worker?

Is that the kind of assessment and readjustment program that we can expect from the Government for workers across the country who will lose their jobs as a result of the Mulroney-Reagan trade deal? Is the Government's answer a $9 solution?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)):** Mr. Speaker, it is most unfair and an insult to the workers of the Firestone plant for the Member to attribute the decision of the company to the free trade agreement. It has no relation whatsoever to the free trade agreement and the Member knows that.

She also knows that the Minister of DRIE has, by his intervention, brought together a potential purchaser and the company. They have had discussions, and unfortunately no deal has been made. We know that another potential buyer has indicated willingness. We have indicated to the company, the workers, and any potential purchasers that the Government is quite willing, should the private companies which are talking reach a deal, to be helpful. That has been the position of the Government and still is.

PROSPECTIVE PURCHASERS OF PLANT—MINISTER'S POSITION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, that is not the position of the Government as expressed to me in a letter which was delivered to my office this week after the Minister conveniently escaped on his trip to France. In fact this Minister has refused to meet with prospective purchasers of the plant. There is more than one party interested in purchasing this plant. Even I, in the Opposition, know of two prospective buyers.

Why does the Minister not know? Why is the Minister refusing to meet with prospective purchasers of the Hamilton Firestone plant when he knows that he has the responsibility to try to help save 1,200 jobs in Hamilton? Why was he prepared to give over $6 million to an American company and yet give Canadian workers $9 and say good-bye?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)):** Mr. Speaker, one of the main reasons that the Minister would not meet with a potential purchaser is because he has no plant to sell. The Minister has indicated that if the company which has announced that it will close the plant can reach a deal with any company and has a business proposal to do so, he would consider it. That has been the position, and the Member knows that.

It is nice to try to score cheap political points in the House on the backs of workers who are losing their jobs.

**Ms. Copps:** Don't talk to me about cheap political points.

**Mr. Valcourt:** Maybe it looks good for her to do that, but the workers know better than that.

**Ms. Copps:** Don't talk about my record on this dossier which is a hell of a lot better than yours.

**Mr. Valcourt:** If a solution to this problem is to be found it will be found by the company with somebody in the private sector.

**Ms. Copps:** That's a farce.

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• (1200)

## GENERAL AGREEMENT ON TARIFFS AND TRADE

PENDING DECISION ON EXPORTS OF UNPROCESSED SALMON

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. At the GATT meeting in Geneva next week, Canada will try to get a postponement of the final GATT decision on restrictions on Canadian exports of unprocessed pink or sockeye salmon or herring. I understand that the United States is being very obstructionist in this attempt.

The following week in Washington there will be an attempt to have bilateral talks to reach a mutually satisfactory solution to this problem. Will the Minister assure representatives of the West Coast fisheries industry that they will be able to participate in the negotiating team, either as full members of the team or at least to be present in the room as official observers?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, this is a most important question. I can assure the Hon. Member, as I and my colleague, the Minister for International Trade, assured industry representatives in the month of December, that they will be fully involved in the development of Canada's response and our course of action as a result of the GATT panel recommendation.

There is no imminent timetable. Canada will not agree to a decision being taken at the meeting in Geneva next week and we are seeking, through multinational approaches to other members of the GATT council who have similar concerns, a remedy of this issue which would prevent the council taking a decision that is detrimental to Canada's interest. We continue to work with the American industry and Government. We are somewhat optimistic that a bilateral solution to the problem might well be found through the meetings to which the Hon. Member referred.

REQUEST THAT INDUSTRY REPRESENTATIVES BE PRESENT AT CANADA-UNITED STATES TALKS

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, can the Minister assure representatives of the fishing industry that in any bilateral talks with the United States their representatives will be present in the room either as participants in the negotiating team or as full observers? Will they be present in the room?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I think the Hon. Member knows that in international bilateral discussions of this nature the two parties concerned enter the room but they are not accompanied by representatives of industry, and I understand that will be the case. Nevertheless, the representatives of the industry, as in other important bilateral issues, will be fully consulted and taken into confidence in terms of the strategy with which Canada approaches these questions. Their objectives will be fully pursued by the Government of Canada.

**Mr. Speaker:** I want to advise the House that, given the hour, there will be three single questions. The Hon. Member for Mount Royal, on a single question.

## CANADIAN BROADCASTING CORPORATION

PROPOSED ALL-NEWS TELEVISION CHANNEL—SUGGESTED PARTNERSHIP WITH PRIVATE SECTOR

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I will try to synthesize my questions into one. My question is directed to the Minister of Communications. In her explanation for delaying the CBC's planning on an all-news channel, the Minister asked the CBC to have a shotgun wedding. If the CBC consummates that marriage with a private sector partner, it will be changing the terms of the "contract", the decision of the CRTC.

The Minister also said that she is concerned about making that much needed service bilingual, with which we would all agree. I am sorry that she did not say that on time.

Is the Minister aware that the CBC proposal was for a non-profit service and that a partnership with the private sector now implies a partnership with a profit motive? Therefore, if you are going to change the service—

**Some Hon. Members:** Order!

**Mr. Speaker:** Perhaps the Minister can respond to the question at least as far as it has gone. Given the hour, I do not think I can let the Hon. Member go on any longer.

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, as I pointed out before, we thought that in this period of time it would be both fair and appropriate to advise the CBC of the concerns we had about the present proposal.

I may say that when the Hon. Member raises the question of what she calls a shotgun marriage between the public and private sectors, this was the route that the CBC had gone in the first place. That was its first intention, so it is not something that comes as a great surprise to anyone but the Hon. Member.

[*Translation*]

Mr. Speaker, we believe we should have both French and an English all-news channel.

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## TRADE

FORMATION OF UNITED STATES LOBBY TO DEMAND CANADA LOWER ITS PLYWOOD CONSTRUCTION AND IMPORT STANDARDS—GOVERNMENT POSITION

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, my question concerns international trade. Considering that a lobby has been formed in the United States to demand that we lower our plywood construction and import standards, the purpose being obviously to penetrate our domestic markets and take over our international markets, what does the Government intend to do against an attack that is contrary to the spirit of the trade agreement which is the Government's pride and joy?

[*English*]

**Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines):** Mr. Speaker, in the absence of the Minister for International Trade, I will try to respond. There is no question that the American producers have been annoyed and feel that Canada's standards with regard to plywood, particularly plywood used by CMHC in housing construction, are basically a non-tariff barrier to their entrance to our market.

We are very much aware of that. Even through the CCFM, Canadian Council of Forest Ministers, we have been dealing with the standards issue. We do not share the view of the American producers. The issue is under consideration now by CMHC and a decision will be rendered forthwith.

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## CORRECTIONAL SERVICE

RESIGNATION OF DEPUTY COMMISSIONER OF CORRECTIONS

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my question is directed to the Acting Solicitor General. Will he indicate to the House the reasons why Deputy Commissioner of Corrections, Mr. Gordon Pinder, resigned? If the Acting Solicitor General is unaware of the circumstances leading to Mr. Pinder's resignation, will he undertake to obtain the information and inform the House?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Yes, Mr. Speaker.

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## PRIVILEGE

WITHDRAWAL BY MEMBER

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I rise on a question of privilege. Yesterday I made a comment that upset the Minister of Communications (Miss MacDonald) and other Members of this Chamber, which I certainly never meant to do. I have a sincere and profound respect for all Members of the House who make an effort to improve and increase their knowledge and competence in every area of our endeavours.

My remarks were never meant in any derogatory way and I hope all Members will accept my apology.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I want to congratulate the Hon. Member for Mount Royal (Mrs. Finestone). I agree, and further more, Mr. Speaker, I regret that I am not perfectly bilingual, but I am still working on it.



# ROUTINE PROCEEDINGS

[*English*]

## PETITIONS

GOVERNMENT RESPONSE

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions, Nos. 332-3515 to 332-3517 inclusive, 332-3535 and 332-3536.

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## FINANCE AND ECONOMIC AFFAIRS

EXTENSION OF AUTHORIZATION TO TRAVEL

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there havé been discussions between the Parties. I think you will find there is unanimous consent for the following motions to be placed immediately.

I move:

That, further to the Order of December 18, 1987, respecting travel by the Standing Committee on Finance, the dates for travel be from February 14, to February 23, 1988.

**Mr. Deputy Speaker:** Does the Hon. Minister of State have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

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• (1210)

## WAYS AND MEANS

DESIGNATION OF AN ORDER OF THE DAY

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board))** moved:

That, notwithstanding any standing or special order of the House, at 4.30 p.m. on Wednesday, February 10, 1988, the Speaker shall interrupt any proceedings then underway and proceed forthwith to the consideration of Ways and Means Proceedings No. 29 for the purpose of the budget statement of the Minister of Finance;

And that the House shall not adjourn until the adjournment of the debate on Ways and Means Proceedings No. 29, following which Mr. Speaker shall adjourn the House until the next sitting day.

**Mr. Deputy Speaker:** Does the Hon. Minister of State have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

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## GOVERNMENT OPERATIONS

AUTHORIZATION TO TRAVEL—CLERK AND RESEARCH OFFICER

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board))** moved:

That this House authorize the Clerk and the research officer of the Standing Committee on Government Operations to travel to Washington from February 2 to 4, 1988, inclusive, for the purpose of participating in the briefing sessions on the United States Postal Service.

**Mr. Deputy Speaker:** Does the Hon. Minister of State have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

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## HOUSE OF COMMONS

APPOINTMENT OF SPECIAL COMMITTEE ON CENTRAL AMERICAN PEACE PROCESS

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board))** moved:

That a special committee of the House of Commons be appointed to examine and report on the Central American Peace Process, with particular reference to the following:

a) Note and analyze the compliance or non-compliance of the five countries to the specific provisions of the Esquipulas II Agreement.

b) Take into account the particular geo-political and other factors which bear upon each country's compliance with the provisions of Esquipulas II;

c) Examine the process and prospects for settlement of military insurgencies which lie outside the specific scope of the Esquipulas II terms;

d) Against the background of the above, examine and make proposals with respect to the means by which Canada could play a constructive role in the peace process through assistance in the design and possibly implementation of verification and control mechanisms or through other confidence-building measures which could help to sustain the momentum of the peace process over a longer period;

e) Draw opinions from witnesses representing the Canadian community including academics, and non-governmental organizations, from Government Departments including National Defence, External Affairs and CIDA, from abroad and from the resident diplomatic community, and where desirable, from our Canadian missions in the area;

That five Members of the House of Commons, to be designated by the House at a later date, be members of the committee;

That, additionally, the committee have the power to examine and enquire into all such matters as may be subsequently referred to it by the House, to report from time to time, except when the House otherwise orders, to send for persons, papers and records, to sit while the House is sitting, to sit during periods when the House stands adjourned, to print from day to day such papers and evidence as may be ordered by the committee; to delegate to sub-committees all or any of its powers except the power to report directly to the House;

That the committee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

That the committee and members of the committee have the power, when the committee deems it necessary, to adjourn or travel from place to place inside and outside Canada and that, when deemed necessary, the required staff accompany the committee, or members of the committee, as the case may be;

That the committee be authorized to repay, from its budget, expenditures undertaken by the committees and Private Legislation Branch to expedite the study of the committee's mandate;

That substitutions to the membership of the committee may be made from time to time at the discretion of the chief whip of each Party; and

That, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the committee is completed, the committee shall report its findings by depositing its report with the Clerk of the House of Commons, which report shall be thereupon deemed to have been laid upon the table.

**Mr. Deputy Speaker:** Does the Hon. Minister of State have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** I would ask that all questions be allowed to stand.

**Mr. Deputy Speaker:** Shall all questions stand?

**Some Hon. Members:** Agreed.

* * *

## STARRED QUESTION

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr.

Speaker, I would ask that you call starred Question No. 242. We have a response prepared.

PERMISSION FOR ADVANCE CRUISE MISSILE RELATED TESTING IN CANADA

Question No. 242—**Mr. Heap:**

Has the Government ever agreed, either formally or informally, to permit advance Cruise missile related testing in Canada and, if so, in each case (a) what, in detail, is the nature of the testing (b) what is the date of the agreement (c) what are the dates of any tests or proposed tests?

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** No.

## GOVERNMENT ORDERS

[*English*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Bouchard in relation to the amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, and on the amendment of Mr. Marchi (p. 12340).

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I am pleased to rise to speak on this Bill, but I am somewhat saddened that it is back here for ongoing debate. I would have hoped, along with our colleagues around this room who have an open heart and open mind, and along with the other place, which carefully studied this Bill that was sent to them under emergency circumstances last August, that we would have settled the whole issue and would now be in a position to move forward with respect to refugees who are leaving the lands of their birth and seeking asylum in other countries, certainly not always from their own choice. To become a refugee and to have to leave one's home country is no easy decision. They certainly are coming from places of turmoil.

I would like to point out that we were called back during a summer recess to deal with this Bill as an emergency situation because some boats landed off the coast of Nova Scotia. I would suggest that some people were very traumatized at what looked like an invasion by some one hundred and seventy some souls.

We had been calling on the Government of Canada for nearly three years to bring in comprehensive refugee legislation which would be seen as fair, expeditious and which would assist in the curbing of abuse to the system. There was no question that there was a need to curb the abuse which was taking place.

The Government had the good fortune to receive the wise counsel of Rabbi Plaut, who tabled the Plaut report. It had the wise counsel of a standing committee of this House which studied at great length complicated and heart-wrenching concerns and considerations which face refugees. When it brought this regressive and repressive Bill into the House it heard some very enlightened observations and some very concrete suggestions of ways to improve the thrust of this Bill to ensure that it would not be in contravention of international law and that it would not be in contravention of our Charter of Rights and Freedoms.

We also heard from the United Nations High Commissioner for Refugees, and I will come back to that in a moment. We thought the Government would have welcomed all this wise counsel and would have adjusted the Bill, accepting the amendments which were put forth under great duress because there was not the kind of consultation we would have liked. In light of the fact the Government saw this as an acute emergency, the amendments were brought forward. Yet the Government did not accept those amendments. It pushed the Bill through the House with its massive majority. Fortunately, collectively in that other place, the Senators found reason to correct this Bill. They found reasons to make very strong recommendations for change. They unanimously agreed to send 18 recommendations back to this House, 18 amendments on a Bill that has been hanging around under a supposed emergency state since last August. The Minister saw fit to accept only four of those amendments which, in a sense, were for clarification or with respect to language. However, he rejected the others, the major ones. I gather that there were four language amendments and three other small corrections which were made to the Bill. When it came to the major recommendations we did not see any forward movement on the part of the Government irrespective of the careful and thoughtful consideration that had been given to the legislation in the other place.

• (1220)

The areas of the Bill which deal with its heart and soul, that were refused consideration by the Government, were those which addressed the powers of authority to detain identified refugee claimants for long periods without review. The second area was the right to turn ships back at sea if suspected of carrying illegal aliens. The third was with respect to the right to prosecute anyone, including church groups, who might be found to have helped claimants who did not seemingly have valid visas or valid passports.

Let us consider in what areas the Government chose not to accept the major recommendations. The first area which strikes me as being horrendous is the following. If we cast our minds back to ships being turned back at sea we could consider the Vietnamese boat people and the sight of people floating unprotected on waters. I cannot believe that the Minister did not take the counsel that was given to him on four occasions. He chose to ignore that counsel.

I have in my hand a letter sent by Mr. Jean-Pierre Hocké, the United Nation's High Commissioner for Refugees. The letter is from Geneva and dated August 12, 1987. The letter is addressed to the Secretary of State for External Affairs (Mr.

Clark) and the Minister of Employment and Immigration (Mr. Bouchard). It states:

> I have the honour to refer to an amendment to the Immigration Act 1976 (Bill C-84) which the Government of Canada has most recently tabled in Parliament. My Office fully understand the Canadian Government's preoccupation regarding abuses of procedures for the determination of refugees status and related problems. Certain provisions of the proposed legislation, however, give rise to serious concern in as much as lack of procedural safeguards could risk exposing bona fide asylum seekers and refugees to forcible return to territories where their lives or freedom would be threatened (refoulement).

That has been described and explained as *refoulement.*

> This pertains in particular to Clause No. 8 of the Bill introducing a new Section 91.1 in the Act relating to the authority to direct ships to leave or not to enter the internal waters of Canada or the territorial sea of Canada, apparently without examination of passengers' status. The principle of non-refloulement to which Canada fully adheres as a party to the 1951 UN Convention Relating to the Status of Refugees and the 1967 Protocol there to enjoins any action on the part of states which may result in refoulement.
>
> The same principle requires the adoption of appropriate procedures to ensure observance with guarantees, no less effective than those available, to persons claiming refugee status in Canada. The adoption of such procedures would be consistent with the contents of Clause 1 Sections 2.1 (A) and (D) of the Bill which state—"to preserve for persons in genuine need of protection access to the procedures for determining refugee claims" and "—the fulfilment of Canada's obligations in respect of internationally protected persons".

The letter goes on to state:

> As you are no doubt aware the situations now being faced are not unique to Canada. Institution of the procedural safeguards referred to above would serve as an important example to the international community and help preserve the principle of asylum throughout the world.
>
> In light of these considerations I am confident that all persons who seek Canada's protection will be afforded adequate procedural safeguards against refoulement and that these will be incorporated in the operative part of the Bill in question.
>
> While these are my Office's initial reactions to the proposed legislation, my Representative in Ottawa may convey further comments on these and related important issues.
>
> Please accept the assurances of my highest consideration. Jean-Pierre Hocké, United Nations High Commissioner for Refugees.

I find it quite astonishing that with the remarks and the concerns brought to the attention of all by the High Commissioner and by Rabbi Plaut, reinforced by representations and presentations, that the Minister still stubbornly refuses to change that clause in Bill C-84. It would seem that the Government has truly not reflected. If it has reflected, and it has come to some very poor conclusions. It is beyond me how the Minister could not understand and accept that particular amendment. It is abhorrent to think that this would not be considered vital. To turn a boat back without knowing whether or not there are true refugees on board is inappropriate action. It is not what exists in the hearts and souls of most Members of the House of Commons.

How do we know who is on board? How do we know if they are really in need or not? How do we know from where they are really coming? How do we know their ages? How do we know the state of their health? How do we know the state of the boat? The unknown is a big variable in the consideration of this matter, something which the Government has simply not addressed in this Bill.

I suggest that a more intelligent approach would be to have sent out messages that we have no patience for people who deal in human flesh. We have no patience for people who will not respect the lives and the rights of individuals. We have no respect for smugglers and for people who are taking advantage of those in need. Those are the types of messages we want to get across. That is what Canadians would have said while saying, "We are open to accepting and understanding the plight of the refugee".

I would now like to deal with the question of fairness. Perhaps the Government does not think that fairness and equal treatment across the land is something that Canadians want. I think the Government has misjudged in that respect. People arriving on boats as legitimate refugees will be turned around in Canadian waters or outside our waters. I do not know how we will force these boats to turn around. I guess we will pull out our big guns, or perhaps our nuclear submarines will force them to turn around and go the other way. This will force, without much knowledge, the return of people to lord knows where. It will put them in jeopardy and danger.

However, if people in similar circumstances are lucky enough to board a plane and land at one of our airports then they will be given refugee status. They will be given some form of decent treatment. At least someone will look at their papers and do some checking. If they come by boat, they receive different treatment. I do not think that that is correct. That is not the type of system we want. We do not want a two-class, two-category system. In Canada there is one category and one class. The laws are the same for everyone, and everyone should be treated equally.

• (1230)

How do we discourage smugglers, ship captains, and owners of the boats? The manner in which to do that is to pull the boats into safe harbour, check and verify the condition of the passengers and find out if they are refugees, but at the same time take the captain of that boat, fine him, put him in jail, put him on trial, and confiscate the right to that boat. I guarantee in no short order the message will get out across the land and across the sea, "Don't go to Canada that way. You will be escorted directly to jail. Do not pass go. You are not going to collect 200 bucks", for those of you who know the old Monopoly rules. "The rules of the game in Canada are that you cannot bring people into this land by boat and be expected to be treated as a hero, or go free and turn around in order that your next friend can try to do the same thing and dump human cargo so that they are floating out in the sea, or they walk into a strange place, or they run away in fear".

That is not the way people are integrated into this society. Canada has been built with refugees. Often as I drive down the road in my particular riding I think of the Vietnamese boat people, and how proud I was to be among those citizens who

sponsored a family and helped bring them to this country and saw to their establishment. I now know many of those children and see how marvelously they have adapted to this land, and how beautifully they have enriched our landscape by the tapestry that they have helped to weave to strengthen this country. They have been entrepreneurs and have brought economic prosperity to this country. More than 100,000 Vietnamese boat people came to this land. Other refugee movements have been given safe harbour in this country, for example, Polish, Hungarian, Czechoslovakian, and Sri Lanka.

Now we have two types of laws for how someone gets to this country, and two types of circumstances under which someone is considered as a refugee. That is thoroughly unacceptable. I find it unbelievable that the Minister was not prepared to change that aspect of the Bill.

The second aspect of the Bill that I find mind-boggling is that any group that enables, helps, guides, or counsels refugees, particularly those who might be here without valid visas or passports, will be prosecuted. I do not know where the Minister thinks these people who run away from persecution and possible death might go to pick up this valid paper. Do they say, "Just a minute, don't shoot me. I have to go and talk to the embassy and see if they will give me a piece of paper so I can be validated. Wait until I go and check my health. Wait until I have some tests". What type of crazy world does the Minister think we are living in? This is absolute hypocrisy.

We are either a country of receipt that is open to refugees who seek safe haven on our shores, or we are not. Certainly many of those refugees will not have valid papers at the time that they arrive. That does not mean that we do not want to get validation, or do proper checking. Certainly we do. There is a procedure and a manner in which to do that without misusing the force of the Government and misrepresenting the will of the Canadian people.

The question of the smugglers and how they should be treated, the question of turning back the boats, the question of the United Nations High Commissioner for Refugees and his perspective, the question of documentation and how the lack of documentation should be handled, and how we can overcome the fact that it is no luxury to wait weeks and months for proper visas, are the types of questions that I strongly recommend that the House, through the Minister, re-evaluate, and please make the needed changes that have been so carefully considered by the other place, and accept those major changes to the unacceptable clauses in the Bill. That would certainly stand Canada well for itself, and for its best instincts.

**Mr. Manly:** Mr. Speaker, I wish to thank the Hon. Member for her speech. I wish to ask her about the relationship of Bill C-84 to the Charter of Rights and Freedoms, particularly in light of the court decision yesterday that reaffirmed the primacy of the Charter of Rights and Freedoms, and of the obligation upon the House of Commons to ensure that legislation that is passed is in accordance with the Charter of Rights and Freedoms.

I wish to read a couple of statements that were included in the Senate report. In *Reference re Education Act of Ontario and Minority Language Education Rights (1984)*, the Ontario Court of Appeal wrote:

> The judiciary is not the sole guardian of the constitutional rights of Canadians. Parliament and the provincial Legislatures are equally responsible to ensure that the rights conferred by the Charter are upheld.

The report also cites Mr. Justice Dickson writing for the Supreme Court of Canada in *Hunter v. Southam* who stated:

> It is the legislature's responsibility to enact legislation that embodies appropriate safeguards to comply with the Constitution's requirements. It shall not fall to the courts to fill in the details that will render legislative lacunae constitutional.

Would the Hon. Member care to comment on those statements from the bench in light of her concerns on Bill C-84?

**Mrs. Finestone:** Mr. Speaker, there is no question that my hon. colleague has made some very constructive observations. I hope that the Minister is watching his television set since he is unable to be with us at this particular moment.

It would seem that there is contravention of the Charter. Fair warning has been given to the House that as soon as this Bill is passed it is liable to be challenged by lawyers and taken to the courts. This means that we will be left with no legislation that will be in action and will answer the responsible needs to address a very serious issue that we have been talking about since 1983. It is now 1988. The Minister has been made aware that this Bill has legal holes in it. He is perpetrating a very serious error on this House, and prolonging responsible action and a responsible measure that will enable us to be effective in curbing abuse and in the receipt of legitimate refugees.

**Mr. Heap:** Mr. Speaker, I commend the Hon. Member on her very direct and well-founded remarks on the subject of Bill C-84. I was particularly pleased to hear her remind Parliament of the communication from Jean-Pierre Hocké, the High Commissioner for Refugees and other matters relating to his communication.

One matter that has been rather understandably overlooked at times during the last year of debate around refugees, and the last half year debate around this Bill, is what effect this Bill and its companion Bill might have on other countries, directly or indirectly.

• (1240)

To the extent this Bill proposes a turning away of ships with the assumption that the ships will go somewhere other than Canada and their passengers will go somewhere other than Canada, the actions Canada takes obviously will have a very important effect on other countries in their treatment of refugees. In the past Canada has been considered a leader, acting on the executive of the United Nations High Commissioner for Refugees, funding the work with voluntary contributions, setting a high standard and even preaching those high standards to certain other countries.

Would the Hon. Member comment on what she thinks may be the international effect, not only in Europe where some of these people might have embarked, but also in southern Asia, the Indian Ocean or the South Pacific if Bill C-84 is adopted with this provision for turning people away who may be refugees?

**Mrs. Finestone:** Mr. Speaker, it sends the wrong kind of a message. I am very pleased to hear the question from the very knowledgeable Member and colleague. Certainly he is well regarded in the international field and understands the implications of the kinds of messages that get sent out. This is not even a subliminal message. It is a loud, restrictive measure. Canada is seen internationally in much better light than we see ourselves. All you have to do is go to international meetings to see the high regard in which Canada is held. We are a role model in many ways. Our care, concern and compassion have been highly regarded and we have received international awards.

What is the message, Mr. Speaker? The message out there is that Canada has changed and is turning to a right wing narrow-minded perspective. Some of the right wing tendencies are now impacting on our standards in Canada. I think the Government is misreading the population. Over one-third of us are new Canadians and over one-third of us have built this land. We are all very proud of this extremely dynamic multicultural society. I suggest that what the Government did was wrong.

The Government has to explain its message and differentiate between the Bill on immigration, Bill C-55 and the Bill on refugees, Bill C-84. It has to make the population meet its own highest expectations, namely, to receive people well, to welcome them and to educate them that Canada is respectful to all peoples of this world when they arrive on our shores. We need to set the standards. This Bill does quite the contrary. It sends the wrong message, whether it is to southeastern Asia, middle Europe, South Africa or South America.

**Mr. Hawkes:** Mr. Speaker, it is my strongly held view that legislation is necessary to sort out bogus claimants from true refugees. It is the Opposition in this House who filibuster and who must bear the responsibility for the continuation of a situation in Canada where our security is at risk because legislation is inadequate to protect us. That is what Bill C-84 is all about. The Opposition must bear the responsibility for the filibuster, which is gradually eroding the generosity, the will and the commitment of Canadians to true refugees.

What has been brought forward to this Parliament, beginning last May, in legislative form is the required set of tools necessary to protect the security of the country and to continue in positive ways our reputation internationally in positive ways regarding what we do for refugees and immigrants. Every single day of continuation of this kind of filibuster is another little drop of water on the Canadian psyche and its willingness to be supportive of true refugees.

There is no question in international terms about the willingness of western countries generally, and Canada is part of that, to continue to be protective of true refugees. But that protection is at risk in a democracy because of the abuses to the system. Without the passage of legislation that allows us to sort out the abusers from the true refugees, we are helpless. The rest of the world is looking to Canada to provide leadership in the sorting task. Our Government is doing that.

I now have two questions for the Hon. Member. Does she and does her Party want to continue to be part of a filibuster which erodes that spirit about which she talks so much? If she thinks this legislation is so atrocious in its protection of true refugees, can she—her colleague could not earlier this day—name one country in the whole world where a refugee claimant will have a better sense of legal protection and help than will be true of Canada once we have the new Bill in place? I ask the Member to name me one country where a refugee claimant will have better protection than Canada. I challenge her to do that.

**Mrs. Finestone:** Mr. Speaker, with respect to the filibuster, there is nothing like being aggressive when you are wrong. I find it surprising that the Hon. Member with his legal talents, and who I respect, would suggest that. What we are doing here today is trying to say, for goodness sake we need this legislation. We need to sort out the abuses and we need to be able to protect the refugees. For goodness sake, stop allowing this kind of a Bill to go through without the needed amendments because it will get hung up in the courts. We will be no farther ahead than we were before. This reference to filibuster should end. It is not a filibuster, it is the proper and appropriate role of the Official Opposition and every Member of this House to speak out when they think an error has been made that will create a change or a different direction than what one supposes is the will of the Government, unless that is not the will of the Government. Don't try to tag us with filibuster when an error has been made in either the timing, the scheduling or the content of a particular clause in a Bill. That is unfair and I call it dirty pool.

Second, the legislation is inadequate. That is what we have said, so fix it. It is not something that is not wrong so you don't need to fix it. It is wrong, fix it; it is broken.

I cited quite particularly for the Hon. Member and read into the record the letter from the United Nations High Commissioner to put the Member on guard and to remind him that we have signed conventions and international documents. We are not living up to those documents and there is concern at the United Nations. I do not have to prove to the Member, and I would not care if there was not another place on this whole earth—

**Mr. Hawkes:** There isn't.

**Mrs. Finestone:** —in this international village, it does not matter. What is important is what he does as a Canadian and what I do as a Canadian. I am not comparing Canada to any

other place in this world because this is the best place in which to live. This is where we do live. This is where we want it to be right to live. Don't ask me to give odious comparisons. They are not relevant to the issue.

• (1250)

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, I appreciate the opportunity to make a few comments on Bill C-84. I listened to the Parliamentary Secretary attack the Opposition for what he called a filibuster. I do not accept that. We are dealing with legislation that is fundamentally flawed, legislation which the churches, the Canadian Bar Association and every single witness who appeared before the Senate committee, except government witnesses, indicated was fundamentally flawed and needed many changes. The Parliamentary Secretary has said that the Opposition is responsible for a filibuster, but we are doing our duty by trying to expose the flaws in this Bill. I think that is fundamentally wrong on his part.

I appreciate having this chance to make one last appeal to the Government to adopt a reasoned and humane policy toward refugees in Canada rather than to turn its back on those people. What we need now from the Government is leadership. Instead, it is creating fear and panic and then pandering to the very fear and panic the Government itself has created. We want a policy that is in accordance with our own Charter Rights and a policy that is in accordance with our international commitments.

A little over a year ago, we received from the United Nations High Commission for Refugees the Nansen award. That award did not go to the Canadian Government, it went to the Canadian people because of their attitude toward refugees. We have a good record and that good record was evidenced last summer when a boatload of refugee claimants landed in Nova Scotia. A woman met them with tea and cookies, a tradition of Canadian hospitality. That is the tradition of the Canadian people, but the Government seems intent upon destroying that good record and so this legislation, Bill C-84, as well as Bill C-55, are before us. Those Bills are undercutting our ability to receive refugees and are certainly undercutting our international standing.

I would like to say a few things about the importance of ensuring that Canadian laws conform with the Charter. Yesterday, we received the historic decision from the Supreme Court on the Henry Morgentaler case. That decision indicated that the Charter had to be obeyed and respected. The Charter is the fundamental law of Canada. It is not just a high-sounding statement of principle or desired goals, but is the fundamental law, and other laws must be brought into accordance with it.

The Senate report on Bill C-84 quoted the Ontario Court of Appeal's ruling in *Reference re Education Act of Ontario and Minority Language Education Rights* of 1984. The Ontario Court of Appeal said then:

> The judiciary is not the sole guardian of the constitutional rights of Canadians. Parliament and the provincial Legislatures are equally responsible to ensure that the rights conferred by the Charter are upheld.

If the Government will not do that, and obviously it is not with Bill C-84, then it is the responsibility of the Opposition and that is what opposition Members are trying to do by speaking on this Bill.

Mr. Justice Dickson, as he then was, writing for the Supreme Court of Canada in *Hunter v. Southam* of 1984, said much the same thing. He said:

> It is the Legislature's responsibility to enact legislation that embodies appropriate safeguards to comply with the Constitution's requirements. It should not fall to the courts to fill in the details that will render legislative lacunae constitutional.

We cannot look to the courts to do our work. If so, we abdicate the trust the people of Canada gave us in the last election, a trust this Government has betrayed in so many different ways.

Passing legislation like Bill C-84, legislation that runs counter to the Charter, is a mammoth hoax on the Canadian people, and an expensive hoax. This legislation will be struck down in certain important provisions. Then it will have to go back to the drawing board.

The Government has received clear indications from organizations such as the Canadian Bar Association that the legislation is flawed. Why does it not attempt to clean up the legislation rather than pretend that it will somehow meet the situation while it knows very well that it will not?

It is interesting that the Government has promised to establish an international institute on human rights. The Inter-Church Committee for Refugees had some interesting comments on Bill C-84. It said:

> Canada can only remain credible in the international human rights theatres if human rights are fully respected in Canada. The department cannot afford to remain aloof from policies and practices in Canada which threaten or undermine human rights.
>
> It is a matter of deep concern for this department—

The committee is referring here to the Department of External Affairs.

> —to launch a centre which focuses on Canada's interest in human rights overseas into the same Parliamentary Session which could pass refugee related Bill C-84 at home. This Bill is a flagrant attack on fundamental rights and freedoms in Canada. By relying on a questionable definition of emergency to justify its clearly excessive measures, it will lower the threshold for Charter Section 1 arguments. If Section 1 can be widely applied for such questionable reasons, the power of every other section of our Charter is reduced. Worse, other states will assume that if Canada does this, it can be considered acceptable.

Instead of having legislation that is in accordance with the Canadian tradition of openness toward refugees, instead of having legislation that is in accordance with our own Charter of Rights and Freedoms, instead of having legislation that is in accordance with the spirit of international covenants which Canada has signed, we have Bill C-84.

The Government attempted, both last summer when it first introduced this legislation and just this past week, to create a climate of panic and fear so that this legislation would be stampeded through the House of Commons. For example, just two weeks ago, we heard of the case of Mahmoud Mohammad, a convicted terrorist who came to Canada as an immigrant. This case suddenly surfaced in the press. The Government used it as an attempt to justify quick passage of Bill C-84.

There are two questions I would like to raise about this case. Why was the story about Mahmoud Mohammad leaked just as the Government was preparing to reintroduce Bill C-84? I do not know the answer to that question, but there is at least the possibility of a manipulated leak designed to create the climate of fear. We have seen the Government do that before and certainly it arouses that kind of suspicion in my mind.

Second, what does the Mahmoud Mohammad case have to do with Bill C-84? The answer is that it has absolutely nothing to do with Bill C-84 except in the mind of the Government which is trying to link that case with the passage of this Bill. Mohammad did not come here as a refugee. If Bill C-84 and Bill C-55 had been in place, he still would have come here. He arrived in Canada and was accepted as an immigrant because the Government did not properly apply its own regulations, regulations which were already in place. A convicted terrorist arrived in Canada after warnings had been issued because CSIS was having a shift change. To try to use this failure as a reason for putting in place the Draconian measures of Bill C-84 is unconscionable.

• (1300)

My colleague, the Hon. Member for Spadina (Mr. Heap), quoted from a Winnipeg *Free Press* editorial of January 22 which said:

> These are the ministers who claim that Canada needs tough new immigration laws which could be used to send genuine political refugees back to face potential imprisonment, torture or death. Their action demonstrates that, far from draconian new laws, what this country needs most is the competent and honest enforcement of the ones we have.

Competent and honest enforcement of the present legislation, and perhaps some competency on the government side would help as well.

We all recognize that there is a need for tightening the refugee determination process. This has been recognized for a long time. It was recognized by the previous Government which did not take any action on it, but it did appoint the Plaut commission. When that report was brought in, in the early days of the present Government, it did not take any action. Instead, it referred the whole issue to the Standing Committee on Employment and Immigration. When that committee brought in its report the Government did not take any action. It did not even respond to the report, although both the Plaut commission and the standing committee made some very reasonable suggestions that would have helped deal with the question of the backlog of refugees.

The churches made recommendations and the Government did not choose to act. As a result, the situation began to snowball. Canada began to get a reputation as a country where people could make bogus refugee claims and get away with it, certainly for a fair period of time. The Government chose not to act. Perhaps it felt it did not need to. As a result, we had a gradual buildup in the backlog until over 20,000 people are waiting for some kind of final determination of their status.

The Plaut report, the standing committee report, and the churches all recommended a process that would have been speedier, fair, with a reasonable appeal process, and would not have dragged on allowing people making bogus refugee claims to stay in Canada for four and five years. Instead, the whole process would have been through in a matter of some four months. If people were going to be staying here for only four months, it would not be worth their while to pay the very large fees to these unscrupulous refugee or immigration counsellors. However, the Government chose not to act on those recommendations.

Instead, last spring, Bill C-55 was introduced. It was not brought to the House for debate until June. Then there was just a few hours of debate and the House recessed for the summer. Then there was this panic notice that went out in the summer when 174 Sikhs landed in Nova Scotia. The House was called back for a so-called emergency, which I presume still exists, to deal with this issue. Both Bill C-55 and Bill C-84 were brought before us. There was no great emergency. There was a crisis which had gradually been building and which needs government action, but it did not develop suddenly last summer as the Government tried to pretend.

The panic reaction which the Government tried to create and manipulate is not, I submit, the proper climate for dealing with issues fundamentally affecting human rights. They affect human rights in Canada and Canada's standing in the world. They affect the fundamental position individual Canadians are taking towards some of the most disadvantaged people in our world. So much of the focus of the Government has been upon those who are unscrupulous and who do not deserve refugee status. We agree that action has to be taken against those people, but in doing so the Government is going to hurt some of the most disadvantaged people in our world. We are talking about refugees. We talk of them as something we want to push off to one side instead of saying, "Here are fellow human beings who need our assistance and who are speaking to the very depths of our humanity". Instead of responding in a full and free way, the Government is taking Draconian measures which are going to make it more difficult for Canadians to live up to the kind of reputation we achieved over the past 40 years when we received some 400,000 refugees into Canada. We know those refugees made a great contribution to Canadian life. Yet now we are closing the doors.

I want to look just briefly at the provision in this legislation for turning back boats. The Senate wanted to amend that provision, but the Government chose to keep it as it is. We have all heard many times about the disgraceful situation

which took place in 1939 when a ship left Germany with 907 Jews and attempted to sail to different countries, including Canada, only to be turned away. That is the Canadian contribution to the Holocaust. We sent those people back to Germany where they faced extermination. That is a black mark upon Canadian history.

Since then we have not had a great many people who have attempted to come to Canada by boat as unsolicited refugees. In 1986 we had a boatload of Tamils who landed off the East Coast of Canada. In 1987 we had 174 Sikhs. That is hardly a major problem. We have a backlog of some 20,000 people in the system, yet the Government brings in this legislation dealing with boat people as though somehow it will solve the problem.

The fact is that the whole idea of people coming here by boat has some symbolism, so that people had the sense we were going to be invaded by an armada. I remember one of the Parliamentary Secretaries, the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), talking about five billion people in our world, all of them perhaps coming to Canada. We had that kind of foolish attempt to create panic in the Canadian people. In comparison to the 20,000 backlog, the coming to Canada of boat people is not a major problem.

The Government's ability, under this Bill, to turn a boat back and refuse it entry into Canadian ports is not going to be any real deterrent to any of the people who are organizing these bogus refugee schemes. If the boat that landed in Canada had been seized and the captain arrested or imprisoned, and a stiff fine had been imposed, perhaps that might have been a little bit more of a deterrent. At the same time, by turning boats around and not allowing them to land in Canada, you reduce the possibility of genuine refugees being heard. We regret that, yet the Government has not seen fit to change it. In the past Canada has been concerned about other countries, such as some in Southeast Asia, for example, taking the same position which the Conservative Government is now taking.

• (1310)

In conclusion, this Bill undermines the principles of the Charter of Rights and Freedoms. It undermines the spirit of Canadian commitment to international covenants. It destroys the ability of Canadians to live up to the spirit of openness and generosity to disadvantaged people who come to Canada as refugees. It does not give the protection against bogus refugees which is required, and works against genuine refugees. I urge the Government to look again at this Bill and to bring in the policy which it says it wants to have, that is, a fair refugee determination policy which is humane and open.

**Mr. Crofton:** Mr. Speaker, New Democratic Party members in this House have stood and said that in their opinion there is no other country that has adequate protection for refugees and that anyone who gets here should not be deported because there is no safe place to which to deport them. It is alleged that Mr. Mohammad is a subversive—I say "alleged". Under Bill C-84, subversives will no longer be able to access the refugee determination system in order to delay removal from Canada. Without Bill C-84, individuals such as Mr. Mohammad will be able to make a claim and extend their presence in Canada for months and years even when the U.N. convention permits the deportation of subversives, whether or not they are refugees. With C-84 subversives will be quickly removed. Without C-84 they cannot be removed.

Each day of delay of this Bill increases the possibility that another subversive terrorist will arrive at our borders and we will still be unable to deal effectively with the risk which that person would pose to Canada and Canadians.

Exactly what is the NDP policy? Surely as Canadians we are entitled to determine who comes and to intercept the bogus claimants or security risks at the borders and turn them back. This legislation will allow us to do that. I have yet to hear anything meaningful from the opposition Parties on how we can accomplish what is clearly a Canadian need.

**Mr. Manly:** Mr. Speaker, I would like to make a number of comments in response to the Hon. Member's statement and question. First, with regard to the concept of no safe country, when we say that there is no safe third country we mean that you cannot say that any one country is safe for every particular group of refugees.

**Mr. Crofton:** So you are going to keep them all.

**Mr. Manly:** We are not saying we are going to keep them all. The United States is not a safe country for refugees attempting to enter Canada from El Salvador or Guatemala. Of 12,000 applicants for refugee status in the United States in 1982, 26 were accepted. That is the United States record on El Salvador. The United States is not a safe country for refugees from El Salvador. It may be for refugees from Poland, but it is not for refugees from El Salvador or Guatemala and they are sent back to those countries.

With regard to the issue of Mr. Mohammad, we are quite open to legislation which would deal with that kind of situation. We are not open to legislation which runs counter to the Canadian Charter of Rights and Freedoms and our commitments to international covenants. With regard to saying that Canada cannot pick and choose who will be let into the country, we have certain obligations under international covenants to accept as refugees people who have well founded fears of persecution. Under the United Nations convention, if they pose a security risk, they can be sent to another country later. However, we have a primary obligation to the United Nations High Commission for Refugees and to our international conventions. We must honour those and Bill C-84 does not.

**Mr. Hawkes:** Mr. Speaker, there is a fundamental difference which emerges from time to time between Parties. The Government and the Opposition have a fundamental difference

in goals with regard to this legislation and the companion legislation.

The Member brought up the issue of boats. I do not know whether he has had the opportunity to see refugees in various situations in West Germany, Denmark, or Holland. People there who make refugee claims do not have the same freedom of movement that we have in this country, but they are safe and healthy. They have food, they have shelter, and they have protection.

The Opposition is urging this House to send a signal to the people in those camps that they should take the risk of putting themselves in the hands of unscrupulous ship captains. These are not captains of passenger boats such as Members of this Chamber take on cruises. They go in the hold of a ship which may or may not be seaworthy and are under the care and control of a crew which may or may not be skilled, with or without doctors, with or without adequate food, and with or without adequate sanitation.

They would tell them to leave the safety that they have in Germany, Britain, or Holland and put themselves in this kind of boat with this kind of a crew and pay a big buck to tackle the North Atlantic. The North Atlantic is the graveyard of all kinds of ships including the *Titanic* and all kinds of fishing vessels.

I say that the Opposition is dead wrong. Nobody who cares about these people should attempt to send out a signal that they should leave that protection, get on a boat and put their life and health at risk to sail across the North Atlantic.

Yes, this country has a generosity of spirit for the true refugee who is fleeing oppression and needs our protection. However, it is wrong to signal to these people in trouble that they should put their health and safety in the hands of people like that.

Members will remember that two boatloads arrived on our East Coast. The ship's captain put them in lifeboats in the North Atlantic without adequate food, without adequate clothing, and without adequate shelter. That is how the Tamils got here.

A leaky tug with none of the things to protect health and safety brought the Sihks. The ship's captain brought that big ocean-going liner, not into a safe harbour with a wharf, but up to the shoreline in an area where people familiar with that part of the coastline would never have dared to attempt it. There were two boatloads. One was set adrift in the North Atlantic, and the second was put in a situation in which it could have capsized and all the people could have drowned so fast that it would have made your head spin.

This Chamber should send a signal to those desperate people in those conditions of safety not to put their lives in the hands of those kinds of people. That is the signal which this Party thinks is the best, most humane signal to send. That is why this Party and the members of it are so much in favour of this Bill.

**Mr. Manly:** Mr. Speaker, I just want to reiterate to the Hon. Parliamentary Secretary that the present legislation, Bill C-84, does not provide any real deterrence for organized smugglers. If the Canadian Government detects a refugee scheme, it can simply turn the boat around and send it back. It think it would be much more appropriate to have provisions which would allow for the seizure of the boat, the arrest of the captain, and very stiff fines. That would provide deterrents against illicit refugee schemes.

• (1320)

The other point is the whole question of encouraging refugees to come here. If the Government had listened to the Plaut report and the report of its own Standing Committee on Labour, Employment and Immigration, and acted on them, there would be a speedy process so that people who came here and did not have a legitimate claim would be processed very quickly and sent back from where they came. That would act as an effective deterrent.

Instead, the Government has chosen a method that puts at risk genuine refugees who possibly arrive here by boat. It has taken Draconian measures that will not accomplish what it is trying to achieve.

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, once again we are faced with this Draconian Bill, Bill C-84, which reverses Canada's longstanding policy with respect to refugees. In order to block a small percentage of fraudulent refugees, the Government has introduced these measures which will also prevent legitimate refugees from getting into this country. This is a case of massive overkill with respect to the problem.

I have been listening in this debate to Members from the government side suggesting that the opposition to this Bill is simply being made by the members of the Liberal and New Democratic Parties. What nonsense. One need only look at the list of those who have time and again come out against this Bill. It includes nearly all the churches in Canada, the Canadian Civil Liberties Union, the Canadian Jewish Congress, B'Nai Brith Canada, associations of students, labour unions and all the groups that work with refugees and immigrants. Above all, the report of the Senate which is before us in the form of this amended Bill is supported by the Conservatives in the Senate.

The Senate report to amend this Bill is a unanimous report of Liberal and Conservative Senators. Therefore, the suggestion that the opposition to this Bill is simply an opposition by Liberal and New Democratic Party Members here in the House is nonsense. There is overwhelming opposition to this Bill not only throughout the country but even by those members of the Conservative Party in the Senate who signed the unanimous report with respect to this Bill and sent it back to the House. We were recalled to the House in the middle of the summer adjournment in 1987 to deal with what the Government described as an emergency. They brought us back

and asked us to deal with Bill C-84 immediately. Of course, the Bill required hearings and an extensive debate, not a filibuster. It demanded an extensive debate because the issues involved in the Bill were extremely serious.

After we entered the regular session in September, the Government had a higher priority for other matters and called in all sorts of other Bills. It did not consider this to be a high priority Bill, which did not justify the so-called emergency crisis for which we were brought back in the middle of August.

The Government has the right to call whatever Bill it wants every day. It simply did not call this Bill. Of course, it always wanted an agreement from the Opposition to dispose of it in one or two days. However, we would not agree to that because the issues are too important.

If the Government really put a high priority on this Bill, since it has the right to fix the business of the House, it could have continued with the Bill until it was passed. Rather, it called the Bill now and then, here and there, and finally it was passed through the House. The Opposition tried to amend the Bill and voted against it, but the Government passed it as it wished, in its still imperfect form.

The Senate has not defeated the Bill but has returned it with certain very specific amendments. The Government accuses opposition Members of filibustering the Bill and delaying a solution to the issues. The Plaut commission was appointed by the former Liberal Government prior to the 1984 election. The Plaut commission reported in June, 1985, after the election, and made very specific recommendations about what should be done to renew our refugee legislation and avoid the problems being experienced due to the large numbers applying, fraudulent claims and so on. However, the Government did not respond to the Plaut report or bring in immediate legislation.

We then saw the two reports of November and December, 1985, from the parliamentary committee on immigration. They essentially agreed with the conclusions of the Plaut report and recommended certain legislation to correct the abuses and prevent fraudulent refugees from coming to this country. Once again, however, the Government did not act on those committee reports which were unanimous reports from members of the Liberal Party, Conservative Party and New Democratic Party.

The Government did not even introduce its own legislation at that time as a response to the reports. The Plaut commission and the Standing Committee on Labour, Employment and Immigration recommended a new, fast, efficient and fair system to deal with refugee claimants in order to weed out the fraudulent ones from legitimate ones, and discourage fraudulent claims in the future. Obviously, quick action on refugee claims, turning down those which are not legitimate, will discourage people from coming to this country to make such claims. Long delays of two or three years in making a decision encourage fraudulent claims, but the standing committee and Plaut report recommended solutions that were fast, efficient and fair. However, the Government did not act.

The Plaut report was issued in June, 1985. It took the Government almost two years, until May, 1987, to table its legislation, Bill C-55. Now it is accusing the Opposition of delay and filibuster when it took it nearly two years to present a Bill on this important issue.

We believed that Bill C-55, although we identified flaws and imperfections in it, was the Government's solution to this question. However, just a few months later, in the middle of the summer, it presented Bill C-84, with further changes. This merely indicates the confusion of the Government. Perhaps it will introduce another Bill next week if there is another boat on our shore.

It does not really know what the solution is. It told us that Bill C-55 was the solution, then presented Bill C-84 a few months later. Now a committee report from the Senate, including Conservative Senators, states that while they believe the problem must be solved, and do not want to admit fraudulent refugees in this country, they suggest the Government is engaged in overkill and will only harm legitimate refugee claimants.

I must remind the House that a former Liberal Government signed the International Convention on Refugees in 1969. As a result of signing that treaty, we committed Canada to accepting refugees as defined by the treaty. We committed ourselves to that. We put it into legislation in 1976 as part of the law of the land. If someone was a legitimate refugee, as defined by the international convention, we had to accept them. These are people fleeing their country because their lives are in danger because of their politics, religion, race, language or whatever. They come to this country and we are obliged to receive them. However, we have a right to determine whether they are true refugees in accordance with the definition. The problem was that due to the conditions of the world, there were almost 20 million refugees fleeing horrible conditions in various countries, and the numbers increased. Canada had to change its procedures to deal with those claims quickly.

• (1330)

Rabbi Plaut, the parliamentary committee, the Liberal Party and, I believe, the New Democratic Party, all want to solve the problem. We want to solve the problem so that those who claim refugee status get a fair hearing. Those who are fraudulent, of course, we can send back, but they have a right to a hearing. The Supreme Court of Canada has already made a statement on that point when it said we must not only review the documentation but that they have a right to an oral hearing.

I believe that if this legislation passes as it is, and many experts have already said this, it will be overruled by the Supreme Court because it is contrary to our Constitution. Certain amendments have been proposed to Bill C-84 by the Senate. These are amendments dealing with serious matters such as the penalties to be imposed against those who help

refugees, the turning back of boats, and so on. These amendments by the Senate were approved unanimously by the committee. Let us make that absolutely clear. What is interesting is that the Government accepted some of the amendments suggested by the Senate. They were minor, but they were accepted. This indicates that the Government recognized that there were flaws in its Bill. Otherwise it would not have accepted any amendments. It accepted minor amendments from the Senate to improve the Bill, but points dealing with human rights and liberties, with the human condition of individuals, it has not accepted, despite overwhelming support for those amendments by all sorts of groups in this country.

I want to point out again that the numbers of refugees coming to this country today are not out of line with those who came to this country in previous years. I would like to refer to those numbers because I think Canadians should be reminded. In 1982, we accepted 16,900 refugees from three special movements. That was in addition to the refugees we accepted under ordinary movements. There were 16,900 refugees in 1982, 9,300 from Poland, 3,000 plus from El Salvador, and 2,500 from Iran. In the period of 1978-79 we accepted over 11,000 refugees from Lebanon. This was a special movement over and above those who came in on regular movements. In the period of 1976-77, we accepted over 9,000 Vietnamese and Cambodians. In the period from 1975-78, we accepted over 7,000 Chileans and Argentinians. In the period 1972-73, we accepted 7,100 Ugandan Asians. In 1969 Canada accepted 12,000 Czechs following the aborted revolution in Czechoslovakia. In 1957, when our population was much smaller, we accepted 37,000 Hungarians, following the aborted revolution in that country. After the Second World War in 1945, Canada accepted 186,000 displaced persons. At that time our population was only 15 million. What has happened to all those people, the Hungarians, the Czechs, the Ugandans, the Chileans, the Vietnamese, the Lebanese, the Poles, the Salvadorans and the Iranians? They settled pretty well in this country. They have made a contribution. They started businesses and built homes. They are consumers. Very few of them are getting in trouble with the law, probably fewer than Canadians like myself.

We see these people out there in our multicultural environment. We know they are there and we do not regret the fact that we accepted these large waves of immigrants. But because there were two boatloads of refugees who came to our shores, a relatively small number, the Government panicked in response to some reactionary Canadians and brought in this legislation. This legislation is unwarranted. Everyone has been telling the Government that, but it is not listening. Why do we have this situation in the world? I mentioned that we have approximately 20 million refugees in the world. Again, I remind the House that since 1945, which was the end of the last war, there have been 150 regional wars. Those 150 regional wars have resulted in 20 million deaths. Two thirds of those deaths were civilian and 16 million of those 20 million deaths were in the Third World. In addition to the deaths resulting from those conflicts, we also have a vast movement of refugees, particularly from Afghanistan, the Middle East, Indo-China, Iran, Sri Lanka, Central America and Latin America.

As I said earlier, Canada signed the international treaty with respect to refugees in 1969. We confirmed those obligations in 1976, putting them into law. We have committed ourselves to accepting legitimate refugees. We won the Nansen award a year and a half ago for our treatment of refugees, which is a tribute to Canadians in general. By adopting this legislation, we are throwing mud in the faces of those who presented us with that award.

I suggest to this House that if we are truly citizens of the world, we have a responsibility to help relocate and care for these refugees. As Canadians, we must ask ourselves if we are doing our fair share. The numbers we brought in in the past was not bad, but we have to ask ourselves continually, in the face of the tremendous crisis and tragedy we see in the world, are we as Canadians doing our fair share? Will be be doing our fair share by passing this Bill? Are we going to close our borders and shift the burden to someone else? Are we going to say: "Let the other guy do it. We have enough here by adopting the kind of measures in this Bill? No, we cannot shirk our responsibility. We cannot pass the buck. As I pointed out, since the Second World War, we have settled hundreds of thousands of refugees. We did it then and we can do it again.

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, I have a few questions for the Hon. Member for Notre-Dame-de-Grâce—Lachine-East (Mr. Allmand).

Yesterday, I heard one of his colleagues, the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano), who was referring to a position taken by the members of the Senate and said that the Conservative senators had voted the same way as the Liberal senators. I can inform the House that I corrected this mistake and in fact, the Hon. Member for Saint-Léonard—Anjou admitted he was wrong. What actually happened was this. There was some business in committee, where the Conservative senators took a position that was different from that of the Liberal senators. Subsequently, they preferred to send the Bill back to the House as soon as possible so that the Liberal senators would not hold up the Bill any longer. The Hon. Member for Notre-Dame-de-Grâce—Lachine-East said three times that this is not what happened.

I wanted to tell him what happened, because I am sure they are not properly informed by their staff, their caucus and their contacts. I would also like to comment on his position, which probably coincides with that of the Liberal-Socialist coalition against Bill C-84. In fact, there was a similar coalition against Bill C-22.

I wish he would come out and tell the House that what he really wants is for the trade in phony refugees to continue and for Canada to be considered a haven for those who have made trading in phony refugees an institution.

In fact, Mr. Speaker, I am starting to wonder about the sincerity of the representations made by the Hon. Member for Notre-Dame-de-Grâce—Lachine-East, because the same Member who today has opted for a policy of openness, even towards terrorists, of generosity and understanding, that same Member called my grandparents and parents here in Quebec terrorists. That same Member accused members of the Saint-Jean Baptiste Society of being terrorists, and he did so several times.

He is prepared to be generous to non-Canadians, to people who have been identified as terrorists, but he called my brothers, my parents and my grandparents terrorists, and he did so several times.

That same Member who today is supporting an open policy was one of the staunchest supporters of the War Measures Act, under which, at the instigation of his government, the privacy of the homes of Quebecers was violated in so many ways.

Mr. Speaker, I suggest that the Hon. Member be a little less partisan in his representations and ask his caucus, with whom he agreed when he voted against Bill C-22 and against Quebec's economic interests, to be a little less partisan and get out of this Liberal-Socialist Coalition so that Canada can become a haven for refugees and is not considered by non-Canadians throughout the world as a place where money can be made by bringing over all kinds of people for an exorbitant fee.

• (1340)

[*English*]

**Mr. Allmand:** Mr. Speaker, the Hon. Member speaks so much nonsense so often in the House that I rarely pay any attention to him. It is not worth while paying much attention to him. I must say that I have never described members of the Saint-Jean-Baptiste Society as terrorists. I have said that the present leadership of that society is narrow-minded and bigoted. I will say that over and over again as long as it maintains some of the positions which it maintains.

I recall when I was younger living in Sherbrooke, Trois-Rivières and Montreal and having very good relations with the people from the Saint-Jean-Baptiste Society. In those days they did not have that narrow-minded and bigoted approach.

With respect to coalitions, the Hon. Member keeps talking about the so-called socialist-Liberal coalition. I would be interested in examining the coalition between the Conservative Party in Quebec and the Parti Québécois and some very right-wing, almost fascist groups in that province. I get a great kick out of the Hon. Member trying to brand all of us over here as some type of communist horde.

He talked about his parents and his grandparents and other people in the Saint-Jean-Baptiste Society. I have never branded them as terrorists.

With respect to the Senate, my understanding is that the Senate did not vote against the report of the Senate committee. Some Senators may have abstained or let it go through for one reason or another, as the Hon. Member described. However, the same position was not taken in the Senate as the Conservative Party, the Government, is taking in the House of Commons, at least not with respect to the entire Bill. The Senate is directing its attention to parts of the Bill. They brought in amendments with respect to the section on returning boats and the section on aiding and abetting refugees. There were other technical amendments to the Bill, some of which were accepted by the Government.

The point is that the report of the committee was unanimous. Perhaps the Conservatives in the Senate just let it go through. I am not sure what technicality took place there but Conservative Senators did not launch an all-out attack in favour of the Bill and against the Senate report, as the Opposition in this House is doing. As a matter of fact, I have spoken to some Conservative Senators who are embarrassed with the measures that are in the Bill, whether or not they tried to fudge their feelings by doing what they did. The point of the matter is that the Senate did not launch the kind of attack against those amendments and in favour of the Bill as is happening in the House. It is their right to do so and I think the Hon. Member should understand that.

**Mr. Heap:** Mr. Speaker, I would like to ask the Hon. Member a brief question. First, I want to say that I respect not only his good remarks on this subject but the work that he has done over the past 21 years. At one point he spoke about the large number of people being displaced by the some 150 wars that have occurred since the Second World War. I would ask him if he has a comment on what Canada should be doing internationally to address the problem of those massive movements, since some of the government speakers say that they are afraid all of those millions of people want to come to Canada tomorrow, in effect, which is why they have to put up these high walls.

I would like the Hon. Member to comment on what might be done in a co-operative way between Canada and the other countries of the United Nations to share the burden occasioned by those disturbances and the burden that is constituted by the large numbers of people who feel that they have had to leave their homes, shared in a way so that it would not be unduly borne by any country, whether it is Canada with some tens of thousands or Pakistan that has something in the order of 2 million or 3 million refugees from Afghanistan.

**Mr. Allmand:** Mr. Speaker, the Hon. Member asks a very legitimate question. To consider Central America alone, and the Hon. Member and I were part of an all-Party delegation that visited Salvador and refugees in Honduras, as far as I can see, and I think he would confirm this, the overwhelming number of people who are displaced by wars and conflict would rather return to their own countries. They are more at home in their own countries. They are familiar with the

climate. They have friends and relatives there. They grew up there. It is only through the worst of circumstances that they are forced to seek refuge in another country.

What is it that prevents them from going back to their countries in many cases? It is the fact that there is economic manipulation and exploitation in El Salvador. For example, for a long period of time a small percentage of the population controlled the country to its own economic, social and political benefit. There was a virtual dictatorship. If we want to help as Canadians then we must help to solve the underlying causes that lead to those conflicts and those wars in those countries. The response is certainly not a military one.

I was very disappointed when the Secretary of State for External Affairs (Mr. Clark) recently went to Central America. He ended up giving a very small amount of additional aid to Nicaragua, which all aid agencies say is a model in trying to deal with the problems of underdevelopment, but gave a much larger amount to Honduras, which is impeding the implementation of the Central American peace treaty and is serving as a base for the Contra revolutionaries to attack Nicaragua. Yet our Government gave more to that country than it gave to Nicaragua.

In answer to the Hon. Member's question in a nutshell, the answer is for Canada to help with the underlying economic and social problems. We could do much more there. I have always felt that even under my own Government we were not doing enough. We have to do more if we want to change the conditions which lead to people fleeing their countries. If things were great in those countries, or at least improving, and if these people were being treated fairly and justly, then they would not want to be refugees. We should direct a great deal more of our attention there if we do not want all these people flooding our country, as the Conservatives do not seem to want. If they would pay more attention to solving the basic problems then they would not have boatloads of people on their doorstep.

**Mr. Crofton:** I was interested in the remarks of the Liberal spokesman. He seemed to state that somehow the Government has shown a lack of concern for distressed peoples around the world. Indeed, he knows perfectly well that the contrary is the truth.

Except for our native people we are all immigrants or refugees in this country. The Conservative Party does not need lectures from the Liberals about what a refugee is or what a distressed person is since our ranks are of equal numbers as far as these experiences are concerned. The Hon. Member showed interesting passion and emotion in his remarks. I suggest that a great deal of it was misdirected.

He was referring to the people who have come here. Indeed, we have said many times that we need an immigration policy and immigrants. We need to treat them properly. But we must have some sort of rules in place by which to judge the authenticity of people who wish to come here. These rules are clearly not in place now. The rules that we are proposing to put in place are in step and meet the requirements of the United Nations.

Surely, as parliamentarians, from time to time we have an obligation to convey fact and truth to the Canadian people. I suggest that what really is a filibuster from the opposition Parties is a blatant political play, recognizing that the majority of people in Canada have come as refugees and immigrants. He seemed to suggest that, because we wish to try to put some kind of rules in place, somehow we are prejudiced against these people. This is quite untrue. Equally untrue is the suggestion today by members of his Party and the other opposition Party that because one wishes to assist a refugee one will immediately be charged with a crime. That is patently false. We have said that Canadians are obliged to respect the law. Any Canadian citizen who knowingly circumvents the law, or aids and abets someone else in circumventing the law, is open to charge. That is certainly a philosophy that is held by the Conservative Party. If that is not the philosophy of the other Parties, I am most interested to hear from them. Surely all Canadians have to obey all the laws, and not pick and choose the ones that they will obey.

• (1350)

**Mr. Allmand:** It is not correct that the Opposition would have been critical of any measure brought forward by the Government to solve this problem. As I previously pointed out, the Standing Committee on Labour, Employment and Immigration, which has a majority of Conservative Members, put forward two reports to deal with this problem, and two reports suggesting a solution. The Conservative Members together with the Liberals and members of the NDP on that committee were unanimous in their recommendations in putting forward solutions.

**Mr. Hawkes:** They were never unanimous.

**Mr. Allmand:** My recollection is that they were unanimous. Perhaps they were not unanimous on some of the recommendations, but they were virtually unanimous. The principal recommendations were agreed to by the Conservative, Liberal, and NDP Members. If the Government had adopted the recommendations contained in the report of that committee, the majority of whom were Conservatives, we would have said that that was fine. But they did not do that.

With respect to the first point of the Hon. Member, I am sure that there are cases where the Government and Conservative Members have shown sympathy and have adopted the correct measures. I was pleased yesterday when the Secretary of State for External Affairs announced further aid to the southern African states in their attempt to deal with economic and social problems. I thought that that was a good move. For one reason or another, the Government did not do the same thing in Central America, and it is not doing the same thing in this Bill.

I do not accuse the Hon. Member of being of bad faith, but I ask him to look again at what has been recommended by all the groups in Canada that are concerned with this issue. Obviously, there are parts of Bill C-84 which are wrong and should be corrected. The government Members are not listening, and that is unfortunate.

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I must say that it is not with any great pleasure that I rise this afternoon once again to debate Bill C-84. It seems to me that it is deplorable that we have had to do this so many times with a repetition of many of the same points, and the same points that have been made by many responsible groups across Canada. Again today we are repeating ourselves.

Of course, we felt that it was a very impulsive response to incidents last summer which instigated this Bill to amend the Immigration Act in the first place. In my view, it was not necessary to take such a punitive and hysterical approach to a boatload of people who arrived on our eastern shores. It certainly was not necessary to respond in the manner in which the Government did. I remember last summer in Vancouver how Conservative Members, and I regret to say even the Hon. Member for Capilano (Mrs. Collins), was saying, "We have to get back to the House. This is a crisis". In turn, that type of response encouraged more and more people to become inflamed about a situation that it was not necessary to become so inflamed about.

I know in my riding it resulted in many phone calls that had a racist tone. I very much regret that, instead of dealing with this in a positive manner, we were almost feeding into it by the way the Conservatives whipped us all back to Ottawa and said that we had to deal with this great crisis. That was on August 11, 1987. Here we are in late January, 1988, still dealing with this, and there does not seem to me to have been any great crisis at all.

The other thing I wish to say is that the Government has been stubborn and persistent in not making the changes that were obviously needed. The Government let the Bill go to the Senate, and now we have to go through this round again. Perhaps the Government did not want to listen to those of us in opposition. Perhaps the Government did not feel that we were being non-partisan in our comments. As Canadians, most of us do feel that the immigration and refugee policy is a humanitarian issue. It is not a partisan issue. We want to be sure it is just, and in the interest of both refugees and immigrants, as well as in the interests of Canada.

If the Government was not willing to listen to us, why did it not take very seriously the same type of comments that were coming from many independent groups across the country, people who had probably far more expertise than most of us in the House? In my riding there are refugee settlement groups, and groups of volunteers with a great deal of experience and commitment. Those groups have given much of their time without pay because they feel so strongly about this. They have spent a great deal of time helping to reach out and assist refugees or potential refugees and to provide support groups once they arrived in Canada.

Those groups certainly criticized this Bill in the same manner that we did, and in the same manner that the Senate has now done. Across the country there were immigration lawyers with great expertise who stated that many aspects of this Bill contravened the Charter of Rights. I understand from the analysis that the Senate has done that this is still the case. Yet, apparently the Government does not accept this.

Many church groups and humanitarian groups appealed on this matter. People, like Rabbi Plaut, who indeed has great expertise, have been trying for years to reform our immigration policy in order that we could handle it more effectively and not have the type of chaotic situation that we had last summer, and still have. There were many recommendations from Members of the House, and ones that were presented very seriously.

It was not always easy to take the opposition side last summer. This was an issue that people felt very strongly about. The Government's interpretation of the so-called crisis did not help people to look at it in a rational and objective manner.

Since last summer, I have met with a number of groups. The concern about this Bill and Bill C-55 has continued in many meetings that I have attended. In Vancouver East we have a great number of immigrants, people arriving from many different countries, for example, many countries in Asia, the South Pacific, and from Spanish-speaking countries in Central and South America.

Many groups have formed in support of immigrants and refugees. I recall a very large meeting that was held at the native education centre in Vancouver. It was very interesting to note that the native people were the ones who hosted this meeting, yet it was a meeting of people from a range of backgrounds who were very worried about Bill C-84 and Bill C-55. At that meeting there was a woman from the United States who was a refugee support person. She was helping refugees who wanted to come to Canada to get to the border. She was extremely concerned, especially with regard to Salvadorans and Guatemalans. She was quite convinced that they would be forcibly sent back to their countries and not allowed to come into Canada. She had no way of helping them once they got to that state either.

• (1400)

There was a very senior representative of the Anglican Church, I recall. I know the Hon. Member for Spadina (Mr. Heap) would know about this. This representative has been in the forefront of helping refugees not only in Canada but worldwide. Senior people of his church had been meeting and taking very strong positions. They were very concerned about these Bills. There were lawyers from Simon Fraser University who had a great deal of expertise. I was particularly impressed with native leaders who said, "This is unfair. We don't want people to be treated in this way". Most groups who were there

formed a coalition to oppose these Bills, and I hope they will continue to oppose them because both Bills are contrary to many things that most Canadians believe in.

Why do we oppose Bill C-84? Again, we have said this many times, but I want to repeat it. The New Democratic Party strongly opposed Bill C-84 in the Commons when it was here in the last round. It is monstrously unfair both to refugees and to Canadians who help refugees. It violates our Charter of the U.N. Convention on Refugees. I heard a Member from Vancouver Island a moment ago saying that the Bill does not contravene any of the U.N. conventions. This, however, does not seem to be the opinion of other experts. The Senate held hearings and heard some 37 witnesses after the Bill was passed in the House of Commons. There were lots of complaints about how much time the Senators were taking. It is unfortunate the Senate had to make all the amendments because the Bill should have been amended more strongly when it was here in the House. That is the House of Commons' job. It is our job as parliamentarians, elected to this House, to be responsive. It is the Government's job to be far more responsive and to integrate amendments that are valid and amendments that were proved to be matters that offended the Charter of Rights and Freedoms.

The Government accepted very few amendments. The Minister of Immigration (Mr. Bouchard), in particular was extremely obstinate and stubborn. I do not like to say that about anyone but I am afraid that this is the way he appeared to me. He was determined to push this Bill through, that he was right and the public of Canada was wrong.

As I said, the Bill went to the Senate. The Senate held hearings and heard 37 witnesses, many of whom appeared at the legislative committee in the Commons on Bill C-84. All of these witnesses, except immigration staff—and one knows to whom they are accountable—criticized the Bill and opposed it, all 37 of them. The Senate made 13 amendments before it adopted the Bill. As Members know, these have been set out in the Minutes of the Proceedings of the Senate for Tuesday, December 15. The 13 amendments remedy nearly all of the objections made by the witnesses. We commend the Senators for that job. We do not think it is their role. We think that job should have been done here in the House. All of those amendments were ones which the New Democratic Party had spoken to and had presented in the House.

These amendments remedy those parts of the Bill considered to offend the Charter of Rights and Freedoms. Surely that is a standard against which to measure policies that are implicit in this Bill. Why on earth is the Government so obstinate in not accepting amendments that are trying to make this Bill concur with the requirements of the Charter of Rights and Freedoms? As I understand it, if this Bill is tested again in the courts it will be back to square one and there will be a need for changes once more. The government knows what the criticisms are. Why would the Government not try to make the Bill conform completely to the Charter of Rights and Freedoms? That is why we have our Charter of Rights. If the Government rejects all or most of these amendments in its coming motion to the Commons, we feel that we must oppose it.

May I quickly just review what the amendments are without going into any detail and as well review the Government's response? Amendment 1 clarifies the purposes of the Bill as opposing clandestine entry rather than smuggling. Then we have the whole question of security certificates in Amendments 2 and 3, which restore the right of a person accused of being a security risk to hear the case against him or her except where a judge decides that that would endanger national security or the safety of persons. Then there is the right of claim to refugee status covered by Amendment 4 from the Senate. This restores the right of a person accused of being a security risk nevertheless to have his refugee claim determined so that even people who may be a security risk have the right to due process. This would keep Canada's obligation under the U.N. convention relating to the status of refugees intact and enable the person, if deported, to have U.N. assistance in finding a safe country other than the one he or she has fled.

Another point is that of turning ships around. This seems to me to be the one most impractical and illogical. I was appalled when I heard the comment from the Leader of the Official Opposition (Mr. Turner)—and again I was surprised he was so impulsive when he gave his reaction—that he agreed that ships coming to our East Coast should be sent back to sea without people having a just hearing. I notice that his critics thereafter took opposite points of view.

**Mr. Manly:** He changed himself.

**Ms. Mitchell:** He has changed himself. We are getting accustomed to that flip-flop approach. It is a little hard to know what the Leader of the Official Opposition means when he changes so readily.

**Some Hon. Members:** Hear, hear!

**Mr. Manly:** Everyone in the House agrees.

**Some Hon. Members:** Oh, oh!

**Ms. Mitchell:** The question of turning ships around was dealt with by the Senate in Amendment 5. It requires a ship suspected of bringing in illegal refugees to be brought to port in Canada and the occupants dealt with according to Canadian law. My colleagues have spoken to this several times today. It seems only logical not to leave people drifting at sea but to bring them ashore and, if necessary, increase the penalties on the captain of the ship, which would be a deterrent to any kind of illegitimate sponsorship. But claimants to refugee status should have the opportunity to be processed the same as other refugees. Who is to know there are no refugees on the ship? We will never know unless they get to shore and get processed.

I get very emotional about that because I have heard repeatedly in British Columbia the story of the Japanese ship in, I believe, 1913 which brought many Sikhs to Vancouver who were suffering religious persecution and wanted to settle

in Canada. It breaks my heart that here was another case of deplorable injustice. The authorities in Vancouver turned that ship away. The people did not have water or adequate food. It was a terrible tragedy for the Sikhs who were on that ship.

Amendments 6 and 7 deal with aiding and abetting. In the Senate's view this is restricting targets on only those who intentionally encourage false refugee claims or who assist clandestine entry.

• (1410)

The whole question of search, seizure and forfeiture is dealt with in amendments 9 to 12, which would ensure that this part of the Bill would allow search, seizure and forfeiture only on reasonable grounds and with reasonable procedures. This is in keeping with Section 8 of the Charter.

Finally, detention for identification or security is dealt with in amendment 13 which would provide for the independent review of the detention of persons held for identification or security purposes. Again, this is in compliance with Sections 7, 9 and 10 of our Charter of Rights. Why is the Minister not listening?

The Government has given these amendments only token recognition just to be expedient and to try once again to settle this urgent matter that brought us all back to the House last August. It has accepted in principle only Amendments 1 and 2. It rejected Amendment 2(b) dealing with security certificates, and it also rejected Amendment 4. It has accepted in principle Amendment 3, but I do not think I will take the time of the House to go through all the amendments because they are well documented.

We agree with the Senate. We agree with all the points it has presented. We think it is justified because the Government must surely comply with the Charter of Rights. Again, I cannot see why the Government was so stubborn that it ignored these very same arguments when we brought them up before.

I see that my time is almost up. We have such a proud history of immigration and refugee settlement in Canada. Many years ago I worked with Hungarian refugees who came through Vienna and settled in Canada. I know that many of us have worked with refugees in our own communities. In Vancouver, Polish seamen jumped a ship and were welcomed as refugees almost immediately, but of course they were from an Eastern Bloc country. There seems to be no problem with people from those countries. There are many Latin American people who have come to British Columbia and other parts of Canada and are having much more difficulty. I cannot understand why there is this double standard and why we would even consider deporting people back to countries like Guatemala and El Salvador where there are death squads, killing and police states.

I fully support my Party's position on this matter. We do not agree with the Government which, in essence, has refused to accept the important amendments of the Senate.

[*Translation*]

**Mr. Fontaine:** Mr. Speaker, during the three and a half years I have been in the House, I have heard people in the Socialist Party talk about El Salvador, Honduras, Guatemala and Costa Rica. Why don't they talk about Canada? Weren't they elected to the Parliament of Canada? I think they should give an account of themselves to their constituents in their respective ridings and of what they have been doing in the House of Commons to help Canadians.

That is their duty and that is their mandate received from their constituents. Mr. Speaker, I suggest they give an account of themselves to their constituents and talk a little more about Canada.

As far as the Bill now before the House is concerned, it is clear that the Socialists heard the Liberal Leader's message about forming a Liberal-Socialist coalition against our Bill, a coalition that is becoming increasingly widespread, causing a shift of all malcontents in Canada to the extreme left.

Earlier, the Hon. Member for Notre-Dame-de-Grâce—Lachine-East (Mr. Allmand) responded to my remark about this coalition. We said we had a coalition with the PQ opposition party. We in the Conservative Party do not have a coalition with the PQ opposition, but today, there is a coalition for free trade that enjoys unanimous support in Quebec, including the support of the aspirant leader of the Parti québécois and of one of the Hon. Member's fellow Liberals, Premier Robert Bourrassa. And today, Mr. Speaker, I think we should be proud of the fact that for the first time in Canada's history, a premier of the Province of Quebec, a Liberal—

**Mr. Deputy Speaker:** I am reluctant to interrupt the Hon. Member, but I think we are getting away from the subject and the speech by the Hon. Member for Vancouver-East (Ms. Mitchell). The Hon. Member for Lévis (Mr. Fontaine).

**Mr. Fontaine:** Mr. Speaker, I am sorry I got carried away by one of our outstanding achievements, and I will continue my comments on the position taken by the comrades of the Socialist-Liberal Coalition. I ask them whether they still want Canada to be a haven for those who trade in phony refugees. They have no objection. They will let Canada be a destination for traders in phony refugees. So if they agree with that, let them keep their coalition, let them continue their common cause with the Senate and let them keep urging the Senate to defy democracy, something that has not been done in 120 years. Let them go on defying democracy! Since that is what they want, they might as well do it. Canadians will tell them what they think in the next election, Mr. Speaker!

[*English*]

**Ms. Mitchell:** Mr. Speaker, that was quite a harangue. It is hard to tell just which part of it I should respond to. I feel like going into a harangue when that Minister—when that Member who will never be a Minister—tells me, if I understood him correctly, that I do not speak up for my constituents or for Canadians. That I take as a great insult, and I think my constituents would as well.

By far the majority of the people of the constituency of Vancouver East have come from other countries. The Hon. Member spoke of Latin American countries. There are representatives of 42 Spanish-speaking countries in my riding. Well over half of my riding is comprised of people of Chinese origin who came from many different parts of the world. There are Italians and Portuguese and more Koreans than in any other place in Canada.

I can tell the Hon. Member that I work hard for my constituents and I have for the nine years I have been here. I will not sit down and take the kind of comment he just made.

If I understood the Hon. Member, he asked if we want Canada to be a refuge for false refugees. Now, that is inane. Do we want Canada to be the kind of country that bars people from having a chance to be refugee claimants? We do not. That is a democratic right. How will we know who the refugee claimants are and whether they are legitimate or not if they do not have a chance to make their claims and go through all the procedures that are justified in a refugee-claimant system?

I wish that many more people could come to Canada under regular landed-immigrant status. Of course, there are poor and deprived people, many of whom have talked to me, who have come from other countries and will probably not be judged as legitimate refugees because it is a very narrow definition. What will happen to those people? They will go back to their countries, I suppose, but they will never get to Canada by other means so we have to look at other ways of opening the door.

**Mr. Manly:** Mr. Speaker, I enjoyed the Hon. Member's speech. I would like to make one comment with regard to the last question. I do not know of any Member in this House who does a better job for her constituents than the Hon. Member for Vancouver East (Ms. Mitchell). She does not need to take a back seat to anyone in that regard.

I wonder if the Hon. Member would care to comment on the story in today's *Globe and Mail* which says that Canada has begun discussions with several countries to find out if they would be willing to accept people turned back by Canadian officials under the proposed refugee determination law. Canada, the country that won the Nansen award from the United Nations High Commission for Refugees two years ago for support for refugees, is now turning to other countries and asking them to take people we will turn away. I wonder if the Hon. Member would care to comment on that?

**Ms. Mitchell:** Mr. Speaker, I certainly would. I think it is absolutely disgraceful that this is the reputation we are beginning to have under this Conservative Government. Even the Liberals were better than the Conservative Government in that respect. There were lots of things they did not do that we will do much better when we get into government next year.

• (1420)

It is deplorable that we are getting an image of intolerance in the world. We sometimes pat ourselves on the back too much about having been very humanitarian and taking a lot of refugees. We have taken hardly anyone. For example, we did not take anyone from Hungary who was sick. We left them to the Austrians to look after. So many of the Indo-Chinese refugees are still there and will never be accepted here because we do not accept people who have a bit of history of mental illness or some other problem. We are not that great, but I can tell you that the Conservative Government is giving our reputation a black mark.

**Mrs. Mary Collins (Capilano):** Mr. Speaker, I am pleased to have the opportunity at this fairly late hour in our Friday session to speak on Bill C-84 and the Senate amendments. I guess I start off with a feeling of astonishment. After months of debate here and in committee where I was involved, we are still debating the issue and facing a filibuster. This is the end of the fourth day of debate on this issue this week and it is obvious that the opposition Parties are trying to draw out the debate.

I would like to ask them this question. Are they prepared to take the responsibility for the refugees who are not legitimate and who are continuing to come to our borders? Bill C-84 has not yet received Royal Assent, we do not have the legislative tools we need, so are they willing to take responsibility for those people?

I am sure they are aware of the really astonishing numbers. In 1980 only 1,600 people claimed refugee status. Obviously it was not a problem. However, because of world problems and changes which have taken place, we were faced with 30,000 people claiming refugee status in 1987. We know that on average 70 per cent of those people are not genuine refugees. Even of the remaining 30 per cent, about half already have protection in some other country. They are coming to Canada basically to improve their economic status. That is understandable, but that is not the purpose of the refugee system.

We have a backlog of thousands and thousands of people in the refugee system, 70 per cent of whom are not genuine refugees, and they should not be here. Under the rules we have set down, by all international criteria, those people should not be here. It is not fair to them or to genuine refugees who are being held up because of the backlog. It is more difficult for them to get on with their lives and the whole thing is blatantly unfair.

I found it interesting that my friend from Vancouver East accused me in her remarks of inflaming the situation. Last

August, when we had a boatload of people coming to our shores off Halifax, I, like many of my colleagues, as well as my constituents, concerned about maintaining the integrity of the refugee system, called for the recall of Parliament and tough new legislation to remedy the situation. That was not inflaming the situation. That was a legitimate concern expressed by millions of Canadians across this country and Members in this House who wanted something done about the situation.

I am appalled that for month after month we have been faced with this obstructionism. Even this week, as hundreds of people come to our borders, this situation is creating false expectations. It is cruel. It is inhumane. Members of the NDP may claim they are the Party of humanity and genuine compassion, but I do not agree. This is unfair and I ask them, as I did last summer and last fall when we debated this Bill, let us get on with it, get the rules in place so people around the world will know what they are and will not come here under false pretenses.

We are sometimes accused, because of Bill C-84 and its companion, Bill C-55, which is still in the Senate, of lacking compassion. That is not true. Neither are Canadians lacking in compassion. The record shows very clearly the exact opposite.

We are a country of immigrants. My father emigrated from England around 1917. I am sure the parents of most of the people in this House, in fact many Members themselves, have come here as immigrants. We have a long-standing reputation for tolerance and compassion. I think that is so important. I care about it so much that I do not want to see it undermined because people are getting frustrated by what they feel is abuse of that genuine sense of tolerance and compassion. Unfortunately, that is what I have seen happen over the past months. People feel that Parliament is not dealing quickly enough with this issue.

We have a comprehensive system of aid for refugees. I have dealt with refugee organizations in Vancouver, Mosaic and others, who do excellent work. We as a Government have continued with the funding required to assist those groups. We received the Nansen Medal in 1986 for our response to refugees. The measures we have in Bill C-84, to my mind, do not negate that tradition. They deal with a new reality which requires different measures than were required in the past. What we want to do is to respond to genuine refugees. Over the years we have been very effective, but in recent years that effectiveness has been reduced because of the acceleration in the number of people who arrive here claiming refugee status when they are not refugees.

We all know there are people who try to use the refugee system to profit from those who want to come to Canada. We heard the stories last summer. We saw examples even last fall. It was evident that these people had been counselled to come to Canada, after paying money to someone in their own country, and claim refugee status. It was very evident that they were not genuine refugees. They were economic migrants looking for a better life. That is fine, but it is not fair that they should jump the queue. There are of course many people who would like to come to Canada in the regular immigration stream, but we have rules, regulations and quotas and people have to follow the rules or else you get these outbursts of frustration and antagonism which I have seen in many parts of the country about our over-all immigration system. I do not think it is fair, but because people feel the refugee situation has gotten out of control they damn the total immigration system.

Obviously we have to deal with these unscrupulous swindlers. We have to have measures in place which will ensure that they do not get off scot-free as has happened in the past. Bill C-84 will put many of those measures in place. Those kinds of people abuse our system for their own benefit. That in itself has reduced our ability to deal with genuine refugees. Because of the massive numbers already backlogged in the system, frustration has been caused to those who want the system to help the genuine refugee. That is what this Bill is directed toward.

• (1430)

There are thousands of people experiencing life-threatening dangers who came to Canada as refugees. They include people displaced by World War II and the refugees from Uganda who arrived in the early 1970s, many of whom are on the West Coast and have been wonderful citizens. They include more than 100,000 Indo-Chinese refugees who arrived here between 1970 and 1985 and thousands of refugees from Central and South America brought to Canada under special measures. Canadians welcome these unfortunate people with open arms. On behalf of Canadians we now seek to protect the meaning of "refugee status" because it seems to have taken on a new meaning and has caused confusion.

As I mentioned, in 1987 almost 30,000 people arrived in this country claiming refugee status. The dramatic jump which took place between 1985 and 1987 means that there are 44,000 people at one stage or another of the process. Because of the Charter of Rights and an appropriate desire for the rule of law, it is a long system with appropriate checks and balances.

In Bill C-55 we have introduced some changes to tighten up and streamline that system so that decisions can be made more quickly. We know that among those 44,000 there is a large number of economic migrants. It is pretty hard for them to get on with their lives if they are here under the pretense of being genuine refugees but are really economic migrants. If they are deported at the end of the process, they could have wasted anywhere from two to five years of their lives. That is not fair to them.

We have heard stories of this and the Government looks awful because it deported them, but they did not follow the rules, they were not genuine refugees, and I think the expectation of citizens of this country is that under those circumstances they should not stay. Therefore, they must once once again go through the process of displacement. That is an

extremely unfortunate outcome of a situation in which we are not able to pass laws and deal with situations appropriately.

In the past year and a half we were confronted with two very highly publicized incidents of irregular arrivals on our shores. It was these two incidents which caused the outburst and reaction. I am not sure that most Canadians realize that approximately 500 people per week come to Canada claiming refugee status. Because of the media attention which surrounded those two incidents they brought the issue to the fore of people's minds and demanded a response from the Government.

I do not want myself or my colleagues to be misunderstood on this issue. Canadians want to help genuine refugees. Through government sponsorship and dedication and thousands of private sponsors, church groups, and other organizations, we maintain a compassionate tradition. Millions of dollars are spent helping refugees adjust and settle when they arrive in Canada. We also show our commitment through international organizations to assist refugees. Food aid is a major component of economic assistance and service to refugees, both through the Government and the voluntary sector. There have been many programs during the past three years which are very important in that regard.

We understand the anger of Canadians over the blatant abuse of our refugee system. As borders around the world shut down Canada becomes more vulnerable to such abuse. Bill C-84 protects genuine refugees and legitimate immigrants. This legislation is carefully aimed at a very small minority, the smugglers who bring people in illegally and the conspirators who take advantage of the generosity of Canadians and the desperation and gullibility of would-be migrants. Canadians have been angered by this abuse of our system and horrified by the traffic in human misery which it generates.

We do not want to deny protection to those in genuine need. It is time to redefine just whom we want to help, to make it clear that our refugee policy exists to aid refugees, and that within this policy the person who claims refugee status must merit it. As well, we must make it clear that people who flaunt Canada's immigration laws will not get away with it. They must be shown that they can no longer be allowed to make a mockery of our country and our genuine generosity.

As they say, there is no one more angry than a person wronged. We have been very genuine in our generosity and when our generosity is abused it does cause a backlash. People really went out of their way and are now being taken advantage of. We must ensure that that does not exist in our country.

I hope that my colleagues in both opposition Parties see the importance of this Bill and move quickly to give it final approval. The Senate has recommended various amendments. We have accepted some of the amendments, either in whole or in principle, but 11 of them we cannot accept. The Minister has gone through them one by one as could I. I have looked at them carefully and was involved in discussing them in committee. They just would not make sense. They would undermine the Bill and would not allow it to accomplish what I believe it should accomplish.

For example, Canadians do not want people who have committed a serious crime in another country to have the right to make a refugee claim. That is the kind of thing about which they are angry.

We must be able to turn ships away. The Minister has agreed to an amendment which would provide for this only in exigent circumstances. The responsible Minister will have to be involved in such a decision, so safeguards are included. However, we have ensured that this will be in compliance with our obligations under the convention and will take into account the safety and health of the passengers.

This would obviously be an extraordinary measure. However, in those extraordinary circumstances where the information is clear that a boatload of persons will be arriving on our shore and the evidence is that they are not genuine refugees, the Minister must have those powers. It is obviously a deterrent power which we hope we will not have to use. We hope that it will send a signal to the international community and that it and the accompanying increased fines will stop such carriage of people around the world.

The Senate made other suggestions on limiting search and seizure to daytime hours. That is unrealistic in Canada. In the North there are no daytime hours in the winter-time. We would be totally stymied in dealing with a plane coming into the Arctic. We would not be able to use search and seizure methods for almost six months of the year. People would only make entry at night-time. It just does not make any sense if we seriously want to deal with the problem with which we are dealing in Bill C-84.

Those amendments put forward by the Senate are not acceptable. They would seriously undermine the objectives of this Bill. I believe that the most important thing which we must accomplish through this Bill and the accompanying Bill, C-55, is to reassure the Canadian public that this Parliament, including all Members on all sides, have a genuine concern about maintaining the basic integrity of our refugee system. with the provisions of this Bill we will indeed have in place the necessary safeguards to ensure that that occurs.

• (1440)

**Mr. Manly:** Mr. Speaker, the Hon. Member for Capilano (Mrs. Collins) urged haste in passing this legislation. Let me remind her that the Plaut report was tabled in 1985. Instead of acting on it, the Government referred it to the Standing Committee on Labour, Employment and Immigration. Rather than act on the recommendations of the standing committee, which would have provided for a rational and reasoned system that would have dealt with refugee determination, the Government procrastinated and did not act.

When it finally acted, it was not in the humane and reasoned manner as prescribed by Rabbi Plaut who said that declaring a claimant to be a refugee is not a privilege we grant but a right we recognize. Instead, the Government took some very negative measures that will cause much difficulty for legitimate refugees.

I would like the Member to deal particularly with the section dealing with aiding and abetting. It does not distinguish between people who are working with refugees, many of whom do not have proper documentation since that is part of the fact of being a refugee, and those unscrupulous immigration agents who use the refugee process as a way of getting people here. The Government is using a scatter-gun approach, and many people in church groups and refugee aid groups are very concerned, with good reason, that this legislation can be used to target them for their activities which the majority of Canadians believe are perfectly legitimate.

The Government says that it has no intention of targeting those people, but has not brought in the kind of amendments that would exempt them. Surely if the Government is in the process of writing legislation it should be able to do so in a way that will target more specifically the kinds of people at whom it is aiming, and not take the scatter-gun approach that will harm innocent citizens who are working to help genuine refugees in Canada?

**Mrs. Collins:** Mr. Speaker, while I might feel that we did not act soon enough, when we took action I think it was entirely responsible and appropriate. I realize that my colleague may not agree and may have wanted a different response, but that does not mean that it undermines our response. I believe our response is the appropriate one and indeed protects genuine refugees while dealing appropriately with the problem of deterring illegitimate refugees.

I am sure the Hon. Member heard the Minister when he spoke earlier this week. Furthermore, we had a long discussion in committee about the question of those who work for humanitarian organizations involved in assisting refugees to come to the border. It was certainly my view, shared by my colleagues, that one cannot differentiate in law between different groups, attempting to indicate that one group is better than another.

The Minister is handling that situation by agreeing to the proposal that in all prosecutions under the provision that deals with clandestine entry, consent in writing of the Attorney General of Canada will be required before prosecutions are undertaken. As he stated, this measures adds substance to the Government's undertaking that a person who violates the Act in the cause of rendering needed humanitarian assistance to refugees will not be prosecuted.

I thought my colleague would be very pleased by that commitment of the Minister. It seems to me to deal very appropriately with the concern we heard at committee without in any way watering down or changing the offence which I believe would have created so many loopholes that we would have been right back to square one.

**Mr. Heap:** Mr. Speaker, I thank the Hon. Member for Capilano (Mrs. Collins) for her response to the Member for Cowichan—Malahat—The Islands (Mr. Manly) in the matter of the Attorney General's permission. However, I would ask her to consider whether it is not an unsatisfactory and even an unfair writing of the law to write the law so that it describes the actions of thousands of Canadians, including for example, a person who recently won the Pearson Medal for Peace, Nancy Pocock, for a good many kinds of peace activity but in the last half dozen years primarily doing the very thing that is described in the Act, namely assisting undocumented persons to come to Canada.

She has been scrupulously legal. I am not talking about whether she has status. I am not talking about whether she is a Member of Parliament, whether she is a member of a church, whether she is ordained, whether she is a nun. It is not a question of who it is, it is a question of what the person is doing. Is it in accordance with the law or not in accordance with the law?

As the law is written, there is no distinction between what she does when she goes, say, to Fort Erie and conducts a Salvadoran refugee claimant across the bridge and, at the first step into Canada, takes him to the immigration office and says, "This Salvadoran without a visa is claiming refugee status in Canada. He has grounds to say he cannot return to Salvador and it will not be safe for him to return even to the United States". Of course, that becomes the matter of the Immigration Department, to put the process in motion to determine whether his claim is justifiable.

But that has been regarded entirely as a legal action up until Bill C-84 was introduced. People have been praised for that and praised for it by the Minister, by Members of the Government and, as I say, by orders of the Peace Medal and the Governor General who presented it.

Surely it is unsatisfactory to say that that is illegal, but to suggest that on a sort of person by person basis, if the Attorney General or his deputy likes the colour of her eyes he will say: "We won't prosecute you", surely it is necessary in law to say what it is that we are objecting to, and surely what we are objecting to is the attempt to deceive or to cheat, that is to get a person in, as one Hon. Member said a few moments ago, by circumventing the law. That suggests hiding, sneaking, smuggling, coming in secretly or dishonestly with lies or by evading the proper officials.

Surely it is necessary to distinguish between the person who evades or seeks to evade and a person who seeks not to evade but to go directly to the appropriate legal authorities. Will the Hon. Member not accept that a law is much more workable when it does not require the Attorney General to exempt the majority of Canadians who are condemned under that law?

**Mrs. Collins:** Mr. Speaker, I recall this provision. Of course, we had a great deal of discussion on it.

The Senate has recommended a change in the wording. The original legislation used the word "smuggling", which I noticed the Hon. Member used as well. There were many problems with that word but we were unable to find anything better. I presume the Senate arrived at the word "clandestine".

The Minister said he will consider using the word "illegal" which will give it some consistency, making it those who organize illegal immigration who would be in contravention of that section and subject to prosecution. They will be subject to prosecution, with the caveat that the Attorney General would have to consent.

• (1450)

**Mr. Heap:** That is not in the operative section. That is only in the introduction.

**Mrs. Collins:** I do not believe the Hon. Member has the floor.

**Mr. Heap:** No, but you should not be misleading the House.

**Mrs. Collins:** If the Hon. Member wishes the floor, I am sure he can comment at the conclusion of my remarks.

**Mr. Deputy Speaker:** May I ask the Hon. Member to conclude.

**Mrs. Collins:** I think the point about which the Hon. Member was concerned was how do we distinguish those who are in the practice of helping, and the Hon. Member mentioned a person. I do not think we can have a law which says that someone who is conducting something illegally but is doing it for good purposes is not in contravention, whereas someone else is. That does not seem to be workable. We cannot make that distinction. I think the provision the Minister has put forward, requiring the consent of the Attorney General, will look after that problem in an appropriate manner.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I am pleased to have the opportunity to participate in this debate once again today. One would have wished that the Government would have seen the light after all the controversy it has caused with this Bill and would have decided at least to heed the recommendations of the Senate and the recommendations that opposition Members have suggested in a very positive way.

Let us remember where we come from when we are discussing this Bill. First, we know that in 1983 or 1984 it became apparent that the number of applicants to become refugees was increasing at a substantial rate. The Government appointed a commission under Rabbi Gunther Plaut and the commission produced a report in 1985 which made certain recommendations to the Government. Meanwhile, the flow of refugee claimants coming to this country was increasing at an accelerated rate. The intensity was increasing dramatically as time went by.

In 1986 there was again a marked increase in the numbers of refugee applicants, to the point where last summer we had somewhere in the order of 18,000 people claiming refugee status in the space of a year. One day last summer, Canadians discovered that 174 people had landed on the coast of the Maritimes. What was the first reaction of Canadians when that happened? It was the usual reaction we expect, the reaction of tolerance and kindness which we have displayed historically to newcomers to this land. The first gesture, I believe, by Canadians at that time was to offer sandwiches and tea to these new people. I was proud that first day. However, that pride was very short-lived.

I saw not long afterwards messages coming from the Government side which seemed to feed on that unfortunate small element of intolerance that is ever so present in any society. With the encouragement, in my view, of the Government, people began to resent the arrival of these people. The whole incident was not even taken into context. I said moments ago that 18,000 people had made application in one year and that on one day 174 of them arrived. We must realize that not a week goes by in which we do not have 174 applicants. But this incident created national attention because they arrived all at once in a manner I described initially, and then in another manner which was not as pleasant, at least not pleasant for me as a Canadian to see.

The Government then took its next step. It decided this country was being invaded by refugees. It asked the Speaker to reconvene Parliament to deal with this so-called crisis. Initially, of course, the Speaker was reluctant to accept this proposition but, of course, it is not the Speaker's role to govern and for that I do not criticize the Chair. It is the Government's role to govern. The Government called back the House and brought forward Bill C-84, which has everything to do with satisfying the right-wing element and very little to do with assisting the refugee process, tightening it up or making it better for our country.

What this country really needed was to have a new refugee policy some three years ago at the time when both opposition Parties asked for it. But the Government did not produce it. It initially had the report and it did not do anything with it. It referred the matter to a parliamentary committee. The parliamentary committee made a report and the Government did not do anything with that. The Government acted swiftly when the issue became something we saw on national television that day last summer.

[*Translation*]

What the Government, what the party in power today should have done three years ago is take steps to ensure that competent staff was in place when people arrived in Canada and applied for refugee status. Instead of waiting two years to determine a person's refugee status, we should have a policy aimed at determining that status within four to six weeks. If

that were the case, Mr. Speaker, a person who applies for refugee status and is sent back to his country four to six weeks later will not be as likely to come right back if that person was making a false claim. On the other hand, people with valid claims would always have the assurance of being allowed to settle in this country, and I think that is what we all want. We want to separate those who make phony claims from those whose claims are genuine. Unfortunately, the present Bill is not satisfactory in this respect.

[*English*]

**Mr. Hawkes:** Mr. Speaker, I wonder if you could ask the House whether there would be unanimous consent perhaps not to see the clock? If the Opposition has essentially said all it wants to say on this Bill, we might not see the clock for five minutes and be able to finish debate today rather than continue the filibuster.

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**Mr. Boudria:** I will speak to that point of order. There are a number of amendments to deal with. A vote cannot even be taken on one of them, let alone on all of them, until Monday. So that proposition by the Member is not only ridiculous, as one would expect it to be, but it is not even workable. Obviously, I refuse to give my consent, and I see it is almost three o'clock.

**Mr. Deputy Speaker:** It is three o'clock. Therefore, this House stands adjourned until Monday at 11 a. m., pursuant to Standing Order 3(1).

The House adjourned at 3 p. m.

# HOUSE OF COMMONS

**Monday, February 1, 1988**

The House met at 11 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

PROPOSED FREE TRADE

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty to present a petition signed by residents of Edmonton, Alberta. These petitioners are concerned that the trade agreement negotiated by the Government threatens the political and economic sovereignty of Canada by removing the power of the Canadian Government to effectively control such things as foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunities between the regions.

Therefore, these petitioners pray and call upon Parliament to dissolve and allow the people of Canada to accept or reject the proposed free trade agreement.

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I also have the honour and duty to present petitions from 100 residents of Whitehorse, Yukon, Iqaluit, Northwest Territories, and Mississauga, Ontario.

These petitioners wish to register their objection to the proposed plutonium flights over the Canadian North, recognizing the potential devastating environmental and nuclear proliferation risks.

Therefore, these petitioners pray and call upon the Parliament of Canada to recognize the danger of such flights and to say no to the transport of plutonium over northern Canadian territory.

[*Translation*]

PROPOSED FREE TRADE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I have three petitions from Canadian residents of Ontario—my province—who want to file a common grievance, namely:

That the Mulroney Government has sold out Canada and received nothing in return, whereas Canadian industries are still not protected from U.S. trade laws, whereas the United States obtained everything it wanted in all key sector, especially agriculture, energy, auto trade, financial services and investment, whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan trade agreement.

[*English*]

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is my honour and indeed pleasure to rise pursuant to Standing Order 106 to present a petition on behalf of a number of constituents who are concerned that the recently signed trade deal signed by our Prime Minister (Mr. Mulroney) and the President of the United States would have a fundamental impact on Canada's economic, cultural and political independence. They believe that such an agreement implies the loss of jobs in many sectors and regions of the country, Therefore they are requesting that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada, and they believe that this debate should result in a national election prior to the final signing of any agreement.

• (1110)

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I also have the honour to present yet another petition signed by Canadians expressing their concern with the free trade agreement between Canada and the U.S. They believe it would have a fundamental impact on Canada's economic, cultural and political independence, and they consider that such an agreement implies the loss of jobs in many sectors and regions.

They therefore call upon the Parliament of Canada to obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada, and that this debate result in a national election prior to any such agreement.

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, I also have a petition from a number of Canadians from Toronto and other areas, similar to the petitions my two colleagues have just presented. The petitioners say that the Mulroney-Reagan trade deal—

**Mr. Deputy Speaker:** Could I ask Members to use the same wording as that used by the Hon. House Leader for the NDP and not refer to the Prime Minister (Mr. Mulroney) by his family name but rather by his title. It was done a few times and I am sorry to interrupt that particular Member.

**Mr. Waddell:** Yes, Mr. Speaker, the trade deal signed between the Right Hon. Prime Minister of this country and the President of the United States.

**Mr. Blenkarn:** Now you are learning.

**Mr. Waddell:** I am learning. Go to the election and you will learn, too.

The petitioners say that this trade deal would mean the end of Canada's economic, political and cultural independence as a country. They also feel jobs would be lost and they dare the Government to call an election before signing and completing such a historic trade deal.

**Miss MacDonald:** It is signed, Ian. You have been away too long.

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, I have the honour and responsibility to present to the House a petition signed by Canadians living in Montreal and surrounding areas.

The petitioners feel that because the Conservative Government had no mandate to conclude a trade deal with the U.S., and whereas the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, and the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the U.S., and whereas the proposed trade agreement not only denies Canadians secure access to the U.S. market, the key objective in these negotiations, but threatens the loss of hundreds of thousands of Canadian jobs, the undersigned petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement through a national general election.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, it is my honour and duty to present on behalf of a group of approximately 50 citizens living in the communities of Choiceland and White Fox in the constituency of Mackenzie a petition which suggests that the Government did not have a mandate to sign a free trade agreement. That proposed agreement affects Canada's economic future and undermines our ability to develop the economy we wish. They call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement in a national election.

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Deputy Speaker, I ask that all questions be allowed to stand.

**Mr. Deputy Speaker:** Shall all questions be allowed to stand?

**Some Hon. Members:** Agreed.

# GOVERNMENT ORDERS

[*English*]

## IMMIGRATION ACT, 1976

### MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed from Friday, January 29, consideration of the motion of Mr. Bouchard:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendments 8 and 13(e) made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, but disagrees with amendments 4, 5(a), (b) and (c), 6(a) and (b), 9, 10, 11, 12 and 13(a) because this House believes they contradict the principles of the Bill for the following reasons:

Amendment 4 would exclude only criminals and war criminals from the refugee determination process, but would allow terrorists, spies and subversives to pursue a claim to refugee status, notwithstanding the fact that Article 33 of the UN Convention would permit the removal of these latter individuals to their countries of nationality or permanent residence, even if they were determined to be Convention refugees.

Amendment 5(a) would eliminate the authority of the Minister to direct a ship to leave or not to enter Canadian waters. This amendment would reopen a significant gap in Canada's ability to control its borders.

Amendments 5(b) and (c) arise out of Senate amendment 5(a), which is not acceptable, and are therefore inappropriate.

Amendments 6(a) and (b) would reverse the policy on which the Immigration Act, 1976 was based, which policy was not changed in the Bill as passed by this House. The amendments jeopardize the possibility of successfully prosecuting persons who profit from organizing illegal migration and from counselling fraud among refugee claimants.

Amendments 9 and 10 would restrict the ability of peace officers and immigration officers to act quickly to search for evidence of major offences under the Immigration Act, 1976, in exigent circumstances, where lives are at risk or where evidence with respect to those offences may be lost or destroyed.

Amendments 11 and 12 would restrict the ability of peace officers and immigration officers to execute search warrants which have been duly authorized by a justice of the peace, by denying explicit authority to break open containers where it is reasonably believed evidence will be found and by limiting the authority to execute these warrants at night.

Amendment 13(a) would reduce the initial period of detention without review from seven days to forty-eight hours, which would allow insufficient time for the gathering of information to substantiate allegations or to identify the individual, particularly when large groups of undocumented persons arrive at one time.

And that this House agrees with the principles set out in amendments 1, 2(a), 3, 7 and 13(b), (c) and (d), but would propose the following amendments:

Amendment 1 be amended to read as follows:

"Strike out lines 22 and 23 on page 1, and substitute the following:

(c) to deter those who assist in the illegal entry of persons into Canada and thereby minimize the"

Amendment 2(a) be amended to read as follows:

"Strike out lines 29 to 39, on page 4, and substitute the following:

(a) examine within seven days, *in camera*, the security or criminal intelligence reports considered by the Minister and the Solicitor General and hear any other evidence or information that may be presented by or on behalf of those Ministers and may, on the request of the Minister or the Solicitor General, hear all or part of such evidence or information in the absence of the person named in the certificate and any counsel representing the person where, in the opinion of the Chief Justice or the designated judge, as the case may be, the evidence or information should not be disclosed on the grounds that such disclosure would be injurious to national security or to the safety of persons;"

Amendment 3 be amended to read as follows:

"Strike out lines 7 to 12, on page 5, and substitute the following:

(d) determine whether the certificate filed by the Minister and the Solicitor General is reasonable on the basis of the evidence and information available to the Chief Justice or the designated judge, as the case may be, and, if found not to be reasonable, quash the certificate; and"

Amendment 7 be amended to read as follows:

"Add, and immediately after line 6, on page 10, the following:

95.21 No proceedings for an offence under Section 95.1 or Section 95.2 shall be instituted except by or with the personal consent in writing of the Attorney General of Canada or Deputy Attorney General of Canada."

Amendment 13(b) be amended to read as follows:

"Strike out lines 1 to 22, on page 21, and substitute the following:

(2) Where, with respect to a person detained under subsection (1), the Minister certifies in writing

(a) that

(i) the person's identity has not been established, or

(ii) the Minister has reason to suspect that the person may be a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g), and

(b) that an additional period of detention is required to investigate the matter referred to in subparagraph (a)(i) or (ii), the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention."

Amendment 13(c) be amended to read as follows:

"Strike out lines 23 to 47, on page 21, and substitute the following:

(2.1) Where the Minister has issued a certificate under subsection (2), the Minister may amend the certificate to which the detention relates to include any matter referred to in subparagraph (2)(a)(i) or (ii), following which the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention.

(3) Where a person is detained under subsection (1) and the Minister has not issued a certificate under subsection (2), the person shall be brought before an adjudicator forthwith after the expiration of the period during which the person is being detained and that person shall be brought before an adjudicator at least once during every seven-day period thereafter, at which times the reasons for continued detention shall be reviewed."

Amendment 13(d) be amended to read as follows:

"Strike out lines 48 to 50, on page 21, and lines 1 to 18, on page 22, and substitute the following:

(4) Where an adjudicator who conducts a review under subsection (2) or (2.1) is satisfied that reasonable efforts are being made by the Minister to investigate the matter referred to in subparagraph (2)(a)(i) or (ii), the adjudicator shall continue the person's detention.

(4.1) Every review under subsection (2) or (2.1) of the detention of a person suspected of being a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g) shall be conducted *in camera*. (a) the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at any review under subsection (2) or (2.1) of the detention of a person referred to in subsection (4.1) should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons, and (b) a request therefore is made by the Minister, the adjudicator shall order that the review or any part thereof be conducted in the absence of the person and any counsel representing the person.

(4.3) Any person excluded by an order under subsection (4.2) from the whole or any part of the review under subsection (2) or (2.1) may apply to the Chief Justice of the Federal Court or to a judge of that Court designated by the Chief Justice for the purposes of this subsection to have the order quashed and sections 36.1 and 36.2 of the Canada Evidence Act shall apply, with such modifications as the circumstances may require, to such applications.

(4.4) Unless quashed, an order under subsection (4.2) shall, with respect to the person to whom the order relates, apply to every review under subsection (2) or (2.1), or part thereof, at which the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at the review, or part thereof, should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons.

(5) Where the adjudicator who conducts a review under subsection (2) or (2.1) does not continue a person's detention under subsection (4), the adjudicator shall make the appropriate order under subsection 104(3).

(6) An adjudicator who conducts a review under subsection (3) shall make the appropriate order under subsection 104(3)."

And the amendment of Mr. Marchi:

That the message of the House of Commons to the Senate be amended by:

a) deleting, in paragraph one, the reference to Senate amendment 4;

b) deleting paragraph two;

c) adding to paragraph nine a reference to Senate amendment 4; and

d) adding after amendment 3 the following:

"That amendment 4 of the Senate be amended by deleting the said amendment and by striking out line 16 on page 7 of the Bill and substituting the following therefor:

"(2)(c) and against whom a deportation order has been upheld by the Board; or""

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, I rise to speak to this Bill and the amendment because I think it goes to the future direction of the country. I am very saddened to think that the Government did not appreciate some of the amendments unanimously agreed to by the Senate. I say that because they were very much in line with the amendments presented by my Party.

Canada signed a UN convention in order to protect refugees all around the world. This Bill directly contradicts that Convention. The people who have made presentations both to the legislative committee as well as the Senate committee understand what is involved because they have been very much involved with refugees. They understood the purpose of the amendment which suggested that instead of turning boats back

we would look at securing the people who were on the boats and giving them an adequate opportunity to prove whether or not they were refugees.

With this Bill as it stands, we are right back to the kind of situation that existed in 1939 where, to our disgrace, we turned a boatload of Jewish refugees back to Europe at a time when they were being so badly persecuted. The result was that many of them ended up in concentration camps where they were killed. That is the kind of thing we are leaving ourselves open to now if we do not amend this legislation. Certainly there have been judges right across this country, and around the world, who have looked at this Bill and are very concerned at the direction Canada is taking.

We have always been well respected in the international arena and people have felt that Canada was a place that dealt with some sense of fairness and compassion with those who had no place to go. Certainly since we signed the convention 20 years ago we have tried to respect it. Sometimes not as much as we could, but this Bill ensures that we will be seen as not having been sincere in the first place. Certainly the Bill does not respect the Convention.

I am also concerned about the fact we have not listened to those who have worked very intensively across this country, the church groups and others, and who have said how important it is to make sure of the security and safety of people's lives. We are now just ignoring all of that.

When I looked at the proceedings of the Senate committee it was interesting to see that many of the people who made presentations there had also made presentations to the legislative committee. It seems to me that there is a consistent feeling in the country about this issue and people are taking every opportunity to make the Government sensitive to the fact that this Bill takes us in a direction we have never gone before and one we do not choose to take.

It is important that we recognize that the western world is taking a minimum number of refugees in comparison to the total, and Canada is now saying that it is going to take less than that. We are going to be very selective. We are not going to worry about the fact that people have had to flee without proper documentation. We are not going to worry about that; unless they are properly documented they cannot get in here. It really does not make any sense at all.

There are people who have worked as volunteers at great risk to themselves in order to help those who have escaped to our country in fear of their lives. What we are saying now in this Bill is that those people who are reaching out a hand of compassion are now liable to become criminals in their own country. That certainly does not make any sense. We know that the situation in the world has not eased. The refugee situation has worsened. There are very sensitive areas from which people are fleeing. Some have been taken out of their beds and from their homes in the middle of the night. Some of their families have been able to escape across borders and been able to reach Canada. We are now saying that those people are not entitled to an adequate hearing.

• (1120)

The United Nations and many groups within Canada are recommending a process for refugee determination and an efficient appeal process. That would allow people to be designated. If we are concerned about safety and security with regard to certain people coming into the country we have the ability of deportation. We are also able to take the time to find them safe refuge in another country before deporting them. I refer to countries such as Chile. We know that if we send people back to that country their lives will be at risk. In taking that attitude toward other people's lives we are being very crass. We are saying that unless they can go through the bureaucratic procedures they will have no refuge in Canada. It does not matter whether they are fleeing for their safety or have no access to any other refuge. This is a disgrace and will be a blot on our history.

I am very surprised that the Government is recommending such legislation because it was very critical when we actually turned a boat around in 1979. The ability to do that exists again. We do not want that kind of thing to happen. We want to keep our reputation in the international community as a caring country. Many of the people who came here after the Hungarian chaos in the 1950s became good citizens of Canada. They built a base in our communities and gave their loyalty to Canada. They realize that if Canada had not accepted them as refugees at that time they would not have lived.

This legislation says that refugees who have experienced great chaos in their own countries will no longer be welcome here. They will not be given time to seek out adequate legal counsel. We are closing doors to people who have not had the opportunity to get the proper documentation. We are saying that refugees who have crossed other borders with false documentation cannot be designated. That is not the kind of thing we want to do.

I am very concerned that in addition to attacking people who could come to this country we are attacking Canadians who, through their generosity and voluntarism, are helping these people. We are telling church groups, community groups, and families whose relatives want to come to this country that if they are helping these people to get through so that they can be identified, they are part and parcel of the problem and can be criminally charged. That is totally unacceptable.

Many of the amendments proposed by the Senate are part and parcel of the amendments which our Party recommended. It was very interesting that all the groups which made presentations suggested the same kinds of amendments. There is no doubt in my mind that the immigration laws were in chaos and the whole procedure had to be streamlined. We needed designation of refugees and designation of immigrants rather than having them all part and parcel of the same pool

with regard to numbers and quotas. We need people with expertise in refugee designation.

It would not take much longer than six months to go through that process in a humane, fair, and just way. Instead, we are bringing in a very restrictive Bill which will stop people from being designated. We will be sending them back, probably to their deaths in many cases, because they do not conform to our terms of reference for admittance to this country.

Surely a country like Canada, with so many resources and so much freedom, should be the first to give people a fair hearing and ensure that we provide a safe haven for any refugee whose life is in danger. Anyone who comes to our borders and claims refugee status should be given a hearing and an opportunity to compile their case. They should be entitled to a fair and honest appeal process. With the legislation before us we are telling the volunteers and church groups right across the country that we will have none of that. We will tighten the immigration laws to the extent that we will be so selective as to probably admit to Canada only white people who have half a million dollars.

It is a disgrace to set such criteria for admittance to the country. However, the larger problem will be in the long term. We know that our country is not renewing its population with its own birth rate. We will be admitting into this country people who will be very self-serving and without a sense of a pluristic society.

Up to now we have built a country with a mosaic of which we have all been very proud. The refugees who have sought haven here have made a tremendous commitment to the country and have helped us to understand the international scene and to have compassion because our roots are all so different. I would like to think that because of the mosaic we have in this country we have built a pluristic society which understands the enrichment of different cultures coming together, not in confrontation but in understanding of each other.

The volunteers, community groups, and church groups are recommending that the system be made more efficient but that the doors not be closed. They say that they want our country to continue to be a refuge for people who cannot find a safe refuge anywhere else in the world.

If every country is so restrictive on this issue the problem will become much more serious everywhere. If this legislation is passed it will probably be the most restrictive anywhere in the western world. I am particularly concerned about that because, in addition to putting people's lives in jeopardy, we are losing our international credibility as mediators and peacekeepers in the international field. We are saying that people coming to our shores must be treated in a very legalistic and non-compassionate manner and that if they do not conform to our system they will be turned around.

• (1130)

I was most shocked by the fact that we could actually turn boats around at sea. Furthermore, it has been suggested that the Coast Guard be authorized to take this action. The Coast Guard is not trained in immigration policy and is not supposed to decide who can enter our country. The Coast Guard's function is much different from the immigration policy they are being asked to follow now. It does not make any sense that the Government is putting that kind of pressure on those people by delegating that kind of responsibility to them.

We could see the same thing we saw in 1939 when boats were turned back. I do not think there is anyone in the House who is not embarrassed about or does not regret that action in 1939.

That incident should be a lesson to us to avoid legislation that seems to condone such action.

I hope the Government seriously considers that this legislation is restrictive. It is not a coincidence that many of the same groups have appeared before both the parliamentary committee and the Senate committee, at a great cost to themselves. The Senate committee was unanimous in its amendments. The Government should get the message that this legislation is unacceptable to Canadians. The more that Canadians learn about this legislation the less acceptable it becomes.

On behalf of Canadians now and Canadians in the future, I plead with the Government to withdraw this legislation which could become a scar on our history. We want to have a proud history that shows that we honour and take responsibly the conventions we sign. This legislation does not do that, and it must be opposed. If the Government is unwilling to accept the amendments it should withdraw the legislation.

[*Translation*]

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, I welcome the opportunity this morning to take part in the debate on Bill C-84. Immigration policy has always been a priority for the Liberal Party. The Liberal Government left a very solid foundation, and thanks to this legacy, the Conservative Government has been able to maintain and enhance our prestige on the international scene. However, Mr. Speaker, I find it hard to understand some of the measures being proposed in this Bill. In any event, I want to start by considering the immigration issue, first in terms of the world situation and second, in terms of the role Canada has to play.

The world situation. For over two centuries, people on this planet have been seeking independance and throwing off the bonds of their oppressors, thus becoming sovereign. We saw this phenomenon in Europe during the nineteenth century. At the time, the industrial revolution was accompanied by a number of popular uprisings. The monarchy, the Czars and other forms of government gave way to governments with a popular base, in many cases democratic governments. We have all read about the French Revolution, the popular uprising in

Germany, the painful transition from monarchy to parliamentary system in England, and, even closer to home, the American Revolution next door. All these events produced a host of refugees trying to escape oppression in their native countries. At the time, many newly liberated European countries wanted colonies in order to expand their markets and sources of raw materials. Thus, England founded its empire, as did France, Holland, Spain and Germany. Many of the colonies were located in Africa and Asia. Subsequently, these new colonies also wanted to manage their own destiny and become the sovereign nations they were entitled to be. We remember the Congo, Algeria, and more recently Mozambique, all of which wanted their freedom as a nation. They achieved their freedom at great cost, and, as in the nineteenth century, the process was sometimes very violent. Every time, a stream of refugees was the result.

There are two other major upheavals that disrupted this planet, and I am referring to the two Great Wars. We all remember that these wars produced a large number of refugees. Not long ago, we saw many refugees arriving in Canada from Vietnam, Cambodia and Laos, and today, we all are very much aware of the situation of Blacks in South Africa and their experience of the violence of a discriminatory regime.

We are priviledged to live in country like Canada where peace prevails in a democratic system. That is not the case on the international scene. It is a jungle where each country tries to get what it can. The United Nations contains the seed of an international political system. Until the people of this earth reach a common agreement, based on co-operation and good will, and take action accordingly, nations will continue to violate the basic principles of human rights, and refugees will roam this planet, seeking a safe haven from the pain and suffering to which they have been subjected.

One country that is an oasis for all these refugees, is, as you may have guessed, Mr. Speaker, Canada. The Liberal Party led the way in this respect, under the leadership of Louis St-Laurent, Lester Pearson and Pierre Trudeau. Unfortunately, with Bill C-84 we may be sending the wrong signals to the international community. What the Conservative Government is about to do with Bill C-84 is exactly that. We know, for instance, that it is very difficult for people living in Central America to enter the United States.

I wish Government Members would understand that we agree there is abuse in the system and that we should deal with the problem. However, the Government's aggressive approach has blown out of all proportion a problem that could have been dealt with quite simply. Earlier, I talked about what causes the refugee phenomenon, and I did so to explain why any action taken by Canada must be seen within a broader context. When we focus on very narrow issue of refugees who abuse the system in Canada, we tend to forget the problem is much broader and far more complex. Canada has often been very generous in assisting people in difficulty throughout the world. I am thinking, for instance, of the plight of Ethiopia. Our aid has made it possible for many Ethiopians to stay in their country. Our approach internationally should be a preventive one. We should work on eliminating the situations that generate refugees. In fact, this perspective is entirely in the Liberal tradition which has always encouraged aid, peace making and mediation.

So far, a lot has been said about Bill C-84, but very little about the persons concerned by this Bill. Who are these refugees? I will give an example of a family I happen to know. This family was living in Chile at the time of the 1970 coup. The police came to their home and knocked on the door. The wife had time to take her two little girls and run to the back of the house. The policemen came in through the front door and took the husband, a university professor. His wife and their two children barely had time to escape through the back door.

• (1140)

The husband was executed. His wife fled to Canada with the children. They arrived without papers, still dazed, and then had to cope with adjusting to a new country, new customs, a new language, the children without their father, the wife without her husband.

There are hundred of stories like that. There is an Indian saying: To understand another person, one has to walk a mile in his moccasins. In other words, one has to put oneself in the other person's place.

I suggest Hon. Members put themselves in the place of the refugees who enter this country and are faced with the new measures proposed by this Government in Bill C-84. Imagine a family that just crossed the Atlantic and faces a Coast Guard officer who has to decide whether they are genuine refugees. Imagine a refugee who is unfairly denied refugee status and cannot appeal the decision. Would you want to be treated like that?

If you were sent back to your own country, to certain death, what would your reaction be?

My colleagues have given all kind of reasons why Bill C-84 is unsatisfactory. I wonder what the present Government's real objectives are. In 1974, we had 200,000 immigrants. In 1986, we had only 87,000. In addition, the number of family-class immigrants dwindled from 51,981 to 12,798 between 1984 and 1986—10,000 fewer. This Bill was introduced after 300-odd people landed on our shores. As underscored by my colleague from York West (Mr. Marchi), over the two years when the boat people came here Canada became home to 106,000 individuals. I must therefore conclude that the Conservative Government has locked the immigration door and has no intention of welcoming immigrants: it is making a federal case out of 300 people arriving here, whereas a Liberal Government did let in 106,000 immigrants in 1979 and 1980.

The message sent out by the Conservative Government has already registered. In her release dated August 17, 1980, CLC President Shirley Carr noted that "during a recent tour of Central America CTC representatives were approached on a

number of occasions by labour union supporters who expressed dismay over the fact that Canada seems to be discarding the humanitarian principles to which it had subscribed for years and years".

Like my Liberal colleagues, I believe this Bill eliminates the right of appeal, it is contrary to the spirit of the United Nations covenant and, first and foremost, treats churches and humanitarian institutions like criminals.

Religious organizations do not want to find themselves on the wrong side of the law. Such organizations made it possible for that Chilean woman and the two children to escape from their country.

Do my Conservative Party colleagues really think that a person fleeing under death threats can walk in a Canadian consulate or tell the nearest police officer: "Just a minute, I want to leave the country, let me get a Canadian visa". No way, we must remember that her husband was killed to realize the futility of such a gesture.

With this legislation the Conservative Government wants to close one of the very few ways open to these refugees, namely religious institutions and organizations.

Do Conservatives Members fail to see that people working for religious organizations have a law which is much more basic than any civil law or any government law? The law of these religious organizations, their belief in a superior being, is infinitely fairer than any human legislation. Their conscience tells them to disobey civil laws if these laws show no respect for human decency.

The Senate amendment would help clear up that situation. As a matter of fact I fail to understand the logic of the Conservative Government. It shirks its responsibilities and lets churches come to the assistance of the most destitute people in our society. In 1987, the International Year of Shelter for the Homeless, some religious organizations went to the rescue of homeless in Canada. What this Tory Government is saying is that since there is a shelter problem for the homeless, let charitable organizations take care of it. But with this legislation, it is saying to them: Do not take care of the shelter problem of the homeless elsewhere in the world. It is illegal. The Government of Canada is now deciding what is charitable and what is not.

Let us make no mistake about it: Refugees are people who are both without home and without country. Where is Canada when the time comes to stand up and be counted? During the International Year of Shelter for the Homeless, we organized a world conference. We spent money for all sorts of conferences, studies, projects. Bill C-84 clearly demonstrates that this Government is involved in a window-dressing job, a PR campaign, and that it does not understand anything of the problems the homeless are facing both here and elsewhere in the world. What is in store for religious organizations are jail terms when, for the same charitable purposes, they try to help citizens of the world who are seeking an oasis of peace.

I suggest that, seen from this angle, the Senate's amendment should be fully reconsidered or altered to take into account the positive and necessary contributions of religious and charitable organizations in this context. This brings me to deal with the relevancy of the Senate's amendment concerning the forcing back of boats.

I am concerned about the Government's refusal of this amendment for two reasons. First of all, the passengers of such a boat would be denied any recourse, which is a blatant violation of our judiciary system. Also, and as a consequence, what the Tory Government is saying is: Not in my backyard! In other words, we do not want this problem in Canada. That is where Canada is missing the boat. Not only would this approach not prevent smugglers from continuing their trade, as the Official Opposition critic explained, but Canada would be sending a very clear message to the international community: Don't count on Canada any more. Is that the price Canada must pay to be part of the group of industrialized nations, the Group of Seven? Or is Canada giving up its role as a world leader in this field?

Mr. Speaker, the Government is always saying we should be opening up new markets by being competitive and developing our technology. That is how a nation is measured, but there are other ways as well. Canada has always been a leader in immigration. In fact, Canada was the world leader. Why is the Conservative Government trying to downgrade this country to the level of other countries that are economically well off but fail miserably in terms of their immigration policies and the way they treat other people on this planet?

I therefore urge the Government to adopt the Senate's amendment concerning the provision for turning back ships, or to at least amend it so that refugees will have legal recourse.

Canada's message to other nations must be clear: "The buck stops here".

We will not let refugees be literally shipped from country to country without giving them some legal recourse. We will not accept a replay of the kind of situation we saw during World War II, when a ship with Jewish refugees was refused entry by Canada and several other coutries.

The Hon. Member for York West (Mr. Marchi) mentioned in the House the provisions of this Bill that will probably be considered to be unconstitutional.

Considering last week's historic decision on abortion by the Supreme Court I suggest that the Government make sure its Bill is indeed constitutional.

In concluding, I would like to make it clear that we, as Liberals, agree that any abuse of our system must be dealt with, but we do not agree this means destroying the whole system.

I may add that we, as Canadians, are privileged among the nations of this world, and that we have a duty to keep our doors and our minds open to the less fortunate on this planet.

If we look at the context of this problem and the long-term implications, the sight of 300 people arriving in Canada should not make us panic. I think that the suggestion by the Hon. Member for York West that Canadians should be informed of the many benefits that accrue to Canada as a result of immigration is a very positive one, in keeping with the best traditions of this House. The Hon. Member is to be commended!

Finally, Canada must continue to play a leading role in the world, co-operating with other countries in the search for a solution that respects human dignity.

The Senate's amendments and those suggested by the Hon. Member for York West are a step in that direction. I urge the Government to revise its decision and to accept those amendments.

• (1150)

[*English*]

**Mr. Hawkes:** Mr. Speaker, I am sure that the Hon. Member who has just spoken believes what she has said. I think that that belief system comes about as a consequence of not having the time or the opportunity to really examine in detail the legislation which is before us, as well as the situation which led to the need for its presentation.

I am becoming more and more disturbed. This is the fifth day of debate on this Bill. It is the fifth day of filibuster on a piece of legislation which brought us back to the House in an emergency session last summer. We are not really debating the legislation; we are debating suggested amendments made by the Senate.

The Minister has outlined for the benefit of the House the considerable difficulties that would be created in terms of our capacity to protect ourselves as a nation from terrorists, from criminals and from undesirable people if some of the Senate amendments were accepted. The purpose in returning to the House last summer was to bring forward this piece of legislation. It received careful consideration in committee. It certainly received careful consideration in the Senate. We are now in a filibuster situation in the House of Commons.

As a Calgarian, I am very aware that in some two weeks we will be into the Olympic Games in Calgary. Historically, the Olympics have experienced some unfortunate terrorist incidents. In the City of Toronto in the not too distant future world leaders will meet. These leaders are potential targets for terrorists.

As a result of benign neglect over many years Canada was left in an essentially defenseless position in terms of immigration law. We are trying to correct that. A minority of Members in the House through their behaviour and through the continuation of this debate are simply denying the majority of Members the opportunity to vote on whether or not the Minister has brought forward a reasonable response to the amendments of the Senate. There is still an urgent situation in the country to correct the situation.

I say to the Hon. Member that not only have I studied these matters over the last two or three years as Chairman of the committee, but during the hearings that were held daily we went into great detail about this situation. There was also a clause-by-clause study of the Bill in committee. Subsequently, I spent a week in Geneva at an executive council meeting of the United Nations High Commissioner for Refugees. A great deal of my time there was spent with the legal experts of the High Commissioner's office who went over in some detail both Bill C-84 and Bill C-55, as amended. I point out to Hon. Members that what is before the House are not the original pieces of legislation but the amended versions.

I came away from there able to say on public platforms across the country that no one was able to bring to my attention the specific legislation of any country which provided more legal protection for true refugees than would be true in Canada once these amended Bills are passed. With our present procedures in place we do not have something to which the rest of the world can look to Canada as an example. These procedures are archaic and difficult. They cause a great deal of unnecessary and unwanted publicity for true refugees. I say that because people abuse bad law. We have bad law in place today and it is being abused.

What we brought forward to the House and what committees have worked very hard on is the creation of good law to which the rest of the world can look to. I simply ask the Hon. Member, if she feels that this piece of legislation is really so rotten, can she provide to the House the name of a single country anywhere in the world which will provide better protection to true refugees than will be true of the combination of Bill C-84 and Bill C-55?

Not only is the legislation which is before us not bad, it will be the finest legislation that exists in the world in terms of providing legal protection to refugees. I defy anyone in the House to stand up and give an example of one country that will do the job better than Canada will do it once this filibuster is over. It is time for the House to vote on this matter.

**Mrs. Killens:** Mr. Speaker, the Hon. Member knows that I do not often speak in the House unless it is because I have something to say. Right now I feel it is important and my duty to say something because of the number of people in my riding who have come to my office with respect to this issue. I do not feel at all that I am taking part in a filibuster. I am carrying out my duty as a Member of Parliament representing the people of my riding which is Saint-Michel—Ahuntsic.

**Some Hon. Members:** Hear, hear!

**Mrs. Killens:** The Hon. Member spoke of true refugees, which is precisely the problem. The Government is trying to tell me who is a true refugee. The Hon. Member asks me to name a country in which a true refugee is better treated than

in Canada. The problem we have is with the definition of true refugee.

I will point out to the Hon. Member a case in my riding. I refer to a fellow who was living in Sri Lanka who is a university professor. In the middle of the night one night someone ran to his house telling him to leave because people with guns were coming. He fled through the woods with his family and learned from other people later on that that night his house was burned down, along with the other houses on the street. And he stayed in Sri Lanka he would have lost his life. His son was admitted into Canada as a refugee, but this gentleman of an older generation stopped in Spain. He taught in Spain for a few months. In order to join his son in Canada he then asked the Immigration Department in Canada for status. He is not fussy. I believe it is too late for him to be a refugee. He wanted to be a landed immigrant. He wants to have anything, but he wants to live in Canada with his son. Over the past two years he has been at many meetings, and he has sworn on the *Bible* many times that what he says is true. He now has a job in Canada. He is waiting.

• (1200)

I have a question for the Government, and perhaps my own critic could tell me the answer. I remember very well that Bill C-22 was retroactive to June, 1986. At that time the Bill was not even tabled because it had lost its way through the corridors of this House. It was retabled in November, 1986. But the law that we passed just before Christmas was retroactive to 1986.

I would like to know if Bill C-84 is going to be retroactive like Bill C-22? If it is, I fear for the constituent in my riding. What can I do for him? I had better hurry and attempt to settle this. I am now in communication with the Immigration Department. But I feel that I will not have done a good job as a Member of Parliament in looking after this very touching case. I am sure the Hon. Member knows what I mean when you have office hours in your riding and those people come in with a good case, and it is the red tape in the Government that prevents us from settling the problem for them.

[*Translation*]

Mr. Speaker, I have now concluded my remarks, but I hope I will get an answer to my question.

[*English*]

**Mr. Hawkes:** On the sketchy details provided, I can see nothing in this Bill or the next Bill that would operate in anything other than the favour of someone who, for humanitarian and compassionate reasons and/or legitimate refugee status, was to seek that type of status in the country. The Bills provide a better world for refugees, and a better world for people who should be given humanitarian or compassionate grounds.

What the Member is overlooking, and the difficulty that the Chamber is having, is that from time to time all of us see individuals who we feel have not been handled well by the bureaucracy or by the legislation. What we do not see is the reality that each month 750 to 850 people come to the attention of immigration enforcement officers for breaking Canadian immigration law, and at the moment they are taken to inquiry by enforcement, they claim to be refugees. All of a sudden, miraculously 75 per cent of the 750 to 850 people a month make the claim to be refugees. They are not. Some of them are criminals. Some are illegal immigrants who have snuck across the border, or come in with false passports or false credentials. There have been cases in the public print. As a nation we must be worried when we have a law that does not allow us to protect ourselves.

I ask Members to not keep the individual so clearly in mind that they forget the nation. This Bill is a Bill to protect the nation. I urge that the filibuster stop and we go to the vote.

**Mrs. Killens:** As a solution, the Member seems to suggest that we could make an appeal on humanitarian grounds to the Minister when we have a special case. In the nine years that I have been in this House, I have only had one successful humanitarian case appealed to the Minister, and that was during a Liberal Government. At the present time I do not know how difficult it would be for me to reach the Minister on the other side. That is not a solution. The solution is to amend the law as presented by the Senate.

**Mr. Deputy Speaker:** With the last question, the Hon. Member for Kamloops—Shuswap.

**Mr. Riis:** Mr. Speaker, it is not so much of a question, but more of a statement in response to some of the allegations made by the Parliamentary Secretary. He likes to suggest that thoughtful, positive debate is a filibuster. I wish to remind the Parliamentary Secretary that the Government may have the largest majority in Canadian history, but that does not mean that it can run roughshod over Parliament.

Parliament was recalled during the summer to pass this Bill expeditiously. The Government felt that it could ignore the advice of all of the people who have expertise in this area, come in with a Draconian piece of legislation, and use its huge majority to jam it through the House of Commons. Thank goodness, in our parliamentary system that does not work. To a certain extent, there are checks and balances.

While I have personal views that are not necessarily positive about the other place, the fact that the Minister of Employment and Immigration (Mr. Bouchard) has agreed to make some changes to the legislation is proof enough that it was erred or seriously flawed. Because we are trying to propose ways and means of improving this legislation as responsible members of opposition Parties, the suggestion that this is a filibuster, I find unacceptable.

I remember Canada in 1979 pleading heavily with countries in Southeast Asia to accept the boat people as they were fleeing persecution. Canada was urging countries to be compassionate, to be humanitarian, and to provide a safe

haven for those people who were fleeing what they perceived to be a very negative environment in their home country.

If someone feels that a ship approaching Canada is filled with illegal refugees, this legislation states that we will use our navy or our Coast Guard to force the boat to turn around and return to its port of origin. How on earth will anyone determine whether or not there are legitimate refugees on board? This is obviously a silly provision. I wish to remind my friend, the Parliamentary Secretary, that there have only been two cases in Canadian history where refugees have arrived by boat. This is simply one example, and there are many others, where my friends in opposition are attempting to explain to the Government that changes must be made to make this a reasonable and acceptable piece of legislation. I find it completely unacceptable that our responsible debates are called a filibuster.

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, I am glad to have the opportunity to participate in this debate and present the views of my Party on Bill C-84 and the amendments that the Senate has proposed to it.

It seems obvious to me, and I think it must now be obvious to the Canadian people, that this whole issue and this whole legislation was phoney from the start. The Government never did have a reasonably founded apprehension that there would be large numbers of refugees arriving in Canada by boat. There never was any degree of reasonable apprehension that among those refugees there would be terrorists or criminals. There never was any evidence presented to Parliament or to any other forum to suggest that the recall of Parliament in August, 1986, was necessary. We had a phoney recall. We have a phoney Bill. We have a phoney problem based on a phoney analysis, and what I believe is a false apprehension.

One has to wonder if in fact this was done in order to help the failing election campaign of the Ontario Progressive Conservatives under their then Leader, Larry Grossman. If so, obviously it misfired.

This country won the Nansen Medal for its treatment of refugees over a period of some 20 years. The Government decided to tear up that record and that reputation in an attempt to generate some positive response from the voting public by undertaking a campaign that had as its targets those who were in the weakest position to defend themselves.

• (1210)

It has been argued, and argued by many authorities, that the provisions of Bill C-84 as originally proposed violate the Charter of Rights and Freedoms. It has also been argued that its provisions violate the United Nations Convention on the treatment of refugees.

Many organizations have been critical of the Bill, and I should like to start by exploring one of the points which the Parliamentary Secretary was attempting to make. The obvious point of the Bill is to take action against Central American refugees and those who come here by water. They are the easiest to identify or to pick out. They generally have the least in the way of available resources to assist them in making a refugee claim.

The Parliamentary Secretary spoke of 750 to 800 persons per months arriving and making refugee claims. He knows that the majority of those people in fact have proper identification and that the majority of those people come from such countries as Brazil, Portugal, and Turkey. Normally they are in possession of, at least when they board the aircraft, purportedly proper identification in the form of passports or visas. What happens in the case of those people is that sometimes they get through. Sometimes the deception is detected, and then they go on an individual basis through the refugee determination process.

The very idea that a criminal, unless a highly unsuccessful one, a terrorist or someone who is a security risk to Canada would choose to arrive by the slowest, the riskiest, and the leakiest means possible, for example, a tramp steamer trying to sneak in under cover of fog to a coast that is in many ways hazardous to impromptu landings, is risible. For the Government to suggest by way of the Bill that that sort of landing constitutes a threat to Canada's security is frankly a deception.

Many criticism were levelled against Bill C-84 when it was first introduced. I think it is worth while repeating them. People who are the subject of a security certificate will be removed from Canada without the legal right to make a refugee claim. Another criticism was that turning boats around permits the operator to escape without a penalty. The boat could return however many times and be turned around. Obviously the sanctions proposed against groups who assist refugee claimants are unacceptable since many of them could come under the threat of such sanctions through inadvertence.

Only a few years ago we were encouraging the countries of southeast Asia to take in boat people who, obviously in the degree of desperation that led them to get on those boats, were refugees. We put passengers on those boats at risk if we simply turn the boat around at sea. We put them at the risk of the master of the vessel deciding to make some riskier approach or deciding to wreck the ship so that it cannot be turned around, whatever the risk to the passengers. We have no way, in such a case, of finding out who the people are, where they are coming from, what their reasons are, or whether in fact they are second-hand refugees, those who have been driven to desperation by the poor treatment they received in their original country of lodging outside their home country.

If people are dumped into the sea because a captain has not taken them back to the point of embarkation, apparently the Bill makes it an offence for a passing ship to pick them up. The Security Intelligence Review Committee is already overloaded. Also, the retention provisions are unnecessary and violate the Charter of Rights and Freedoms. The rejection rate for refugee claimants has historically averaged from 65 per cent to

70 per cent, which is something we should bear in mind in considering the Bill.

With regard to the Senate amendments I could go on—and undoubtedly I will at a future opportunity—at some length about the legitimacy of the Senate and the legitimacy of Senate adjustments or amendments to Bills which go to the Senate Chamber. However, this is not the time or the place to question, as I certainly would, the legitimacy of the Senate. The fact is that the Senate has produced some reasonable amendments which address many of the major objections to the Bill. I must say also that the Government has had the sense in some instances to accept amendments which are worth while and frankly to take away some, though certainly not all, of the objectionable aspects of the legislation.

I do not think that some of the original stated objections of the Government in the Bill are such that many would object to them. It is clearly necessary to place an increased responsibility on transportation companies to know who they are transporting and to know exactly under what status or claim the person is boarding a vessel or airplane in order to come to Canada. I do not think that is something we find objectionable. It does not go contrary to Canadian traditions as does much of the legislation.

I am glad to see, for example, the Government accepting the Senate amendment which would permit a person who is the subject of a security certificate to be present during the presentation of the Government's case to the judge except where there are compelling reasons for exclusion. In today's environment of international terrorist activity against some states and institutions, I suppose we can conceive of a situation where a person's very appearance before the judge would have some risk to Canadians. It is not easy to do so, but nevertheless it is a possibility. Therefore, the acceptance of this amendment with the inherent flexibility for situations of extreme danger or urgency is at last something intelligent from the Government.

However, the Senate amendment which would remove the power to order a ship not to enter or to leave Canadian waters has been rejected by the Government. I can only see that as being a mistake. As I see it, the effect is that if Canada is able to communicate with a vessel that is within range of Canadian shores to make purportedly an attempt to land refugees, surely with the technology available or at the disposal of our Armed Forces and Coast Guard we have the obvious opportunity to apprehend the vessel at the very instant it enters Canadian waters or beaches on Canadian soil. Surely it is much better that we should know who is trying to enter Canada and why than that we should simply cast them adrift on the high sea, a practice which used to be known as marooning and of course implies the possibility of very high mortality among the victims.

Earlier I mentioned Canada's recent history because the two cases before this decade of ships full of refugees being turned away from Canadian shores are dark stains on the country's tradition of magnanimity and generosity to refugees. In recent history Canada has had a very good record in the treatment of refugees and of refugee claimants. That is a record which we should be seeking to sustain. Let us see if we can earn the Nansen Medal again sometime.

In terms of the measures in the Bill, which I for one do not find objectionable, the action to increase penalties on those who smuggle people into Canada or across borders for profit or gain is a very necessary control. However, characteristically the Government has lumped them together in Bill C-84 with measures which neither I nor my Party can support. Obviously preventing the entry of terrorists or criminals is a legitimate and worthy government objective. What we are saying about Bill C-84 is that it will have its hardest impact on those who are neither terrorists nor criminals.

• (1220)

In recent months, we have heard that the Government is seeking a safe third country for people who are turned away from Canadian shores. What does that tell us about what we have learned? I received a letter from a resident of Dollard des Ormeaux in Quebec who concludes by saying:

> I remember learning in school about how Canada turned away boatloads of Jews. Haven't we learned from the past?

Of course, those people did not go to a safe third country, they went back to a very dangerous situation indeed.

An example of comment in the press is that in recent years, Canada has been the most generous of western countries with regard to refugees and we have been congratulating ourselves endlessly about this. Perhaps we have, though it does bear repeating. It also bears repeating that not every person who comes claiming to be a refugee should be accepted as a refugee. Again, my belief is that before the advent of Bill C-84, we had adequate means to determine that.

We are after all largely a country, if not of refugees then certainly of refugees and immigrants. It is even stated by some ethnographers and historians that the aboriginal people of this country came to North America some 30,000 years ago via an ice bridge. That, of course, is now something that is beyond a reasonable determination, but apart from the aboriginal people of Canada, it is absolutely certain that all who have come here since, their descendants and those who will continue to come to Canada in the future, are immigrants all and in some cases refugees.

In the past, Canada's golden years of immigration included 1910 when over 400,000 people came largely from eastern Europe to settle the Canadian Prairies. We must truly recognize the contribution refugees have made to building the Canada we have, love and enjoy today.

There has to be a better way for the Government to get a judgment on the constitutionality of a piece of legislation than to submit it to Parliament and leave it to its fate before the courts. It has been said that a problem with Bill C-84 is that it may eventually be found unconstitutional, and I am sure there

are lessons for all of us in last week's Supreme Court judgment as to what happens in such a case.

We are glad to see the Liberal Party now on side so far as Bill C-84 is concerned. We noted, of course, the comments in *The Ottawa Citizen* of July 18 of last year made by the Leader of the Liberal Party (Mr. Turner), but we are glad to see that the Liberal Party is also debating this measure with us in the House of Commons.

**Mr. Belsher:** Liberal-NDP coalition.

**Mr. Dick:** Filibuster.

**Mr. Parry:** This is not a filibuster, this is an opportunity for Members of Parliament to debate a serious question and to put their views on the record. I am sure that if those who are heckling in a rather half-hearted way want to have an opportunity to put their views on Bill C-84 on the record, they can have that arranged for themselves.

It seems to me that the Government is now, some six months after the phoney recall of Parliament, carrying on with pushing this legislation through in order to convince the House and the country that the Government is still the Government. I would like to put government Members' minds at rest. All of us who understand the democratic functioning of this institution and who indeed love and defend democracy acknowledge that they are still the Government. It is not something that we see as being in question or open to challenge, but since they are still the Government let them show that they can adapt to changing circumstances. Let them show that they are capable of admitting an error once it has been made, rather than only of pushing forward willy-nilly, regardless of the opposition to Bill C-84 which they can now see very well is not something that is centered in the caucuses of two opposition Parties in Parliament, but is widely spread and shared across this great country.

**Mr. Blenkarn:** Mr. Speaker, I think the Hon. Member will realize that this Bill passed the House some months ago and was in the Senate for a very long time. When it was considered by the Senate, amendments were made and then some of those amendments were accepted by the Government in an effort to put the Bill through. Now the Bill is back in the House with a Senate position that is not reasonable. The Hon. Member's Party continues to speak about the Bill. Surely a Government is entitled to get its legislation through in a six-month, eight-month or nine-month period. The continual discussion and support of the Senate by the New Democratic Party is really something to behold.

My question to the Hon. Member deals with whether it is his view and his Party's view that those who conspire to break Canada's immigration laws should somehow be relieved of real search-and-seizure proceedings and should now be entitled to be treated as other than offenders. This is bearing in mind that there has been all sorts of evidence of people paying $3,000 $4,000 and $5,000 and even up to $10,000 for phoney documentation that would allow them to get onto planes, and for the organization of phoney immigration by way of refugee claims into Canada. Is it not his Party's view that that kind of thing that tears apart Canadian sovereignty ought to be a crime and that people who commit that kind of crime ought to be subject to the full penalties set out in Bill C-84?

**Mr. Parry:** Mr. Speaker, I would like to thank the Hon. Member for his question, though the strawmen were falling with such speed during it that I had difficulty counting them as they went down.

The Hon. Member must surely have heard me compliment the Government on its reasonableness in accepting some of the Senate amendments. As far as the time taken to get the Bill through the Senate is concerned, I would contend, and I think anyone who looked at the record would support me, that the time taken in the Senate was a reflection of the fact that the Government chose not to try to use any degree of powerful influence on the Senate to get this through faster. Certainly that indicates that the Government's effort to get this through the Senate was not up to the emergency billing the Government gave this measure when it recalled Parliament.

As far as phoney claims are concerned, I would repeat the point I made earlier in my speech. The Hon. Member talks of conspiracy. He talks of thousands of dollars changing hands for false documentation. No one disputes that this happens. We are saying, however, that Bill C-84 is only tangentially related to that sort of thing.

The fact is that it is an absolute sophistry to say that 150 or 180 people on a boat were conspiring to break Canadian immigration laws. They obviously knew nothing of Canadian immigration laws. Those who do conspire by procuring false documents are indeed knowing offenders, but the fact is that the measures to control that sort of entry into Canada were largely pre-existing.

What we have here basically are measures which would put in jeopardy the very lives of people who are generally too poor, too ignorant and too desperate to even form an intent to conspire against Canada's immigration laws, and who in many cases are not really aware except in the most fuzzy and haphazard way that those laws exist and will be enforced.

• (1230)

**Mr. Hawkes:** Mr. Speaker, the Hon. Member talked about democracy. When his colleagues stand up and chastise the Government for listening to a "goon squad", they are chastising us for listening to Members of Parliament who represent their constituents. The NDP has a rather weird idea of what is involved in a democracy. It seems some of their ideas would be more in accord with a dictatorship.

The Hon. Member mentioned the provisions of this Bill dealing with boats. I would like to let the House know that I think the difference between a filibuster, which is what we are

experiencing now for the fifth day, and an informed debate is the degree to which Members are truly informed and they lay information on the table germane to the issue.

In 1985, some two years ago, this Government took a world leadership position to develop a scheme which is referred to in the UN as RASRO, or the Rescue At Sea Resettlement Office. We are a signatory to that agreement. It encourages ship captains to pick up people adrift at sea in leaky boats and give them sanctuary on the ship. The captain is guaranteed that he can come to port and disembark those people. We took the lead in that initiative and we have an obligation under that treaty to resettle our fair share of those kinds of people.

That was concrete action taken by this Government with respect to boat people. What I hear the Opposition saying is that as we change Canadian immigration law, we should continue to leave in place provisions which would encourage the peddlers in human flesh to go to these desperate people, take their life savings, and cast them adrift in a leaky boat in the North Atlantic, one of the most hazardous oceans in the world. That is what they want us to do. Or, they would have us encourage those peddlers in human flesh to put those people on a great big leaky boat and take it to our shores, not a port or someplace with wharfs, but past the rocks and shoals and waves which threaten to capsize the boats.

I say to Hon. Members that if Conservative Members in this House were to give in to the Opposition, that is what we would be doing. We would be encouraging the peddling of human flesh by unscrupulous people and putting the health and safety of these people at risk. Members of this Party say no. You can filibuster all you want but we will do nothing to encourage further traffic in misery. We are trying to stop it.

The Hon. Member says terrorists and criminals have access to expensive suits of clothing, false passports, and so on. There is no evidence that anyone comes in and claims to be a refugee when in fact they are a terrorist, he says. That simply defies reality. Surely the Hon. Member has had the time to read the newspapers lately and recognizes that, for example, one of the Tamil boat people is wanted on a warrant in West Germany for making Molotov cocktails. Surely that is a current event. It is dealt with prominently in our news media. Surely he should be aware of it and should be careful that, as part of his filibuster and throwing false information on the table, there is no suggestion that those who are capable of harming the people of this country use the refugee system.

Surely the Hon. Member is aware that 10,000 people arrived at our borders last year seeking entry, mostly as refugees, with absolutely no identifying documents. Those are not all the people who arrived. Those are the ones turned over to the RCMP so we could try to find out who they are. Does he honestly believe that we should leave the law alone so that they can just walk right into the country, 10,000 a year, and we do not know who they are? Or, should we pass this legislation in order to have a way of detaining people so we can learn who they are and whether or not they represent a danger?

**Mr. Parry:** Mr. Speaker, I would like to briefly respond to those points by the Parliamentary Secretary. I say briefly because I am not filibustering and do not wish to. It might be said that the Parliamentary Secretary, by consistently misusing the 10-minute period for questions and comments, is aiding and abetting a filibuster. The fact is he does so when he puts on the record intelligent observations about RASRO and then follows them with what I can only say is a complete distortion of my comments and my Party's position.

If the Hon. Member refers to *Hansard* for today, he will find me saying that I approve of higher penalties for smuggling. However, when he attempts to suggest that the opposition Parties would like to see people coming in on lifeboats, I think he goes absolutely against what I said, which is that it is much safer and much more secure for Canada if these boats, once identified, could be apprehended when they land.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, I am taking part in this debate because I consider that, although there is an urgent need for both our refugee legislation and our Immigration Act to be re-examined and updated, this particular Bill has flaws and needs a lot of work. I found it distressing this morning to hear the Parliamentary Secretary, who is normally a thoughtful Member and from whom one would have expected better, dismissing all the genuine concerns on this side of the House as filibustering.

I am going to begin by laying out what is still wrong with the Bill, what could be corrected relatively simply with some good will on the part of the Minister, and then return to some basic principles on which I think we can agree.

First, one must point out that the recommendations of the Senate Committee on Legal and Constitutional Affairs were unanimous. Not only Liberal Senators supported the amendments before us, so did Conservative Senators. In this particular case the chamber of sober second thought did a rather good job.

The Minister, indeed, has admitted that his legislation was born in haste, because he has accepted some of those amendments. He has accepted that claimants may be in courtrooms when lawyers for the Government present a security or criminal intelligence report about them, unless the claimant poses a security or personal safety risk. This is surely an improvement on the original situation where a genuine claimant, who might be represented by a not very well informed or not very competent lawyer, was at risk, not knowing what had been said, and therefore not in a position to counter arguments. The state will still be protected because there is provision to exclude people when there is a clear and known security risk.

As to the question of threat of criminal prosecution against church workers or others who assist refugee claimants, the Minister is now prepared to guarantee that that will not happen without formal consent of the Attorney General of Canada. In other words, the church worker who in good faith

tries to assist someone to make a refugee claim is now not liable to punishment as was the case with the original Bill.

• (1240)

The amendment which the Minister has refused to entertain and which I seriously urge he re-examine is the one which allows boats to be turned back on the high seas. Apparently the Minister considers that there is some deterrent value in this. Surely, on the contrary, there is an enormous risk in this. If an unscrupulous ship's captain on a leaky, poorly provisioned, and poorly staffed boat on the high seas in the North Atlantic is turned back by our Coast Guard officials, what is the deterrent to him? He takes his unfortunate passengers back and dumps them somewhere or other. He still has their money and so has not lost anything.

Surely a much more effective deterrent would be to bring that ship into port, confiscate it, charge the captain, and jail him if necessary. That would be an effective deterrent but, of at least the same importance, Canadian officials would be able to examine those people on board and determine whether or not they were genuine refugees. If they were turned back on the high seas we would know nothing about them and they could be genuine refugees. That is the reason I think that particular amendment made by the Senate should be regarded seriously. The Minister has turned it down out of hand. I hope he will reconsider because that is an important part of the opposition of my Party to this Bill as it now stands.

This Bill was introduced in great haste in response to the arrival of a boat carrying 150 refugee applicants to Nova Scotia last summer. The Minister has been saying ever since that he needs Draconian powers in order to deal with fake refugees. However, there are powers in the present legislation which are not being used. A lot of the fake refugee applications are coming from unscrupulous so-called immigration consultants and lawyers. Section 95(n) of the present Immigrations Act allows prosecution of those who would counsel or assist illegal immigrants. That section has not been used other than to prosecute the captain of the *Amelie*.

The most extraordinary abuses are taking place and the Government remains inactive. In my own riding four or five immigration consultants have set up shop. They charge fees for counseling people on making false immigration applications. They have links with travel agents in various countries. The Government knew about this for years before it finally acted. It has finally laid charges against three of them but there is no indication when those cases will be brought to trial.

The first line of protection for us is surely to prosecute the people who are organizing the scams. Many of the people who have made false refugee claims do not know our laws and have paid large sums of money to these consultants who have advised them that this is the way to come into Canada. The key way to stop this must be to deal with these fake immigration consultants and with employers who knowingly hire illegals at poor wages.

There has been for at least two years, to my knowledge, a lively traffic in social insurance cards and the Government is not on top of that. There are some remarkably youthful looking people working in Toronto with cards which show that they are 65. They do not look a day over 21 or 22 but the Government is not acting on that.

Returning to the immigration law itself, I think we would all agree that the law as passed in 1976 is more than due for amendment and updating, for a number of reasons. However, let us discuss first what everyone in this House would agree on. Canada's effort in formulating and administering refugee policy is an essential reflection of Canada's humanitarian interests. Canadians have shown that they have the capacity to reach out to those who are suffering persecution for reasons of race, religion, or politics, and to give comfort to the homeless and stateless. Not very long ago, in 1979, Canada was setting an example to the world by urging Southeast Asian countries not to turn away boat people.

The number of people on the move in the world is increasing. It is reckoned that at any time 70 million to 80 million people are on the move. According to United Nations standards some are genuine refugees, some are unhappy, desperate people moving because of threat of war, revolution or, very often, sheer poverty in their own countries, and some have the same motivation as have immigrants— the desire to create a better life and future for themselves and their children, but they lack the skills which would make them acceptable as immigrants under the normal legislation.

Clearly Canada cannot accept 70 million or 80 million people. We must have laws which balance the needs of those unhappy people who would like to come into our country with Canada's interests. We must have laws which protect Canada's sovereignty. When the 1976 Immigration Act was discussed in this House and in committee those many different interests were balanced carefully and thoughtfully by Members on all sides of the House.

The legislation which the Government has placed before us now wants to slam the door but does not address the other matters. For instance, as long ago as 1980 there was much discussion in the United Nations about the need to find better ways to settle refugees nearer their own homes, the need to find better methods of international dispute settlement, protection of human rights, and assurance of economic prosperity in other countries. These all form basic parts of any approach to refugees and I have heard no attempt in this discussion from the Minister or Members of the other sides to pull those factors in. We only hear that this is a piece of legislation to slam the doors.

We all know that there are abuses but this Bill does not adequately deal with them. Neither does it ensure that we maintain our traditional commitment to assisting refugees. This Bill makes no attempt to involve citizens. Consider, for example, the magnificent effort at the time of the Vietnam refugees when church groups and citizen groups became

involved in assisting in the settlement of people. That was something of which we can be proud. Most of those people have gone on to become very good citizens who are contributing a lot to Canada.

• (1250)

We need to deal with abuses, but we certainly need to remember our traditional commitment to refugees as well. Unfortunately, this Bill does not do that.

I might also mention that part of the reason people are being encouraged by so-called immigration consultants to misuse the refugee application system is that it is so hard to qualify as an immigrant under the existing Act. On August 12, when the Minister introduced in the House his legislation to deal with refugee abuses, he added as a sweetener that he was proposing to ease the rules so that unmarried brothers and sisters could be sponsored. Nothing has happened since then.

On January 29, the Minister issued a press release, essentially saying, "Don't call us, we'll call you". He said, "We are in the process of amending the immigration regulations", but went on to say that it would take several months. Why did the Minister raise false hopes on August 12 if he had no intention of moving for the best part of a year?

The Parliamentary Secretary opposite is an able man whom I respect. I do not think this morning's performance was typical of him, but I do not know how he can justifiably criticize us on this side of the House, complaining that we have had five days of debate about amendments, when his own Minister has had eight months in which to produce a regulation change that he promised and which is still not in force.

The commitment of the Canadian people to assisting genuine refugees still exists. Canada has never lost by it. We have gained many thoughtful contributing citizens. Our commitment to deal with those who would abuse the system must be equally strong because those who abuse the system flood it and block it.

Presently, only 10 per cent of the enormous numbers of people applying for refugee status are qualified. This means that the other 90 per cent are so blocking the system that those 10 per cent who need to get a decision and get on with organizing their lives in Canada are prevented from doing so. They are held up by a cumbersome system, and that needs to be addressed. I have no quarrel with that, but this particular Bill is limited, and the provision about turning back ships is wrong.

I hope the Minister will reconsider that amendment. I also hope the Minister will move on some of the other areas that he will start prosecuting so-called immigration consultants in a more vigorous fashion, that he will deal with abuses using the existing provisions of the Immigration Act and the existing provisions against fraud in the Criminal Code.

**Mr. Stackhouse:** Mr. Speaker, I was very pleased to hear the Hon. Member for Trinity (Miss Nicholson) say that this country should continue its commitment to true refugees and to their admission. I hope she would agree that that is precisely what this Government has done.

I submit that in the past three years and some months since the Government took office there have been more immigrants and refugees admitted to this country than in any similar three-year period for some time.

She directed our attention particularly to the admission of boat people from southeast Asia in 1979. I remind her that that was the initiative of a Conservative Government. It was an initiative that drew support from all sectors of our society. I was glad to be among those who arranged for admission and sponsorship of one of the boat people. I agree with her that many of them have become worthy citizens of this country, including the young man to whom I referred.

I was not as impressed when the Hon. Member opposed the clause of the proposed Act which authorizes the Minister to turn back ships that are suspected of carrying bogus refugees. Last August, when 174 would-be refugees landed on our shores, her Leader said that the ship should have been turned back. He rebuked the Government for not taking the kind of initiative that would have prevented the ship from landing.

It is not the first time that we have found there is some difference of opinion between the Leader of the Liberal Party and those who purport to follow him. However, I draw to the attention of the House today's gap between leadership and commitment.

I regret very much that there continues to be the reference to this clause that we have had this morning, as on other occasions. Normally the Hon. Member for Trinity is not a fearmonger and has not been so today, but I do regret that there has been no recognition given today, as on other occasions, to the fact that the Minister, having received such authority to turn back a ship, is enabled to do so only after having due regard to the safety of the vehicle and its passengers and to the convention. It is an authority that can be used only with restraint and due recognition to the safety of those concerned.

**Mr. Deputy Speaker:** Questions or comments?

**Mr. Blenkarn:** Mr. Speaker, I have a quick question for the Member. As the Member knows, the Government has accepted a great number of the Senate amendments and has only refused one or two. One deals with security risks. The Member did not speak about that.

The Government's view is that if a person was clearly a security risk the Government could reject a refugee claim. Is it the view of the Liberal Party on behalf of which she speaks that the Government should accept security risks if the person makes a refugee claim?

**Miss Nicholson (Trinity):** Mr. Speaker, the Hon. Member who has a wicked sense of humour is trying to get me to say something rather foolish.

My comments were directed to the section where I am very happy to say the Minister accepted an amendment, that would allow the claimant to be present when criminal intelligence information was presented about him, unless he was deemed to be a security or safety risk.

I said that I was pleased that the Minister accepted that amendment because it seemed to me to provide a degree of necessary protection for the genuine refugee, while at the same time providing the state with the degree of protection that allowed it to exclude a person if there were strong grounds for it.

**Mr. Hawkes:** Mr. Speaker, I rise on a point of order. If the Opposition is through filibustering, we on the Government side are prepared not to see the clock to perhaps bring this to a conclusion in the next five or ten minutes. I thought you might seek unanimous consent.

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** There is no unanimous consent.

It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1.00 p.m., the House took recess.

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## AFTER RECESS

The House Resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*English*]

## EXTERNAL AFFAIRS

PROPOSED TWINNING OF ROCKLAND, ONT., WITH SANTA MARTA, EL SALVADOR

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, on January 19, 1988, the Rockland Town Council in my constituency decided to pass a resolution in favour of twinning with the City of Santa Marta, Cabanas, El Salvador. This village was virtually depopulated in 1981 as a result of an attack that affected not only Santa Marta but the entire region. I am informed by SalvAide that 80 people were killed in that massacre and that civilians fled to Honduras in order to live in refugee camps. There, some 250 children died within the first six months as a result of the camp living conditions in question.

Finally, the people of that community decided to repopulate their community of Santa Marta. Despite insurmountable odds and with the support of the international humanitarian community, 1,645 returned to their homes in Santa Marta. When they returned they found their homes in ruins and the community practically non-existent.

The concrete demonstration of Canadian support, particularly of the people of Rockland, has ended the isolation of these people. They now have friends in Canada, thanks to SalvAide and the Town Council of Rockland under the distinguished leadership of Mayor Jean Marc Lalonde.

* * *

## ENERGY

OIL AND GAS INDUSTRY—NEGOTIATION OF NORTHERN ACCORD

**Mr. Dave Nickerson (Western Arctic):** Energy agreements with the West and in the Atlantic provinces have done much to heal the wounds left by the ill-fated National Energy Program. One region of Canada yet remains to be dealt with. The future of Canada, North of 60, depends greatly on the oil and gas industry and this is recognized by the Government as it seeks to negotiate the Northern Accord.

Revenue sharing and joint management will allow the northern Territories to play their full role in Confederation. The importance of the Northern Accord cannot be overstated.

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## APARTHEID

CONDITIONS IN GORONGOSA REFUGEE CAMP

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, I have just returned from two and a half weeks in the front line states of southern Africa, Zimbabwe, Zambia, Mozambique and Botswana. There I was lucky enough to go with ZIMOFA, the Zimbabwe-Mozambique Friendship Association, into the Beira Corridor. I visited a refugee camp called Gorongosa. Eight thousand people were forced into the camp by the camp's MNR South African supported bandits. At one point 10 people a day were dying of starvation, both children and old people, because the food cannot get through.

As I speak now, the Minister for External Affairs (Mr. Clark) is in Lusaka with other Commonwealth Ministers, and I urge two practical steps on those Ministers.

First, we have to get food aid through and that means by communications and transport aid, what we call non-lethal military aid. The Minister should commit the Commonwealth to that right away.

Second, we should continue our good work through SADCC. I was able to attend the opening of the first project which was a hydro electric power project constructed by Canadian engineers.

I received a warm reception as a Canadian in southern Africa, but there are great expectations for canada to deliver more stability and peace in the front line states are one of the

biggest blows that we and the Commonwealth can strike against the evil apartheid regime of South Africa.

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## ABORTION

SUPREME COURT DECISION—PROTECTION OF THE UNBORN

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, cries of the unborn are not being heard in Canada at this time because of last week's Supreme Court decision. I must express my extreme disappointment with the ruling that was handed down when five of our Justices thought it more important that every woman should have equal access to an abortion rather than have an abortion committee examine the validity of such a request.

In British Columbia there are already 25 abortions for every 100 live births. This is an appalling number, and it is sad when live fetuses are killed without any consideration given to their rights.

I call on the Minister of Justice (Mr. Hnatyshyn) and the Government to work quickly and carefully with the provinces to address how to protect the thousands of unborn humans who will continue to be murdered as a direct result of the Supreme Court decision.

Many Canadians feel that the issue of abortion is not just a legal one. It encompasses the whole idea of family and obligation. It is this that must be dealt with now.

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## FARM IMPROVEMENT AND MARKETING CO-OPERATIVES LOANS ACT

DELAY IN IMPLEMENTATION

**Mr. Vic Althouse (Humboldt—Lake Centre):** Mr. Speaker, last June 30 the Minister of Agriculture (Mr. Wise) asked the two opposition Parties to pass the Farm Improvement and Marketing Co-operatives Loans Act in haste. The Minister claimed that if we went through normal legislative channels farmers would not be able to get loans under the program, and that without the right to consolidate loans, thousands of farmers would be forced off their farms over the summer.

The legislation was not presented until the last day of the session, even though the Minister had months to prepare it. We rushed it through, user fees and all. Did the farmers get their loans? No way. The regulations had to be done over. Several Departments got involved. There were more delays. It will be proclaimed today, seven months later. There are more delays to come.

• (1405)

The banks say that their new forms cannot be in their branches until sometime next week. So much for the Minister's word. And what of his Ministry's competence? This is inexcusable. No more can we trust the word of this Minister.

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[*Translation*]

## VOLUNTARY ORGANIZATIONS

INVITATION TO DONATE GENEROUSLY ON OCCASION OF TENTH ANNUAL CEREBRAL PALSY TELETHON

**Mr. Gabriel Desjardins (Témiscamingue):** Mr. Speaker, the annual cerebral palsy telethon will take place on February 6 and 7.

The 1988 telethon will be the tenth anniversary of this outstanding event, and I should like to tell the House that Normick Perron President Jean Perron of La Sarre will act as provincial honorary president in Quebec.

This is the first time the cerebral paralysis organization has a president from one of the regions, and all Abitibi-Témiscamingue residents are convinced that Mr. Jean Perron will successfully face up to the challenge.

I take this opportunity to thank the thousands of volunteers who, back home as everywhere else in Quebec, selflessly devote themselves to collect funds to fight against this terrible disease, cerebral palsy.

In conclusion, Mr. Speaker, as it befits the occasion, I urge all my colleagues and the people of Abitibi-Témiscamingue to be very generous with their time and money in support of this noble and humanitarian undertaking.

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[*English*]

## FARM CREDIT CORPORATION

SUGGESTED INTRODUCTION OF CROP SHARING ARRANGEMENT

**Mr. Jack Scowen (Mackenzie):** Mr. Speaker, the Farm Credit Corporation, banks, and the Saskatchewan Government are now western Canada's largest land holders. The trend is continuing at an alarming rate.

The Farm Credit Corporation is being rated as the poorest group to deal with in the debt review boards.

Over two years ago I asked the House why a system of crop sharing between farmers and the Farm Credit Corporation could not be instituted to help young farmers over the low price grain crisis which now appears to have bottomed out.

Some form of crop share must be instituted to keep young, responsible farmers on and owning the land. The Farm Credit Corporation must lead the way if the country is to keep western Canada as its main grain growing area. At the very least the Farm Credit Corporation should be leaving the home quarter as a base for these young farmers to rebuild on.

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## UNEMPLOYMENT INSURANCE ACT

NON-PROVISION OF PARENTAL LEAVE BENEFITS FOR MEN

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, this afternoon at 3.30 the Minister of Employment and Immigration (Mr. Bouchard) will finally have the chance to set the record straight with respect to parental leave. He will be visited by the man who has really highlighted more than any other person the discrimination in our current maternity benefits system.

This individual from Kitchener was faced with a situation in which his wife died in childbirth. As the remaining parent he sought parental leave to look after his child during the first critical weeks of the child's life. In fact, the child was suffering from meningitis, but because of the discriminatory nature of our current system regarding parental leave he could not receive those benefits.

Four parliamentary committees and one extra-parliamentary committee have recommended changing maternity benefits to include parental leave, to allow the choice to be available to either parent to take leave or not. This particular move would not cost the Government a penny. I ask the Minister at 3.30 to change the discriminatory nature of the law and to allow parental leave to involve both parents. Both parents should be involved in the raising of a child.

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[*Translation*]

## FREE TRADE

NEED FOR QUÉBEC LIBERAL MEMBER OF PARLIAMENT TO HEAR QUÉBEC LIBERAL PREMIER'S MESSAGE

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, from Montreal last Friday, January 29, the whole Province of Quebec promoted our free trade agreement with the United States.

Quebec Liberal Premier Robert Bourassa solemnly made official the position of Quebec with respect to free trade. Given the importance of public and private financial institutions, and as a result of the success of governmental programs for funding private sector companies, Quebec companies are ready to seek a larger share of the American market.

Mr. Speaker, Quebec Liberal Members of Parliament must heed Liberal leader Bourassa's message, unless they would rather betray Quebec for the second time, as they once did in Victoria.

* * *

• (1410)

[*English*]

## CANADA POST CORPORATION

COMPLAINT REGARDING PARCEL SERVICE IN KENORA

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, Canadians are not being fooled by Canada Post's efforts instigated, aided, and abetted by the Conservative Government to convince them that the removal of postal services from post offices across the country and placing them in private businesses is in their best interests.

A growing percentage of our mail is now being handled in places where people do not give their undivided attention to it, as they are committed to running their businesses, and where the mail is placed in areas which are not secure. In many cases the locations of those outlets have changed with little notice, as exasperated operators give up this time consuming customer service.

An angry constituent of mine writes:

> Today I received in the mail a delivery notice from Canada Post to pick up a parcel.
>
> This parcel is my fur coat, but I don't pick it up at the post office—I must go to . . .

and the constituent names the store in a mall.

The constituent further states:

> What is happening to our postal service? Our money built this post office in Kenora yet we don't use it for incoming parcels, just outgoing. Why?
>
> I'm not the only person asking. One doesn't pick up groceries at a furniture store.

I could not have said it better myself.

* * *

## ABORTION

SUPREME COURT DECISION—CALL FOR CONSTITUTIONAL PROTECTION OF THE UNBORN

**Mr. John Reimer (Kitchener):** Mr. Speaker, on January 28, 1988, the Supreme Court of Canada rendered its decision on the Morgentaler case by striking down Section 251 of the Criminal Code as being contrary to Section 7 of the Charter of Rights.

At the federal level this decision leaves Canada without any law on abortion from conception right up until the very

moment of birth. At the provincial level there is now health care confusion with our provinces literally going in 10 different directions.

Throughout the country there is widespread ethical debate about the fundamental issue involved. Therefore, I call upon the Government to exercise its prerogative under Section 33 of the Charter through a notwithstanding provision as an interim measure.

Further, given that all seven members of the Supreme Court indicated that Parliament has the legitimate state interest in the protection of the foetus, I call upon the Government to establish in law that the word "everyone" in Section 7 of the Charter includes the foetus or the unborn child within its mother's womb.

* * *

## HEALTH

AIDS DISEASE—PLIGHT OF THE INFECTED

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, the Minister of Health and Welfare (Mr. Epp) has just returned from a major international conference in London sponsored by the World Health Organization and concerned with the AIDS epidemic which will affect up to one million people over the next 10 years or so. The Minister has indicated that Canada will host a conference in Montreal one year from now.

It is very interesting that the Minister is willing to speak out and host things internationally in this respect, while he has done almost nothing at home. During the Christmas recess I had occasion to consult with leading West Coast authorities, and also received information from San Francisco. It is very evident that nothing is being done to help people who are already infected. They cannot even get through on information lines, much less get any projects considered. New drugs must be tested. Nothing is being done about that.

There is a complete lack of co-ordination between different cities, and the three major cities in Canada have considerable experience now. There is no network in place to exchange information. The National Centre for AIDS is not providing full assistance. The public at large must have mass media education.

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## IMMIGRATION

CALL FOR PASSAGE OF BILL C-84

**Mr. John Oostrom (Willowdale):** Mr. Speaker, the Opposition has wasted five days of debate on a few minor amendments to Bill C-84, an Act which is designed to control the abuse of our immigration system by stopping bogus asylum seekers.

Figures just released by the Immigration Department show that 26,944 individuals in 1987 asked for refugee status in Canada. This is an increase of 8,662 over 1986. In addition, only 30 per cent of those who claim to be refugees are confirmed as such. This makes the situation very serious.

With the Calgary Olympics on the horizon, and the economic conference scheduled for Toronto later this year, our immigration officers must be given the tools provided by this legislation to control our borders in order to prevent individuals, whose sole objective is to use these events to spotlight their cause on the world stage, from entering Canada.

I call upon the Opposition and their friends in the Senate to stop the filibustering of Bill C-84 and give the Canadian people the protection they deserve.

* * *

## TRADE

PLANNED IMPORTATION OF NEW ZEALAND LAMBS

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, sheep producers in Canada have been placed in a very uncompetitive situation as a result of lack of initiative by the federal Government. A firm from New Zealand has plans to import lambs, and *en route* across the Pacific to feed those lambs, and dump them on to the Canadian market.

• (1415)

This is a very unfair situation at a time when we on all sides of the House are attempting to develop the sheep industry, particularly the fledgling sheep industry in western Canada.

In an effort to provide our sheep producers with every support possible, I urge the Minister of Agriculture (Mr. Wise) to rethink the lack of attention he has given to this particular issue and take steps to disallow the importation of New Zealand lambs in this fashion.

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# ORAL QUESTION PERIOD

[*English*]

## CANADA ELECTIONS ACT

MINISTER'S ELECTION EXPENSES—RCMP AFFIDAVIT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, my question is for the Deputy Prime Minister. In a sworn affidavit filed by the Royal Canadian Mounted Police it is alleged that the Minister of Energy personally arranged for unreported payment of certain campaign expenditures during the last federal election.

Has the Prime Minister asked the Minister of Energy whether the statements contained in this sworn affidavit of the RCMP are true?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I can only assume that this was part of the evidence that was gathered during the course of the investigation. Mr. Gorman, having had the opportunity to study and examine this information, together with legal officials both from within his own Department and outside, came to a conclusion.

What we are suggesting is that Mr. Gorman, the Commissioner, made his judgment and used his discretion as he was so authorized under the Act, and obviously the Leader of the Opposition does not agree with his decision.

This issue has been raised on the floor of the House for a number of days. The Government has indicated its willingness to send this matter off to a committee so that Mr. Gorman can be called before the committee to explain the decision he had reached and to elucidate on all the points that have been raised, rather than picking out bits and pieces of information here, there, and everywhere, and trying to make a new story out of it.

I have just spoken to the chairman of the committee, and he indicated that tomorrow there will be a meeting at 3.30 p.m. I would suggest that Hon. Members use that opportunity to pursue this in its fullest.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, we will of course be interested in pursuing the reasons why Mr. Gorman wrote his curious letter, but whatever the committee ascertains and whatever judgment the committee may come to, it in no way discharges the Prime Minister's responsibility of responding to some known facts and personally ascertaining from his Minister whether those allegations or facts are true.

[*Translation*]

PRIME MINISTER'S RESPONSIBILITY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the Prime Minister has always insisted here in the House that he is alone responsible for his ministers' conduct.

Here are my questions to the Deputy Prime Minister: Why is the Prime Minister trying to pass off his responsibility? Why did he fail to ask his Minister of Energy why he had kept silent about the letter for two years? Why did the Prime Minister fail to ask why his Minister of Energy and the legal advisor of the Conservative Party in Quebec contradicted each other in public? Why did the Prime Minister fail to inquire whether the statement made under oath by a RCMP officer was true?

These are public statements and the Prime Minister is responsible for ascertaining whether his Minister . . .

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I have always known the Leader of the Opposition to be a fair and honourable individual who really—

**Some Hon. Members:** Right on!

**Mr. Mazankowski:** —and I find it quite unbecoming of him to cast aspersions upon the Commissioner and to charge an individual when he has not been found guilty under the provisions of the Canada Elections Act. He can draw whatever conclusions he so desires, but I would ask him, in the interests of fairness, in the interests of equity, and in the interests of dealing with a distinguished parliamentarian, whether he would want, as a minimum, to get all the facts out and to get Mr. Gorman's version of why he took the decision he did. I think therein we have the crux of the matter.

• (1420)

Mr. Gorman chose, after due care and deliberation, as he is so authorized to do under the Act, not to proceed with a criminal prosecution. All Hon. Members can ask questions. The members of that committee can ask whatever questions they wish of Mr. Gorman and I am sure he will provide enlightened answers. I would invite the Right Hon. Leader of the Opposition to wait for that.

PARKER COMMISSION REPORT—ETHICAL STANDARDS

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, Mr. Gorman may or may not feel free to tell the committee why he wrote the letter as to whether or not the Hon. Minister ought to have been charged. However, the Deputy Prime Minister is pursuing the same tactic the Prime Minister has attempted, namely, that unless a criminal charge has been laid or unless there has been a criminal conviction, nothing is wrong.

To cite the Chief Justice of Ontario—

**Mr. Speaker:** I think the Right Hon. Leader should put his question.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I ask the Deputy Prime Minister whether he agrees with the citation that I will read him from the Parker Commission which looked into the allegations against against former Minister of the Government. Does the Deputy Prime Minister agree with this statement which is found on page 27 where Mr. Justice Parker cites with approval commission counsel:

> "It is not enough—to show that you are not a crook . . . . More, surely, is expected of public office holders . . . .

Do the Deputy Prime Minister and the Prime Minister agree with the ethical standards the Chief Justice feels ought to be expected of cabinet Ministers, or does the Deputy Prime Minister disagree with those ethical standards?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if the Right Hon. Leader of the Opposition wants to cite selective quotations, perhaps he might be interested in what the law really has to say. It says that "no prosecution for an offence under this Act or for an offence under Section 115 of the Criminal Code in relation to anything that this Act forbids or requires to be done shall be instituted except with the prior consent in writing of the Commissioner".

The Commissioner has the discretion. He has the judgmental powers. After the gathering of evidence, the examining of evidence and the studying of evidence, he made the decision. If Hon. Members want to question that decision, they can do so till the cows come home. However, the fact still remains that under the provisions of the Canada Elections Act, his mandate was carried out. If Hon. Members decide that the mandate is ill-defined or needs to be changed, that is a perfectly legitimate question, but for God's sake let us have the evidence before drawing those horrendous conclusions.

REQUEST THAT PRIME MINISTER DISCUSS MATTER WITH MINISTER

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the Deputy Prime Minister repeats constantly that we have questions to ask of Mr. Gorman, and he is right, but there are also questions that we have to put to the Prime Minister when he decides to face the House of Commons again.

The Minister's election expenses drama unfolds in a very strange and gradual way. We learn of new facts every second day—

**Mr. Speaker:** I really think that the Hon. Member should put his question or else set a preamble upon which he wants to base it.

**Mr. Guilbault (Saint-Jacques):** I am coming to my question, Mr. Speaker. As details come out piece by piece, the Minister looks worse and worse. I would like to ask the Deputy Prime Minister if he does not think that it is high time that the Prime Minister summoned his Minister to his office and had a frank discussion with him to try to determine what else the Minister has hidden from the Prime Minister and the people of Canada for more than two years now.

**Mr. Speaker:** I have said before that preambles ought not to include a charge, and I have also said that the Opposition has not only a right but a duty to inquire in difficult matters. However, it is very important that preambles are carefully disciplined so that they are appropriate. It is not appropriate to go beyond the particular point about which the Hon. Member wishes to ask, and imply that there are other things of which apparently as yet there has been no information before the House.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member came very close to imputing motives. I think one would want to look at the extract tomorrow morning.

• (1425)

What the Hon. Member is really doing is, on the basis of one signed affidavit, finding the Minister guilty of an offence. There is obviously more information than that upon which the Commissioner based his decision, using his discretion and judgment as he is authorized to do under the Act. I find it rather strange that the Hon. Member would choose to be that selective.

[*Translation*]

MASSE AFFAIR—QUERY WHEN PRIME MINISTER WILL MEET MINISTER

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, all Canadians and Members of the House find it strange that the Prime Minister cannot make up his mind to meet his Minister to shed light on the allegations contained in the letter, affidavits and other documents. I suggest this is the Prime Minister's responsibility. He should not be satisfied with getting information drop by drop every day like this. The time has come to turn on the tap fully.

**Mr. Speaker:** I certainly regret to interrupt the Hon. Member, but his preamble is clearly argumentative. It is debatable. I must therefore seek the co-operation of all Hon. Members and ask them to direct their questions in the proper fashion.

Will you please ask your question!

**Mr. Guilbault (Saint-Jacques):** Mr. Speaker, I direct my question this instant. I should like to know when the Prime Minister will finally decide to meet his minister to discuss with him all the elements of this matter, in order to better assess whether his decision to maintain him as a Cabinet minister is justified. That is what we want to know. When?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I think what many Canadians find very strange is that the Opposition continues to engage in character destruction rather than dealing with some of the very important issues facing our country.

The fact of the matter is that a mechanism has been set up to examine in detail all the pertinent points surrounding this issue. The Opposition were calling for a parliamentary investigation. We indicated we support that and will co-operate with the committee. I would hope the Hon. Member might be patient and go tomorrow to the committee, of which I understand he is a member, and perhaps he can outline what he would consider to be an appropriate way in which to fashion the hearing process. He might find the evidence that will be adduced during the course of the hearing to be very interesting.

[*Translation*]

QUERY WETHER DEPUTY PRIME MINISTER OR PRIME MINISTER DISCUSSED CERTAIN ALLEGATIONS WITH MINISTER OF ENERGY, MINES AND RESOURCES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question to the Deputy Prime Minister refers to the Prime Minister's responsibilities.

According to an article which appeared this morning in the *Globe and Mail*, there is an affidavit signed by an RCMP corporal which indicates that, two years ago, the Minister of Energy, Mines and Resources personally had asked Lavalin to pay some of the costs of his campaign, costs which were not included in his campaign expense statement. That is quite serious.

My question to the Deputy Prime Minister is quite simply this. Has the Deputy Prime Minister himself discussed this allegation with the Minister today, yes or no? Or has the Prime Minister discussed this allegation with the Minister, yes or no?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Leader of the NDP takes some satisfaction in quoting *The Globe and Mail*. I think we all read the article this morning. As I indicated to the Leader of the Opposition, this is part of the evidence obviously gathered during the course of the investigation and part of the evidence that was used by Mr. Gorman in reaching his decision.

I repeat, Mr. Gorman made the decision. He examined the information that was assembled and reached a decision. I can only assume there are other important and pertinent pieces of information that were taken into consideration as well.

I think the Hon. Leader of the NDP is being somewhat selective here by virtue of the fact that he has one piece of evidence with which he wants to find the Minister guilty of an offence. Mr. Gorman has a different version of the facts.

• (1430)

**Mr. Broadbent:** Mr. Speaker, I remind the Deputy Prime Minister that the Member for York—Peel is not a member of the Cabinet today, not because he violated the Criminal Code but because he violated the moral code of the Cabinet. That's the truth.

**Some Hon. Members:** Order, order!

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order. I would ask Hon. Members to leave other people out of the exchange unless it is absolutely imperative to the question.

PRIME MINISTER'S POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Prime Minister has told the House that he did not learn of the letter sent to the Minister of Energy, Mines and Resources some two years ago until about ten days ago. Presumbly he learned only this morning, as we all have, of the existence of an affidavit with very serious accusations.

Does the Deputy Prime Minister not think it is appropriate for the Prime Minister of Canada to get the Minister's opinion as to whether these serious allegations are true, rather than hiding behind the Criminal Code of Canada? Should the Prime Minister of Canada not be doing that?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, we are going from the ridiculous to the sublime.

**Mr. Broadbent:** That's true, perfectly true.

**Mr. Mazankowski:** There is quite a difference because in this case a clear mechanism under the Elections Act was followed. The Hon. Minister of Energy, Mines and Resources did the proper thing. When there were suggestions that there was a contravention of the Act, he resigned from his portfolio until the process was completed. The mechanism in place dealt with this issue. The Commissioner rendered a decision. The Commissioner found that there were not sufficient grounds to prosecute and as a result the Member was cleared.

The Opposition are questioning the judgment and discretion which the Commissioner used. I suppose they are in their right to do so. However, I would ask them to direct these questions to Mr. Gorman when he will, in all likelihood, appear before the committee. I think that is the issue.

**Mr. Broadbent:** Mr. Speaker, I say with seriousness that the Deputy Prime Minister is either trying to pull the wool over our eyes or in some other ways attempting to insult the intelligence of the House by his totally unacceptable and absurd answer.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

REQUEST THAT MINISTER MAKE STATEMENT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I want to ask the Deputy Prime Minister, who has responsibility for the ethics code of his fellow colleagues, whether he is prepared to make a distinction between the Criminal Code in Canada in its application to Ministers on the one hand, and higher moral standards which are laid out in a code of behaviour on the other?

If he stands by the higher code of behaviour and does not restrict it to criminal offences, why has the Minister not got on his feet today to make a statement in the House? Why has the

Prime Minister of Canada not demanded that the Minister make a statement on the subject?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I regret that the Hon. Leader of the New Democratic Party does not like the answers he is getting. I regret also that he did not get his way when he wrote to the Minister earlier today asking him to make a statement. There will not be a statement made because we have established another process. That process is an inquiry or review under the provisions of the Standing Committee on Elections, Privileges and Procedure which Hon. Members opposite asked for. Now they want something else.

**Mr. Broadbent:** We want both.

**Mr. Mazankowski:** Why do they not make up their minds for a change?

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## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EXPORTS OF STEEL

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I have a question for the Deputy Prime Minister. The ink is hardly dry on the continental trade agreement which the Prime Minister signed with the President in early January and we already see how U.S. industry is using it as a way of trying to get further concessions from Canadian industries such as steel and textiles. Just this weekend the U.S. steel caucus in Congress was saying that Canadian steel exporters must limit their exports or there will not be Congressional approval.

I want to ask the Deputy Prime Minister, as spokesperson for the Government of Canada, what the Government intends to do to counter these clear acts of intimidation based upon the proposed continental trade agreement?

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, I find that interesting. I hope the Hon. Member is now supporting the free trade agreement. From his comments today I gather that he has changed his mind and is now supporting the free trade agreement. We will welcome that support very much.

At this time as part of our regular series of meetings with the Americans, the quarterly bilateral meeting set up under the presidential steel caucus, is ongoing. We are finding that steel exports to the United States from Canada are at a level which is basically agreeable to Americans and Canadians. The export monitoring program which we set up is going very well and we have no concerns in that regard whatsoever.

**Mr. Axworthy:** Mr. Speaker, the Parliamentary Secretary has just described something which is not free trade but controlled, managed trade which is obviously not acceptable to the Americans. It is not good enough for representatives of the Government simply to hide their heads in a steel furnace and get themselves singed as a result.

PROVINCIAL COMPLIANCE WITH AGREEMENT

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I want to direct a further question to the Parliamentary Secretary. The chief U.S. trade ambassador, Mr. Yeutter, said this weekend that the United States will absolutely insist on full and total provincial compliance with the agreement by January 1 of next year or it will not be ratified.

Considering that three provincial Governments have indicated clearly that they do not intend to pass any legislation or to ratify the agreement, under what circumstances, under what rights, is the Government going to try to force the provinces to go along with its ill-begotten, misguided continental trade agreement, which the provinces at least know will sell out the country?

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, my hon. friend should check with the Premier of the Province of Quebec who, the last time I checked, was a Liberal, and see what he thinks about the free trade agreement.

**Mr. Axworwthy:** He's as big a sellout as you are.

**Mr. McDermid:** I might also say that on the weekend Clayton Yeutter said that Canada got the best of the deal on the free trade agreement and that we will do very well by the free trade agreement.

As the Hon. Member knows, only a very small part of the free trade agreement requires provincial implementation as far as legislation is concerned and that is primarily in the area of the pricing of spirits. As the Hon. Member knows, there has been a GATT panel on that. We have negotiated a free trade agreement on that end of things. I think he will find that, although the Premiers have said they are opposed to it, in no way can they or will they scuttle the deal.

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## ABORTION

SUPREME COURT DECISION—POSITION IN PROVINCES—GOVERNMENT POLICY

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Minister of Justice. The Minister said on Friday that his Government wants to work with the provinces to determine the issues which have to be faced on the question of abortion in order that there will be a thorough understanding and a consistent approach across Canada, and we agree with him.

However, since a preliminary clarification is urgently needed now, has the Minister arranged a meeting with his provincial colleagues for this week? Will he issue a public statement to clarify the public confusion which is rampant across Canada about access to abortion?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I appreciate the question from the Hon. Member. I indicated last week that it was my intention to deal with this matter as expeditiously as possible and to be in touch with the provincial Governments on this very important and sensitive issue.

Accordingly, on Friday I wrote to my provincial counterparts, the provincial Attorneys General, in order to obtain from them their views in a preliminary and more substantive fashion. I have asked them to consult with their Governments on the provincial level with respect to this matter on the broadest basis, and also to let me have the benefit of their initial points of view.

I am hoping that I will hear from all provincial Governments at a very early stage so that we can in fact address this matter and try to determine the course of action in the weeks ahead.

PROVISION OF ABORTION SERVICES BY PHYSICIANS

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, surely the Minister now has an interpretation from his own legal experts regarding the immediate implications of the Supreme Court decision, the kinds of things which medical associations, women, and doctors need to know right away.

• (1440)

Will the Minister state publicly today that it is now legal for physicians to provide abortion services directly to patients? Will he at least say yes or no to that question?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the implication of the judgment of the Supreme Court of Canada is quite clear. It has rendered the present provisions of the Criminal Code with respect to abortion under Section 251 unconstitutional.

The Hon. Member knows that this is a federation. There is a provincial responsibility with respect to the delivery of health services. There are other elements, including the criminal law, involved in this whole process.

If she has examined and received legal advice from the legal advisers of the New Democratic Party, she will know that there is clearly a very important provincial role and function in this whole question. I simply say that we are trying to take a leadership role on a national basis with respect to this issue, as I indicated on Friday.

The Hon. Member may not agree, and it may be the position of the New Democratic Party that they would intrude and attempt to direct in some way the responsibility of all the provinces in matters of health and delivery of health services. I am not sure that is the position of the Leader of the New Democratic Party in the issue. He nods that it is not.

It is a sensitive issue on which we are working very carefully. We will continue to work in the best interests of the Canadian public.

RIGHTS OF THE FETUS

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, I applaud the Minister of Justice on his reply. However, I would also ask him if he would bear in mind the rights of the fetus when bringing up this question with his counterparts in each of the provinces.

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, again I appreciate the Hon. Member's question. He has had a very substantial interest in this issue.

The decision of the court itself will make it clear that the judges, in the majority and in the dissenting judgments, have indicated that the rights of the fetus are an important consideration with the respect to the criminal law capacity of the federal Government.

There are different approaches taken with respect to this issue. There was no clear definition with respect to the full implications of the rights of the fetus. As I indicated on Friday, there is another case before the Supreme Court of Canada where that matter is more specifically addressed. The court may have an opportunity to address itself with respect to defining the rights of the fetus in Canada under the criminal law provisions.

RESPECT OF PROVINCES FOR COURT DECISION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Given the various and in fact differing responses of various provincial Governments with respect to the application of the Supreme Court judgment in terms of service delivery, given the important leadership role that should be played in this issue by the Government and the Minister, what action has he taken to ensure that the Supreme Court judgment is respected by the provinces, from British Columbia to Newfoundland?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I think the Hon. Member recognizes, as we all do, the sensitivity of this issue. I have no doubt, as the Justice Minister has indicated, that the federal Government has a responsibility to give leadership.

I am not in a position to put forward options at this time. I think it is responsible for the federal Government to look at the various implications. I have given instructions today to have a letter on the issue go forward to my provincial counterparts to ascertain their views as quickly as possible, which is similar to what the Hon. Member suggested.

**Ms. Copps:** I would be most happy if the Hon. Minister would table with the House a copy of that letter.

MEDICAL CARE SYSTEM—RESPECT FOR PRINCIPLE

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, in his letter has the Minister asked for guarantees that the principles of medicare will be respected so that services will be available across the country regardless of the various viewpoints of provincial jurisdictions? Will he guarantee accessibility and that the Supreme Court decision is respected across the country? Will he table the letter?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I hope I was clear in my first answer that I have given instructions today to prepare letters to be ready for distribution later today. I am not in a position to table the letter at this moment but would be pleased to do that later, at a convenient time.

As I stated in my first answer, the letter is straightforward. It asks the various provincial Ministers for their early views on the issue. That is as far as the letter goes.

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## ENVIRONMENTAL AFFAIRS

GREAT LAKES—POLLUTION CLEAN-UP

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, in the absence of the Minister for the Environment and the Prime Minister, my question is directed to the Deputy Prime Minister. It concerns the priority Cabinet is giving or not giving to the issue of the clean-up of toxic wastes from the Great Lakes.

We have new information that the Americans are basically getting close to us in agreeing to the problem.

We have an accord on clean-up, but Cabinet is not giving it high enough priority in order to promote it so that we will actually achieve that clean-up.

Will the Deputy Prime Minister assure the House that there will be some real action in this area, including containment, removal and destruction of those toxic wastes that affect the drinking water of millions of Canadians?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I can indicate on behalf of the Minister of the Environment that the Minister is well aware of the representations made by the Canadian Environmental Law Research Foundation on this question. He is continuing to work with his counterparts on the Great Lakes, as he has for some time under the Canada-U.S. Great Lakes Water Quality Agreement. Amendments which he has made with counterparts in this group include new provisions for more comprehensive toxic controls, including contaminated sediments, atmospheric toxics, land run-off sources and ground water.

The Minister is placing increased emphasis on waste reduction by control at the source, and lake-wide management plans by which a schedule of load reductions for the Great Lakes is to be developed and implemented.

I might add that the Minister, with the support of all Members in the House, is developing a Canadian Environmental Act. It is presently before a legislative committee, and will provide additional measures of protection for the Great Lakes and other important areas of Canada.

**Ms. McDonald:** Mr. Speaker, that is gobbledegook and does not go very far when the prime consideration is waste sites like Hyde Park, and when there are millions of people who have to drink the water. We have an accord in place but it has not been acted upon.

GOVERNMENT POSITION

**Ms. Lynn McDonald (Broadview—Greenwood):** My question was directed to the Deputy Prime Minister. It concerns the priority Cabinet is giving this absolutely urgent environmental question. While it is fine to dot the "i's" and cross the "t's", unless there is the removal and containment to stop the ongoing leaching into the Niagara River and Great Lakes System and on into people's drinking water, all these other questions do not matter.

**Mr. Speaker:** I think the Hon. Member has put her question.

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I think all Members of the House and Canadians know that the Minister of the Environment of Canada for this Government has done an unprecedented job in raising international awareness of Canada's concern on such matters as toxins and contamination of the Great Lakes, and contamination of our atmosphere through his important leadership in the conclusion of the ozone treaty.

This Government has no apologies to make for the leadership the Minister is giving in Cabinet.

**Some Hon. Members:** Hear, hear!

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## LABOUR RELATIONS

FEDERAL MINIMUM WAGE

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is directed to the Minister of Labour. Approximately four months ago I asked when the federal minimum wage which had not been adjusted since May, 1986, might be increased. I was informed that a review was in progress.

A reasonable time having passed, I return to the subject and ask when the lowest paid workers under the federal jurisdiction might expect some justice?

• (1450)

**Hon. Pierre H. Cadieux (Minister of Labour):** Mr. Speaker, as I indicated at that to my hon. colleague, I will take his comments into consideration when we effect the next review which will be shortly. The review is presently under way. Obviously my hon. colleague's concerns will be taken into consideration.

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## UNEMPLOYMENT INSURANCE ACT

DENIAL OF PARENTAL BENEFITS TO FATHER—REQUEST FOR AMENDMENT OF LEGISLATION

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Minister of Employment and Immigration. We were all touched with the case of Mr. John McInnis whose wife died shortly after the delivering a baby girl.

Mr. McInnis applied for unemployment insurance benefits under Section 30, pregnancy benefits, of the Unemployment Insurance Act. He was denied benefits.

In light of the fact that there is need to build some flexibility into Section 30 of the Unemployment Insurance Act, can the Minister stand and tell this House whether he is prepared to consider amending the Act? I can assure him that we on this side of the House will give that amendment speedy passage. Will the Minister stand in his place and promise such an amendment giving flexibility to Section 30?

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, I will not make that promise today to my friend. With the co-operation of the Hon. Member for Kitchener I will meet Mr. McInnis this afternoon.

I am also touched by the case, but I think my friend understands that when we have to make an exception—and it could be the case at the present time—we have to consider what it represents for all Canadians who could be in the same or a similar situation.

I am aware that we could amend this legislation but I think we have to take the time to look at the case carefully to be sure we do not make mistakes for other Canadians.

INTRODUCTION OF AMENDING LEGISLATION—TIME QUERY

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, I have a supplementary question for the Minister.

In light of the fact that while the McInnis case has come to our attention there have been several other cases across the country, and since the Minister says he will consider and consult with his officials—we are very concerned about ensuring that Mr. McInnis qualifies and he doesn't go beyond the initial benefit period of the claim—can the Minister tell us how soon will he report to the House that he is ready to bring in a Bill to amend Section 30?

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, I requested from the Department some information about the case and about the different possibilities that we have.

I repeat what I said before. Other cases which could be referred to me could represent different approaches in terms of problems. I want to be sure if there is any answer given to Mr. McInnis that the decision we will make could be applicable to other cases.

I will not change the legislation 10 or 20 times because cases could be different. I think the Hon. Member will agree and that as soon as the information is available and we can move in some direction, we will make a decision.

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## OFFICIAL LANGUAGES

POSITION OF BACK-BENCHERS CLUB

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, my question is for the Deputy Prime Minister. Last week we saw the Minister of Communications lose control of her Department—it was taken over by the back-bench—and the all-news network was cancelled. This week we hear that the Tory right-wing group calling themselves the Dinosaur Club, has taken over the Departments of the Secretary of State and Justice and is now telling the Government how to operate the House.

Could the Minister tell us in response to this article whereby we find two dozen back-bench Members calling themselves the Back-Benchers Club, the BBC, which stands for dinosaurs, whether they are running the show? They killed the all-news network. Are they going to kill the Official Languages Act or is the Government still calling the shots? Is the Government still in charge or has it given up to the back-bench Tories?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, my hon. friend has been around the House a long time. I know that he does not always believe everything he reads in the newspaper. I think this is one case where he should heed that advice.

[*Translation*]

REQUEST FOR CLARIFICATION CONCERNING BILL C-72

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** But I do believe this Mr. Speaker, and I have known for the past few weeks that there are a few odd Tories who are running around in this caucus and preventing the Government from taking

action. I therefore ask the Minister clearly and precisely: Is he prepared to call Bill C-72 for second reading tomorrow?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if the Liberals and the NDP would stop filibustering Bill C-84 and other pieces of legislation, we may get on with that job.

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## IMMIGRATION

PRESENCE OF CONVICTED TERRORIST IN CANADA

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is for the Minister of Employment and Immigration. Mahmoud Muhammad Issa Mohammad is a convicted terrorist now living in Canada who was allowed into Canada under this Government. It appears not only did Mr. Mohammad misrepresent himself to Canadian authorities to get landed immigrant status, but last week he misrepresented himself to the Canadian people when he said he allowed passengers of the Israeli airliner to get off before shooting the plane.

It is clear from 1968 news reporting that no one was allowed to leave the plane and that the plane was shot containing passengers and crew.

In view of the extreme nature of this case why is it that he and the Solicitor General did not resort to the security certificate procedure contained in the Immigration Act which would have allowed for a hearing but for a much speedier removal from Canada, if the case developed properly, than the procedure which the Government, in fact, chose to follow?

[*Translation*]

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, I think the Mohammad case is now before an adjudicator. His case has been adjourned to February the 16th, when the hearings will continue, and I do not think any interpretation of this case would be appropriate at this time. I suggest it would be preferable if things developed as expected.

REQUEST FOR EXPLANATION OF PROCEDURE CHOSEN BY GOVERNMENT

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, this has nothing to do with the case, but with the procedure chosen by the Government. A few means are available in such a case, and it seems the Government took one of the slowest. Again I ask the question: Why did they choose this case instead of a court which would produce results much more quickly?

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, the deportation process is extremely complicated and, particularly in the case of a landed immigrant, it involves a series of steps which department officials must take. My colleague is referring to a faster procedure. In this case both the Solicitor General and particularly the Minister of Immigration have considered that the safest and most effective way was to proceed as they did. I repeat that a landed immigrant has appeal rights which must be respected. Contrary to what my colleague is suggesting, I do not claim or I do not think that we could have completed the deportation procedure in two, three or four days. Rights do exist and, regardless of the statements we have heard over the past two weeks, I think such rights must be respected on the basis of the decision made concerning the status.

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[*English*]

## FISHERIES

ISSUANCE OF LOBSTER FISHING LICENCES IN NOVA SCOTIA

**Mr. Jack Harris (St. John's East):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans concerning the granting of four lobster licences in Nova Scotia and the contradiction between the Minister's statements and those of the Ministry of Fisheries for Nova Scotia regarding Nova Scotia's objections.

How is it that Mr. Leith has stated that the Nova Scotia Government has long opposed the licences and wants them revoked yet the Minister of Fisheries and Oceans says that Nova Scotia did not even object?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, had the Hon. Member been at the standing committee when I gave a complete account of the scientific justification and the objective selection procedure, which was set up by my officials for establishing this new fishery, the Member would have received the answer to his question.

I said at the standing committee last Thursday that my office was in consultation with the office of the Minister of Fisheries of Nova Scotia on this question. I was advised that the Province of Nova Scotia and the Minister would not oppose the issuing of these licences. That which I said at committee is exactly what I repeat today.

FEDERAL-PROVINCIAL CONSULTATION

**Mr. Jack Harris (St. John's East):** Mr. Speaker, what kind of consultation is it when the provincial Minister of Fisheries himself has long stated that they would object and they did object to these licences being granted?

This is not the first time there has been contradiction about advice given to the federal Government by the Minister of Fisheries in Nova Scotia.

The Minister of Fisheries and Oceans has also said that even if he had had the advice it would not have made any difference. Doesn't this really make a mockery of consultations between federal and provincial counterparts on what the Minister should have known is the most controversial issue in Nova Scotia? The Minister does not know what the Minister of Fisheries for Nova Scotia wants, and it does not make any difference anyway.

• (1500)

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, as I have already indicated, had the Hon. Member been able to attend committee last Thursday he would have received a complete and full account of the basis on which this important economic initiative was taken in Nova Scotia, including the discussions which occurred with my provincial colleague and his office.

It is quite possible that Ministers change their opinions from time to time. But I say again what I said before, this consultation did occur.

## GOVERNMENT ORDERS

[*English*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Bouchard in relation to the amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, and on the amendment of Mr. Marchi (p. 12340).

**Mr. Deputy Speaker:** When the House rose at 1 p.m. there were seven minutes left in the question and comment period of the speech of the Hon. Member for Trinity (Miss Nicholson). If there are no questions or comments then we will proceed with debate. The Chair recognizes the Hon. Member for Windsor—Walkerville (Mr. McCurdy) on debate.

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, I listened with some interest to the debate on Bill C-84 this morning. I heard the usual over-cooked rhetoric from Members on the government side, according to whom those of us who are attempting to bring some reason, perhaps some humanity to this legislation, are filibustering. I suppose that they would make the same accusation of the Senate or of the large number of organizations which presented their points of view to the Senate.

Some 400 individuals and organizations in some manner let the Senate know their objections to this legislation. Some 37 organizations made direct representations before the Senate committee. I suppose all of these people are people who are engaged in a filibuster. They could have no other motive except to somehow make it difficult for the Government to do good things.

Of course, you, Mr. Speaker, I am sure, as well as we, understand that there are some serious defects in this piece of legislation which is justified on the basis that there have been thousands who have abused our immigration procedures and our refugee determination processes to undermine Canadian law, to jump queues and God knows what all. What in fact has been the issue is that this legislation in its Draconian way threatens to place Canada in a position in which not only will it be in contravention of the UN Convention on Refugees but our own Charter of Rights. We have to regard these as serious questions.

The Senate listened carefully to the interventions of many Canadians, most of whom have a long established interest and concern about refugees. Many of these people have been involved in giving access to the humanitarian care that Canada provides to refugees for which we have been characterized as giving in the past. Thus we have regarded the Senate amendments as being constructively framed, not to make it difficult for the Government but to reflect the true heart of Canada.

In looking at all of the rhetoric that has issued from the other side of the House, particularly in the wake of the arrival of two boatloads of people which occasioned the introduction of this legislation, I must confess that there have been times when we have been ashamed of what we have heard from that side. Some of it has contained only slightly veiled elements of, if not racism then certainly of xenophobia which I think can do nothing but embarrass us all.

I suppose it has to be said that the events which transpired after that and the consideration of the very rapidly introduced Bill C-55 and Bill C-84, as well as the Senate's rather slower deliberations, are an object lesson in saying to a democratic institution such as our own that we should not react in a crisis situation with the first thought that comes into our heads. That has been the record of the Government in respect to its response to those episodes which has been, in effect, to come up with legislation that is essentially thoughtless and that has not given sufficiently due attention to those principles that I think most Canadians have long since accepted as being essential to the Canadian outlook upon the world, upon Canada itself and its citizens.

The Senate introduced a number of amendments. The first of the amendments is an interesting one. It is interesting from the point of view of the criticism of the original framing of Bill C-84 and alludes to the kind of motives and outlook which impelled this Bill into the House. That is to say the suggestion by the Senate that the wording "the assistance of clandestine entry" replace the word "smuggling" in the description of the purpose of the legislation. What the Senate noted is that "smuggling" is a word more appropriately applied to merchandise, goods or commodities. That the Government chose to describe the infraction in that term smuggling is an allusion to the kind of depersonalization which has occurred on the

government benches and in the mind of the Minister in considering the way in which the Government might properly address the problem. This is a problem that we all recognize in terms of dealing with the massive numbers of illegal immigrants who come to Canada, but which in the approach the Government has used confuses illegal immigrant with refugees.

In the fourth amendment the Senate suggests that those who have been issued security certificates not be rejected from the refugee determination system. That is to say that the Senate recognizes that because someone has been characterized as a security risk, that person does not necessarily present a serious threat to the safety of Canada or to Canadians.

Security risks may be characterized in a number of ways. For example, they may be people who, as defined in the Immigration Act, advocate the overthrow by violent means of some government or another. This is interesting because the Secretary of State for External Affairs (Mr. Clark) not too very long ago suggested that the Government might be willing to accept some Contra refugees into Canada in the wake of the culmination of the peace proposal that is now going on with respect to Nicaragua. Surely that simple fact demonstrates what should have been done by the Minister; that there are circumstances in which those who might be characterized as security risks, particularly on the evidence of another Government, may indeed be people who should have some access to refugee status and the ability to seek santuary somewhere.

• (1510)

If Nelson Mandela, Winnie Mandela, Bishop Tutu, or any number of Haitian dissidents were to seek refugee status under this legislation, they would find themselves in great difficulty if the refugee determination process or the effects of this legislation were to end up with such applicants being given a security certificate, that is, classified as security risks.

The United Nations recognizes the fact that such may be the case; that those who may be classified as security risks may well require a safe haven somewhere, and require that such people have access to the refugee determination process before they are deported, and that an opportunity be provided for them to seek safe haven in a safe country.

In response to the presentations and representations of a number of organizations, almost unanimous, the Senate made a suggestion for amendment to Bill C-84 which would have provided that those who have security certificates be granted access to the refugee determination system. Therefore, we find that in rejecting this amendment, the Government has again made a decision which flies in the face of consensus among those whom this Party, and I know the Official Opposition, respect as people who are presenting a case that has reason, merit, and which on the basis of the Senate amendment should have been considered a reasonable inclusion in this legislation. Indeed, we place ourselves in a rather unique category. We would join only Belgium in this provision which excludes those classified as security risks from the refugee determination system.

If we look at Senate amendment 5, which the government also rejects, which has to do with turning ships around, we find another area where the Senate has presented an amendment that this Party sees unobjectionable, indeed, which it supports, an amendment that is again supported by any number of organizations which consider that the refugee process should be a fair one.

If one looks in the legislation as it is presently written, one finds the proposed Section:

> 91.1(1) Where the Minister believes on reasonable grounds that a vehicle within
>
> (a) the internal waters of Canada, (b) the territorial sea of Canada, or (c) twelve nautical miles of the outer limit of the territorial sea of Canada is bringing any person into Canada in contravention of this Act or the regulations, the Minister may, after having due regard to the safety of the vehicle and its passengers and to the convention, direct the vehicle to leave or not to enter the internal waters of Canada or the territorial sea of Canada, as the case may be, and any such direction may be enforced by such force as is reasonable in the circumstances.

The Senate rejects that proposed section. We favour the Senate position in this respect. What we are doing is creating a situation in which the Minister in some fashion determines that there are no refugees on those ships. I do not know how the Minister intends to do that. One fundamental principle of the refugee determination process is that there should be due process, that a refugee claimant should have an opportunity to have his or her claim heard.

The legislation as presently written would have the ship turned around, to what fate no one knows. Is it to be turned around in the direction of a safe country? How are we supposed to know whether it is a safe country? Indeed, is there any expectation that the ship that is turned around will go to any country? Of course, there is a very great fear that a ship's captain faced with the prospect of having to sail to God knows where with a boatload of people may indeed decided to dump them at sea. I do not know if the Government or any Canadian wants to be in the position of being responsible, as this legislation would have us responsible in the circumstances, for having boatloads of people dumped at sea. This is something to which Canadians have previously objected.

In fact, we recall the situation in 1939 when the *St. Louis* tried to approach Canadian waters to land some Jewish refugees. Other nations had also rejected them, and their fate was that they had no place to go and death was their refuge. There have been other examples in which Canada has more recently condemned the Philippines and Malaysia for having turned boats around. Now we have before us legislation which would have Canada do the same thing.

In respect to the refugee determination process, it is expected that such applicants or potential refugees will have access to a reasonable process. It is required by international convention, and it is required by Section 7 of the Charter. I know that the Minister states that as long as they do not land

in a port they are not in Canada. Nevertheless, on the other hand they will be subject to Canadian law that will determine whether those boats will be turned around on the opinion of the Minister. The Government cannot have it both ways. It cannot argue that it is not subject to Section 7 of the Charter because they are not in Canada, and at the same time apply legislation to them which could lead to a fateful end of those who have sought Canada as a place of refuge.

If it is our intention to deter such effort to bring illegal immigrants, even if not refugees to Canada, surely the appropriate thing is to escort such ships into port. If the captain is guilty of breaking Canadian law, then that captain can be put in jail, fined, and have his boat forfeited. At the same time, we would have an opportunity for any legitimate refugees to have their cases heard.

It would seem to me, and to any sound thinking Canadian, that the amendment suggested by the Senate is the most appropriate. It is clear. Without too much difficulty we can apply this amendment in the practical case and bring about the appropriate solution sought by the Government. The amendment as suggested by the Senate is as follows:

> 91.1 Where the Minister believes on reasonable grounds that a vehicle within
>
> (a) the internal waters of Canada, or (b) the territorial sea of Canada is bringing any person into Canada in contravention of this Act or the regulations, the Minister may direct that the vehicle be escorted to the nearest port of disembarkation and any such direction may be enforced by such force as is reasonably necessary.

What more could be desired? What could be more fitting? Bring the ship into port; try the captain and if he is found guilty, jail him. If there are illegal immigrants, deal with them in the appropriate fashion. On the other hand, if there are refugees then let them have access to the refugee determination system which is appropriate under not only the Canadian Charter of Rights but the international convention.

Finally, we have to deal with the question of aiding and abetting.

• (1520)

I am sure you have heard repeatedly, Mr. Speaker, that the legislation as presently written would cause any number of humanitarian people devoted to the cause of refugees to be jailed. Among the reasons they might be jailed is that refugees do not have the appropriate papers. I do not have to remind you, Mr. Speaker, that the vast majority of those who have come to this country did not come by boat in the first place. They came by airplane and had documentation of some kind or other.

It is rare for humanitarian groups devoted to the aiding of refugees to bring in such refugees in a clandestine fashion, which is something that was recognized by the Senate and ought to be recognized by the Government. I do not understand why it is not possible for anyone who thinks logically to accept the amendment as proposed by the Senate.

The following people would be guilty of a crime: every person who knowingly organizes, induces, aids or abets, or knowingly attempts to organize, induce, aid or abet a person to make a manifestly unfounded or fraudulent refugee claim, or knowingly brings or attempts to bring or otherwise knowingly organizes, induces, aids or abets, or knowingly attempts to organize, induce, aid or abet any person to come into Canada in a clandestine fashion or manner. That is what should be sought, and what would be satisfactory. That would preclude the imprisonment and prosecution of people who are trying by their sincere efforts to help those threatened in their homeland with death or torture or persecution. That amendment should have been accepted by the Government. Why it was not I do not know. It may have been pigheadedness, it may have been stubborness, it may have been stupidity, or it may have been inhumanity. However, it certainly does not reflect the views of Canadians.

**Mr. Blenkarn:** Mr. Speaker, does the Hon. Member feel that someone who assisted a refugee or someone to come into Canada and organized the fraud and misrepresentation to make that entry into Canada possible should in his view be subject to prosecution for aiding and abetting a breach of our Immigration Act?

**Mr. McCurdy:** Mr. Speaker, the Hon. Member seemed to have difficulty framing the question in an appropriate way, but let me simply say this. The amendment as suggested by the Senate would certainly deal with the case that he mentioned.

**Mr. Blenkarn:** But you would have to do it clandestinely?

**Mr. McCurdy:** No. Let me read it to the Hon. Member: "Every person who knowingly organizes, induces, aids or abets", et cetera, "to make a manifestly unfounded or fraudulent refugee claim" would be covered in the Senate amendment.

**Mr. Hawkes:** Mr. Speaker, I guess we have two kinds of filibuster in this Chamber—an intelligent filibuster based on information which Hon. Members should hear and a rhetorical filibuster based on attempt to incite, and I think we are dealing with the latter.

This is the fifth day of debate on Senate amendments. We are approaching an historic milestone in the life of Parliament. Meanwhile many other problems exist in the country. We have debated the Bill since August. However, perhaps just to emphasize the fact that the Hon. Member opposite is dealing with rhetoric rather than with intelligent comment, the situation he abhors, of being able to charge church leaders and others for organizing people, is the situation that exists in Canada right now. Until the day we change this legislation those people can be charged, can be convicted, and can suffer the penalties of that conviction. That is the legal situation today which the Government is trying to correct.

Let us come to the second part of the issue. Do we correct it? We have to look at Bill C-84 and Bill C-55 as a package.

For the first time in Canadian history Bill C-55 says clearly that anybody who breaks Canadian immigration law in any way, shape, or fashion, fraudulently or otherwise, and makes the claim to be a refugee will not be chargeable until that claim is determined. If they are found to be a refugee, they will never be charged and never be convicted. Today refugee claimants do not have that kind of protection. Without this Bill they will not have it tomorrow either. With this package of changes they will have it.

If we listen to criminal law experts on the particular clause in Bill C-84 which seems to bother the Hon. Member, we must ask ourselves whether any provincial Attorney-General will ever be able to get a conviction of somebody who organizes an activity which in itself is not illegal. Bill C-55 indicates clearly that engaging in those kinds of activities, if one is a refugee, is not to be illegal any longer. However, those who organize manifestly unfounded claimants—the 3,000 people who came from Portugal and the 1,800 who came from Brazil where there was no basis for the claim—will be chargeable under the new legislation, and they should be chargeable under the new legislation. This is why the Act is being amended.

If they want to complain, let them complain about the present legal situation. Let us get off this filibuster and let us vote. They have a right to an opinion different from that of government Members. We happen to believe that our view is the best view for refugee claimants and the best view for the country. They happen to have a different one. Let us go to a vote and move along. Let us get to some other important pieces of legislation such as that copyright. In the meantime, having come back for an emergency session in August, surely we have passed the point of rhetoric. We should be dealing with the matter in a substantive, factual, and informed way.

**Mr. McCurdy:** Mr. Speaker, the repeated characterization of the debate by the Opposition as a filibuster is nothing short of despicably anti-democratic, and the people of Canada should understand it. That representative of the Government says that what I have said is rhetoric. What I say is an expression of the passion with which I reject the Government's position on this legislation.

The Hon. Member says that what a refugee may do in order to gain admission into this country after the determination of refugee status will not be construed as illegal. Once again he says that I am using rhetoric, but he refers to the Portugese and so on who came into the country with documents. Yet it is his legislation which would jail those who knowingly organize, induce, aid or abet, or attempt to organize, induce, aid or abet the entry into Canada of a person who is not in possession of a valid and subsisting visa. What refugee is going to come into this country with a ready-made passport and visa unless he or she is going to do it at the risk of his or her life? This is not rhetoric. This is truth. The Senate recognized the truth, as did 400 organizations which made their case to the Senate. This is not a filibuster. It is an attempt to get the Government to listen to the people who have a more sympathetic chord in their heart in respect of refugees in the world.

**Mr. Riis:** Mr. Speaker, I too want to comment on the interjections of the Parliamentary Secretary who seems to feel that by poking a stick into a cage with a grizzly bear that somehow you will get co-operation from the grizzly bear or that somehow the bear will start treating you nicer.

It is an odd way to get co-operation on the floor of the House of Commons, to be hurling insults and making accusations and then asking, "Will you co-operate?" We are the grizzly bears and they are the ones who are poking sticks. Quite frankly it is an odd approach.

Repeatedly the Parliamentary Secretary rises and says that this is a good and thoughtful piece of legislation. He says that this is a useful initiative. Of course, there are useful components of this legislation. Every single clause is not a horror show.

• (1530)

The point in a debate in the House of Commons on a motion is for those of us who are in Her Majesty's opposition Parties to try to identify whatever flaws may exist in legislation. As my Hon. friend for Windsor—Walkerville (Mr. McCurdy) so eloquently stated, dozens and dozens of groups with expertise and experience in this matter, people who have dedicated their lives and *raison d'être* to this issue, have said repeatedly that there are serious flaws in this legislation. Various members of the Liberal and New Democratic Parties have pointed them out.

As you know, Mr. Speaker, we are simply doing our job. We are trying to convince the Parliamentary Secretary that he should not have the attitude that because his Party has a large majority of Members, it can ignore democratic traditions and the parliamentary system and just use jackboot techniques to jam any legislation through. Our parliamentary system does not withstand that kind of arrogance. I urge the Parliamentary Secretary to be thoughtful when making comments. As we attempt to improve this legislation, and hopefully not for much longer, we should be given that recognition and not be accused of filibustering legislation when that is not taking place at all.

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, I would like to reiterate what the Hon. Member for Kamloops—Shuswap (Mr. Riis) said. The Government, of course—

**Mr. Andre:** That still doesn't make it true.

**Mr. MacLellan:** It makes it a lot truer than it was before.

The allegations made by government Members that opposition Members are filibustering this Bill are completely ridiculous. If there is any reason for the delay in this Bill, it is because the Government introduced a Bill which was completely inadequate and unsatisfactory for the purposes

supposedly intended by the Government when it brought it forward.

Hon. Members will recall that this legislation was brought forward in a great hurry after a boatload of people were brought ashore in Nova Scotia this past summer. It was perceived at that time that a Bill of this kind would be popular with the people of Canada. The bringing forth of this Bill in such haste was an unfortunate response to the situation.

As has been said this afternoon, not all of this Bill is ridiculous or unnecessary. There are some very good parts to this Bill, but there are parts that need to be corrected. As long as these gaping inequities exist, it is the role of Parliament to examine them.

Such a strong supporter of the Senate as the Minister of Consumer and Corporate Affairs (Mr. Andre) would, I am sure, realize and admit that the Senate has provided a very good service, though none of its major recommendations have been accepted by the Government. Some of the minor ones have been accepted and I think that these minor recommendations do help to strengthen the Bill and give it a great deal more credibility. I think it is unfortunate that there are some amendments that the Government has refused to acknowledge.

It has been stated already that those who knowingly aid refugees or would-be refugees to come to Canada are open to prosecution under this legislation. The way that clause is worded is unfortunate. There are people who want to bring refugees into this country who are taking a chance. They will now have to say to themselves: "We will bring these people to Canada to protect them from the danger they are facing in their own countries and we will risk prosecution in order to do so. There is a bad law and we must ask ourselves if we will aid these people and be subject to the bad law or, on the other hand, if we will not aid these people and play it safe".

These people who have the benefit of their fellow men at heart will take the risk of being prosecuted because they are helping refugees. These people who want to help their fellow men are not criminals. They are not people who will falsify documents or lie, but they will help people in need.

To say that refugees must have passports or visas when they arrive in Canada is completely ludicrous. Refugees who are in difficulty and fear for their lives in their own countries have to leave very quickly and do not have a chance to obtain proper documentation before leaving.

It is important to ask what kind of image we want to portray as a country. Of course, we do not want to portray Canada as being a place where anyone who wants to leave his own country for whatever reason can come. That is not the point, but it is important that Canada maintain its image of being a country that helps those people who are in genuine difficulty in their own land and who were trying to make their own country a better place and therefore fear for their own safety.

What is the Government doing about all this? Of course, the Government is taking a very stand-pat position on this Bill. It is saying that even though it was brought in in haste and without proper thought, the Government will not make any changes to it because it does not want to tip its hand any more than it already has by acknowledging that it brought this Bill forward without proper thought. Of course, the Government is hoping that Canadians do not see the inadequacies, inconsistencies and inequities in this legislation.

One particular clause of this Bill typifies the problems that exist with this legislation. It is the clause which gives the Government the right to turn back vessels that are possibly bringing people into Canada illegally. The Bill provides that this must be done with the approval of the Minister and talks about possibilities that are very slim and probably will not happen. A very real possibility exists that this will happen, but this cannot be tolerated in our society.

We are not only talking about refugees or people who come into Canada illegally, we are talking about the rights of individuals. I do not think it is right for the Government of Canada to take a position of us and them. The Government is saying that those who are Canadian citizens are one type and those who are not Canadians are another type and are not of the same status and do not have rights. I believe that that is wrong.

If we go along with that, we are saying that we agree with the Government's position. If we agree with the Government's position, we will start the downward slide in our high standards of human rights. No sooner will we have agreed with the Government's position on reducing the rights of these people who would come into Canada legally or illegally than we would be saying that human rights abuses in other countries can go on. We will start turning a blind eye to these abuses. Then we will start saying that no one is a refugee because if a person is a citizen of another country, that person has a responsibility to that other country. Gradually, we will become more callous in our thinking toward our fellow man. To me, that is the real threat in this piece of legislation. Then we come back inside our own borders and start eating away at the rights of Canadians. Soon the very people who have agreed to the whittling away of rights of people from other countries begin to see their own rights whittled away. That is the inevitable consequence of treating some more fairly than others.

• (1540)

Turning a vessel away in this situation is not fair treatment of our fellow man. Second, it is not the answer the Government says it is. The people who have organized this sailing for profit will be allowed to get away, only to turn around and do it again with another boatload of people. Third, to set those people adrift outside Canadian waters in goodness knows what kind of conditions and in what kind of vessel would be a travesty.

I ask you, what happens to those people then? Do we allow them to bob around the ocean in an unsafe vessel? Do we allow

them to just stay there, men, women and children? Undoubtedly, over the course of time, they will reach the shore anyway, the fortunate ones. The unfortunate ones will perish at sea. Is that what the Government wants?

That is completely unsatisfactory. It is no answer at all. It does not deal with those who break the law and profit from the misery of these people. The better solution would be to bring the vessel into port and charge the person in control. Make sure that person is penalized to the full extent of the law. More important, we would make sure those people, whether they are true refugees or not, at least have a safe haven while their case is being decided.

What is wrong with giving them the benefit of the doubt? What is wrong with bringing them ashore and applying Canadian law? The law is here, why push them away? Why devise laws for these people and then drive them from Canadian waters and not apply the law? It makes no sense whatsoever.

We have to give some real thought to this. We have to reflect on it once again. To say that this Bill is being filibustered is not adequate. What kind of alternative do we get? We have heard two or three cases during the life of this Government involving people who had the money to get into Canada even though they did not have the proper qualifications. They did not have the proper background or had committed acts in their country which, under ordinary circumstances, would not make them eligible for Canadian visas or landed immigrant status. There seems to be a double standard.

We have to look at the true situation. The true situation is that all the people who land in Canada deserve to have Canadian law applied to them. You cannot say that because they come here by boat their right to Canadian law is any less important than that of someone who lands by plane or who comes across a bridge from the U.S. The law applies to people who come to Canada regardless of the method. It is here to help them. It is here to strengthen the fabric of this country.

There is no need to try and to belittle the Opposition who feels there are inconsistencies in this Bill and provisions which whittle away at the fabric of this country. We feel there is something to be said for Canada's role in the international forum and this is what we want to bring forward. That is very important, along with the rights of humanity.

I congratulate the Senate for its reflection on this Bill and the amendments agreed to by the Senate committee. They were agreed to not just by Liberal members of that committee but by all members. I think that is very important. It says a great deal about the workings of the committee. They dealt with it in an unbiased and unpartisan manner. To allege political partisanship does not do justice to the role of Parliament in dealing with this very important piece of legislation.

**Mr. Deputy Speaker:** Questions and comments.

**Mr. Hawkes:** Mr. Speaker, I am a little surprised that someone who is usually so thoughtful, and who comes from a province with ocean borders, would so easily buy the prepared notes which have probably been done by someone who is landlocked using testimony that comes out of Toronto. Reading time after time in this House from that same set of notes is an attempt to give them credibility and contribute to what I have characterized as a rhetorical filibuster. It is not an informed filibuster but a rhetorical filibuster.

The Hon. Member spent a lot of time talking about the boats. I would like to spend a minute or two talking about the boats.

Maritime law, as he should know, currently allows ships to be taken into custody within your territorial limits and escorted to port. Nothing has changed. That power exists today, it will exist tomorrow, and nothing we are debating in this Chamber changes that. What did that law standing alone produce? It produced peddlers in human flesh who put people on unsafe boats in the North Atlantic. It produced another group of peddlers of flesh who brought an unsafe vessel, not a passenger vessel but an unsafe vessel crammed with people, with inadequate sanitation, health care and food, and so on, not to a port but to a rocky shore. Those who say, "Leave them all alone" are inviting a continuation of profit for peddlers in human flesh who put desperate people's lives at risk. This is really what they are arguing for time after time. They are saying that the law should not be changed because it provides the opportunity to peddle in flesh and put people's lives and health at risk.

• (1550)

Through changing the law we seek an additional power rather than a replacement power. We want the Minister to have the power, when satisfied as to health, safety, and refugee convention, to turn a boat back. If the penalty for ships' owners when caught is confiscation and imprisonment, are they more likely to put people in lifeboats outside our limit? Operating on the assumption that humanity does exist in those ships' captains, those peddlars, if you give the Minister the power simply to turn the boat around rather than putting the captain in prison and confiscating the boat, are they more or less likely to put people in lifeboats on the North Atlantic?

Surely the option produces the best results for the people about whom the Opposition continually says it cares. The present law put the Tamils in the lifeboats. The present law put the people in the boat on the rocky shore. It is time to be reflective. It is time to end this nonsensical filibuster.

**Mr. MacLellan:** Mr. Speaker, it is obvious the debate has not gone on long enough because the Hon. Parliamentary Secretary to the Deputy Prime Minister (Mr. Hawkes) has said that even though he has heard it many times it still has not penetrated. I hope that if we say it a few more times it will penetrate.

The Bill does go further than the existing law. To say that the Bill is only intended to give another avenue to the Minister is just not correct. This legislation would blatantly put the welfare of the people who would be the cargo in these vessels out of the window without any regard for them whatsoever. To turn a vessel around it would have to be in Canadian waters.

The fact is that it is much better to seize the vessel in order that the cargo will at least be in your protection. You will have boarding rights which will enable you to learn the condition of the people. You will at least have a chance to help them. If the people are in desperately bad health and on the verge of succumbing to the rigours of the voyage, you can do something for them. You could airlift them and give them immediate treatment. If you turn them around, they are sentenced to certain death.

In the interests of human beings there is no choice. You must do what you can. You do not put people in prison and starve them to death simply because they are illegal. You do not subject them to inhumane treatment just because they are criminals. Even if these people are criminals and are coming into Canada illegally they are entitled to humane treatment. That is what we ask for—humane treatment.

**Mr. Stackhouse:** Mr. Speaker, the point which the Hon. Member has made is covered in the legislation. The Minister will have authority to stop a vessel, examine it, and direct it elsewhere subject to due care for the interests of the people aboard and due respect for the convention. The concern which the Hon. Member is expressing is within the ambit of the proposed legislation. We have here some fearmongering.

**Mr. MacLellan:** Mr. Speaker, we do not want the option of due care but the certainty of due care. We do not want the Minister to decide whether he or she will give due care. We want to be able to assure these people that they will get due care.

**Ms. Mitchell:** Mr. Speaker, I appreciated very much the response which the Member made to the last question and I agree with him completely. I would like to ask him a question which has been bothering me for some time.

The Member will recall the days after the Vietnamese War when people from Southeast Asia were in boats at sea and their lives were in danger. Many of them had paid people for their passage and were what the Member referred to as the human cargo on these little boats.

The ASEAN countries; Thailand, Indonesia, and Malaysia, took them in and were the countries of first refuge. If we apply what Canada is trying to do with this legislation to the situation there, those ASEAN countries would have applied all those prohibitions and those people would have been left at sea.

Is that a fair analogy? Would the Member like to comment on that? It is wonderful that those countries, which are so poor themselves, took in those refugee claimants. They still have many of them in camps and Canada refuses to take them.

**Mr. MacLellan:** Mr. Speaker, I would be very pleased to reply to that. That is a lesson we learned which the Government has obviously not remembered. This country took in thousands of Vietnamese boat people, as they were called at that time, even though they were not floating in Canadian waters. Canada's record has been tremendous in that regard because of our concern for the lives and welfare of these people. They were in camps in Southeast Asian countries in the best conditions which those countries could provide.

The Government of Canada moved quickly and instituted a fifty-fifty policy with private groups. Areas of this country which were not as economically strong as others participated. Groups in Newfoundland, Cape Breton, and from coast to coast sponsored these people to come to Canada. That shows that regardless of their own economic conditions Canadians are very concerned with the welfare of their fellow man.

**Mr. Deputy Speaker:** The period for questions and comments is over. The Hon. Member for Prince Albert (Mr. Hovdebo) has the floor on debate.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, this Bill has been reported from the other place and the amendments suggested there were unanimously passed by the members of that place. They felt so strongly about it that they endorsed the recommendations to humanize this Bill. That is the key to this extra opportunity which the Government has to deal with this issue. The Senate has given the Government an opportunity to deal with the Bill once more.

Good legislation goes through without too much debate. Bad legislation keeps turning up. The Senate has given the Government an opportunity to improve this Bill in a humanitarian way. This legislation is bad in a number of ways. It turns away boats as they enter Canadian waters. That has been recognized by many people on both sides of the House as a dangerous situation. This may turn away legitimate refugees in the process, without giving them the opportunity for a hearing in Canada. That runs against the traditions and practice of Canadian immigration policy for many years.

• (1600)

Canada is a country of immigrants. We come from a background of people who left their homes to come to Canada in search of a better life with greater opportunities. We have had a tradition of accepting refugees who wanted to take advantage of the greater opportunities that our parents had. If this Bill adopted, we may turn away legitimate refugees without the benefit of a hearing.

Second, those who profit from the plight of refugees by transporting them by boat would be forced to drop potential refugees outside the 200-mile boundary, leaving it up to them to make it to shore. Would it not be more useful to seize the ship, and put out of commission these rip-off artists and

unscrupulous agencies who profit from refugees? Would it not be more useful to confiscate their vessels so they can no longer carry on such practices?

The Senate has done the Government a service by giving it another opportunity to correct the legislation. It had the opportunity to make this a more humanitarian Bill when it was first introduced to the House. Humanitarianism is the key element forgotten in this Bill. There is ample opportunity in Canada for everyone to have the kind of full and productive life that refugees want. Canada has great wealth, with many opportunities for an almost limitless number of people. It is wrong to prevent such an opportunity by ignoring the basics of humanitarian treatment.

There are two key elements of the Bill to which we object. The Government has refused to address the question of authority to detain identified refugee claimants for long period without review. It has also retained the right to turn back ships at sea, thereby preventing humanitarian treatment of people attempting to get into Canada.

The amendments with which we are dealing today suggest that as much opportunity as possible be given to these people to have access to a legal process which allows them the right to a hearing in Canada. Such a provision would allow us to live up to the reputation we have built over many years. It will fulfil the traditions on which this country was built.

Another area of concern is the treatment of people who help refugees get into this country. The Government has another opportunity to deal with this issue in a much more meaningful way. I think it is important that the Government use this opportunity to take the proper steps as suggested by our Party and others and reinforced by the Senate. It should change the Bill so that it is more acceptable to the people of Canada.

**Mr. Hawkes:** Mr. Speaker, we are in a filibuster—

**Mr. Blackburn (Brant):** We are in a debate, not a filibuster.

**Mr. Hawkes:** We are into a filibuster, if you listen to the repetitive nature of the speeches and comments.

We have been debating this legislation since August. I would like the Hon. Member opposite to provide some clarity. Current maritime law allows Canada to escort a vessel to port and charge the captain for an alleged crime and seize the vessel. That law clearly led to the Tamils being put into lifeboats and made a ship's captain decide not to go to port but to go to the rocks in the near shore in the middle of the night. This put the lives of passengers at risk in both cases.

Is it the position of the New Democratic Party that we should continue with this law? If so, how can they rationalize that continuing with that law is safer for passengers? The only two experiences in recent Canadian history have shown that the existence of that law encourages ships' captains not to get caught but to dump their passengers in lifeboats or sneak in the middle of the night into rocky shores, in view of the risk of their vessel being seized. Vessels are worth millions of dollars. They run the the risk of ending up in jail. It is that law which is currently on the books, with no other outlet, that produced the risks which the Tamils the summer before last and the group in Nova Scotia last summer experienced.

• (1610)

What train of logic leads the Opposition to believe that upon reflection we should leave the country stuck with that law if the Opposition cares about safety?

**Mr. Hovdebo:** Mr. Speaker, the filibustering of which the Hon. Member speaks is not filibustering. It is an opportunity for himself and other members of his Government to recognize that this Bill would be better if the Member accepted the recommendations put before this House by the Senate.

**Mr. Belsher:** All of them?

**Mr. Hovdebo:** The Member speaks about the law which causes, he says, opportunities for people to be dropped offshore. There will be no change in what happens as a result of that law. The chances are that instead of dumping people a few miles off the coast, people will be dumped 200 miles off the coast saying, "Take it on your own. Accept the money and go", if you go with that sort of logic. If people do come into our waters, why not seize them, and why not make them adhere to the established Canadian law? Does the Conservative Government think that, by putting in place a law which could turn away ships, it would increase the ability of refugees to come to Canada?

I understand the Member had an opportunity to see the most recent ships that came here. Had those ships been turned away it would have meant the death of many people because the conditions which they had to endure were unacceptable slave conditions of the past century. If those are the kinds of suggestions the Government is making, the Government is condemning people to death who are picked up as refugees trying to come to Canada rather than giving them an opportunity for a legal and rightful hearing.

**Mr. Kaplan:** Mr. Speaker, I have a further question for the Hon. Member. He was asked by the Parliamentary Secretary questions that relate a lot to the legalese of the situation. I think the Hon. Member should be given the opportunity to talk a bit about the tradition that is violated by this legislation.

**Mr. Hovdebo:** Mr. Speaker, we have had a tradition in Canada of accepting people and giving them an opportunity. I thank the Hon. Member for his question.

We also have had a shameful experience in that area because on a couple of occasions, one in Vancouver and one off the East Coast, we turned away legitimate refugees because we did not give them an opportunity to be heard. Let us not have that kind of situation recurring in Canada. Our tradition is to accept people into Canada and to give them a fair hearing.

**Mr. Robinson:** Mr. Speaker, I want to congratulate the Hon. Member for Prince Albert (Mr. Hovdebo) for the concern that he has shown over the years for the plight of the downtrodden and the oppressed.

I would like to follow up on the questions that were asked by the Parliamentary Secretary as well as the Hon. Member for York Centre (Mr. Kaplan) with respect to turning ships around. The Member from Prince Albert made reference to this issue. I note in the report from the other place there is background reference to this issue. Of course, the Senate, in making recommendations for changes in this area, looked at a couple of important arguments. The Senators looked at the questions of our international obligations and how they impact of the Charter of Rights.

In that light, the Senate is saying that it is difficult to imagine how Canada could, in fact, be seen to be adhering to its international obligations in turning a ship away, although Bill C-84 does state that the convention relating to the status of refugees is to be taken into account.

In the few minutes remaining, I would like to ask the Member to comment on the importance that the Member attaches to Canada adhering to its international obligations and also to the importance of adhering to our obligations under Section 7 of the Charter of Rights and Freedoms. By turning a ship around without allowing the basic due process to refugee claimants on board, the Senate suggests that it is quite possible that we would be in breach of the provisions of Section 7 of the Charter of Rights.

The argument made by departmental officials is that the rights under the Charter apply to people at a port of entry and not at sea. As the Hon. Member for Prince Albert knows, and he has spoken on this on a number of occasions, this matter is not at all resolved. I believe the Hon. Member has made reference in the past to the Supreme Court of Canada's decision in the case of *Singh v. the Minister of Employment and Immigration* in which the Supreme Court of Canada held that the protection of the Charter extends to every human being who is physically present in Canada and by virtue of such presence amenable to Canadian law. Thus, of course, refugee claimants can invoke the Charter.

The issue as to whether a claimant who has not yet landed in Canada but is in Canadian waters was not specifically before the court in the Singh case. The Hon. Member will be aware that Canada has played a positive and constructive role in the past in this area, and this particular legislation is a significant step backwards.

The Member knows, for example, that Canada set a positive example for the rest of the world in 1979 and 1980 when we urged the countries of Southeast Asia not to turn away the boatloads of refugees fleeing from those countries. I might say as well that the Hon. Member for Hamilton Mountain (Ms. Dewar) played a truly outstanding role of leadership in the community here in Ottawa in helping to resettle those particular individuals.

Would the Hon. Member for Prince Albert in the short time remaining care to comment on the importance of Canada adhering not only to our international obligations but as well to our obligations under the provisions of the Charter of Rights and Freedoms?

**Mr. Hovdebo:** Mr. Speaker, most Canadians have been able in the past to point with pride to the fact that we do recognize the rights of human beings all over the world. We recognize our international obligations in accepting legitimate refugees from all parts of the world to the extent where we accepted an award for our understanding in accepting refugees when they came to our shores. If we abrogate those traditions, the Charter and our international obligations, we are stepping backwards. We are going back to the time when many parts of the world felt that they had the right to say no to refugees who had a legitimate reason for entering a country.

The tradition of refugee status is a longtime tradition which international law has accepted for many, many years. It behooves us to take care that we are not one of the nations which breaks that international obligation and the opportunity to show ourselves as believing in the Charter of Rights which we have accepted in our Constitution.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Broadview—Greenwood—Acid Rain—Government's strategy *vis-à-vis* United States/Government intentions/Request that Canada break off negotiations with United States; the Hon. Member for Kenora—Rainy River (Mr. Parry)—Government Appointments—Request for committee scrutiny/Request for native representation on Board.

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## GOVERNMENT ORDERS

[*English*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Bouchard in relation to the amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, and the amendment of Mr. Marchi (p. 12340).

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, we are dealing here with the Senate amendments to Bill C-84, a Bill dealing in the area of immigration with the restriction and entry into Canada and accelerated removal of refugees claimants. The Hon. Member for Calgary West (Mr. Hawkes) has risen throughout the debate in the last few hours to try to characterize what we are doing here in the House as a filibuster, to say that all the points have been made and that it is now time to put the question. Far from it. In this debate I submit that every Member has a duty to speak. Each of us has to stand up to tell the country why we feel that the oppressive majority which the Conservatives represent in the House should not be allowed to prevail on this Bill.

• (1620)

Is it not interesting that in the Senate not only do the Liberal Senators find this Bill oppressive and unacceptable but the Conservative Senators have joined them to urge on the important government amendments to Bill C-84 which is now before the House? I think that we would be derelict in our duty as Members if we did not all stand up and loudly and clearly repeat the message that has come virtually unanimously from the Senate that this Bill with the oppressive features which it contains, which I will refer to in a moment, has no place in the law books of Canada. No matter how right-wing the Government is or how motivated it is by the back-bench club which has stood up against some of the most progressive institutions in our country, there is a Charter of Rights and Freedoms and a voice in the country that will not let this Bill pass.

I want to say something about the context of the legislation, and to talk about our history for a moment. I would also like to talk about some of the other legislation on the books that, in my view, covers adequately in most respects the situation of illegal immigrants and those whom for proper reasons, the Government may wish to remove from Canada. For the sake of history I would like to point out that probably more than any other country in the world Canada is a country of refugees. It is more a country of refugees than the United States, Vietnam, China or the frontier countries of first reception where refugees flee from unsatisfactory situations within their own borders.

Recently, I saw some statistics with respect to this point. They show that in 1985 one out of every 329 Canadians is in Canada as a refugee. That does not refer to their parents or to their grandparents but to each one of 329 individuals. If we look at the 1920s and the 1930s when Ukrainians came to Canada in such large numbers to seek refuge, and to the post-Second World War years when so many others came from Europe, and to the Vietnamese refugees, it is clear that the voice of the refugee and the descendant of the refugee is a strong part of our national heritage.

When I hear the Hon. Member for Calgary West challenge us to find another country in which refugees are treated better, I do not think that is good enough. I know that it can be done. However, I think that the challenge is to ensure that our best humanitarian tradition is preserved in our law.

At the same time as I say that, there is another feeling in the country which is very important and which deserves respect, too. That is to say that no one in Canada likes to see us made suckers of, or likes to see the country used by people who are not refugees and who have no legitimate claim to come or to remain here but who come and look through our laws and at the humanitarian impulses of Canadians to try to find some basis to stay here. Part of our history, too, is openness and fairness toward refugees. At the same time this is not wanting to be abused or to be taken advantage of.

I would like to turn for a moment to some of the other legislation which is available under our present laws for dealing with those who claim to be refugees. It is an interesting day for me to do so because earlier today in Question Period I asked the Minister of Employment and Immigration (Mr. Bouchard) a question about the claim to remain in Canada of Mahmoud Issa Mohammad who has been taken by the Government to court in a deportation process. An adjournment was granted until February 16 in this case. Mr. Mahmoud Issa Mohammad is by his own admission the individual who, with accomplices back in 1968 fired on an El Al aircraft. In front of me I have a clipping from *The Globe and Mail* of December 27, 1968, which reports on this incident. He is the individual who fired in a terrorist attack on an El Al airliner in Greece. According to the clipping there were 47 passengers on board and a crew.

Mr. Mahmoud Issa Mohammad was arrested, charged and convicted for that incident. Events revealed show that he was released subsequently on an exchange made to release hostages who were being held in another country. It seems pretty clear that he did not serve the sentence that was imposed upon him. When he came to Canada he admits that he concealed his record and lied about his background in order to be allowed to enter Canada as a landed immigrant.

The Minister of State for Immigration (Mr. Weiner) rose to say that our country would not become a haven for terrorists when he was asked about this matter a few days ago. He suggested that very strong measures would be taken because there are strong measures under the laws of Canada to do everything the Government can do to have Mr. Mohammad removed.

One can imagine how Canadians feel when they see a story such as that unfolding and how they would want to be certain that the laws were effective and that something could be done to remove an individual such as Mr. Mohammad who, by misrepresentation, obtained landed immigrant status. When they learn from the Minister that it will take months and years—and a departmental official, unnamed, said in the media that it could take five years to remove him—it is no wonder that some Canadians think that we need a law such as Bill C-84 on the books to give us the ammunition needed for

dealing with people who come in and try to take advantage of our lax immigration laws.

That brings me to the question that I asked in the House today. All of this is very relevant because it goes to show that a tough Bill such as Bill C-84 is not really needed. In my question I referred to another part of a law of Canada, that is, to Sections 39 and 40 of the Immigration Act, as amended in 1984. I will not read the statute although I will refer interested Members to Section 39 of the Act, wherein there is a summary procedure for dealing with an individual found in the country other than a Canadian citizen who is in violation of the important parts of Section 19 of the Immigration Act.

When the Minister of Immigration and the Solicitor General (Mr. Kelleher) are of the opinion that such an individual has been found in Canada, and I suggest that Mr. Mohammad would certainly fit within that definition, a certificate can be issued. A summary procedure would have been available under the present legislation, which, in due course, depending on the evidence, could have led to the deportation of an individual like the one I have been describing.

• (1630)

This procedure does not deny natural justice to the individual. There is provision for a hearing. An individual can be represented by counsel. He has the right of appeal if he is dissatisfied with the result of this procedure. Yet the Government has chosen not to use this procedure, but to rely on a procedure involving the Immigration Appeal Board, involving the possibility of appeal to the Federal Court for review, and as one of the Minister's own officials stated, to a procedure that could permit an individual to remain in our country for five years.

I assure Hon. Members that I am not going to attribute improper motives to the Government. But I wish to ask the simple question, why not use a summary procedure rather than a long drawn out procedure? Does that have anything to do with Bill C-84, which the Government is trying to convince the House that it needs now? The Minister of Immigration answered me by stating that they had looked at the procedures available and decided to take the slower, more studied and deliberate procedure which they chose, rather than the one that is provided in Sections 39 and 40 of the Act.

I want to put it to the Government to use the procedures that we have now rather than coming forward with the very controversial measures contained in Bill C-84, measures which are dubious at best and which are inconsistent with our tradition as a country that is receptive to refugees, but at the same time respectful of the rule of law in not wanting to provide asylum, as some other countries do, to just anyone. We want to be certain that those to whom we provide asylum are basically law-abiding and do not violate the clauses contained in Section 19 of the Immigration Act.

My colleagues have put forward some of the difficulties that we have with this legislation. They are highlighted by the treatment given to the legislation in the Senate. I find it totally unacceptable that the Government seeks to arrogate to itself the authority to turn back a vessel. Turning back a vessel on the high seas takes a very great deal for granted. It takes for granted the fact that the people on the boat are not legitimate refugees. That should not be taken for granted. They should be entitled to a hearing. A summary procedure can certainly be applied to it. But there may be individuals on that vessel who deserve to be considered as refugees and who are refugees. They can come to Canada and make a useful contribution. If returned to their country of origin, or even to the place where they embarked on the vessel, which could be a different place from their country of origin, they may find their lives in danger.

I tell the Government, the Liberal members of the Senate and the Conservative members of the Senate tell the Government, that as Canadians we do not want to take that risk. We do not want to place individuals, who come under our responsibility as they approach Canadian shores, in that type of jeopardy. We object to the procedure which permits the boat to be turned back. We insist that there are summary procedures that are available for dealing with individuals, for giving them a right to be heard by an independent tribunal and a very summary right of appeal once they land in Canada.

A person might argue that that means that people will take shots on Canada, and that those who are not entitled to come into Canada as refugees will come anyway knowing that the boat has to land. I challenge that. If one looks at the situations in the past with the boats that have landed, the Prime Minister indicated that everyone on board was going to be allowed to stay. If that is the policy, then people will want to come. Boats will want to risk coming to Canada in the hope that they will receive that type of treatment by the Government of the day. But if they know that if they are not qualified there is a very summary procedure which will result in their being returned to the place from which they came within a short compass of days or weeks, not months or years, then they will not come in the first place. They do not come free. They have to pay to come. They have to make arrangements to come. They take a certain risk when they come and put themselves in a boat not knowing as much as they might like to about the safety record of the boat and about the intentions of the captain. It is a risky business to come in a boat. If people know that unless they are a bona fide refugees they will only be able to stay in Canada for a very short period of time, then they will not take those risks. There is no good argument for turning back the boat, which the Government proposes to take for itself in this legislation.

There is another reason why turning back the boat is unacceptable. There may be terrible hardships on the passengers on the return voyage. There is no assurance that the captain would not have needed to land for water or food. Whether or not the individuals are refugees by their original

definition, by passing this Bill we can put them in a terrible situation where they could actually be in a life threatening situation as a result of being turned back.

The Senate is correct. In his opening statement my colleague, the Hon. Member for York West (Mr. Marchi), was correct. The Government is wrong to insist that it needs this type of power.

It is unacceptable to criminalize the non-profit humanitarian activities of individuals and groups, including religious groups, for example, churches, ashrams, mosques and synagogues, that, on a benevolent basis, might come forward and offer to try to assist strangers among them without necessarily knowing the character of their arrival and the character of their claims. It is quite wrong and unworthy of a Canadian Government, and it is out of keeping with our heritage to characterize and criminalize that type of humanitarian activity and intervention by those groups.

Having had a rebuke from the Senators of their own Party, as well as from the Liberal Senators and from the Opposition united on this Bill, I urge the Government to reconsider its rejection of that portion of the Bill. Let us not criminalize those humanitarian groups among us which come forward and want to help. Let us not put them in a position where they have to go and see their lawyer, or check out with the police whether it is possible to help this group that has come on shore, for example, in the situation of the Tamils a few months back.

I wish to conclude by reminding the Government about the reaction that this Bill has engendered across the country. Perhaps the Government thought that it was on to something good. Certainly, the BBC, the Back-Benchers' Club, with a strict right-wing agenda, would have been happy to see harsh measures for wrongdoers. But this Bill goes much further than imposing harsh measures to deal with wrongdoers. It is an insensitive Bill that establishes a wall which is bound to trap deserving refugees. This country resonates with refugees and with the sense of the cause of the refugee. This Bill should not pass.

• (1640)

**Mr. Oostrom:** Mr. Speaker, indeed we are on to something very good. As the Hon. Member for York Centre (Mr. Kaplan) mentioned, Bill C-84 will prevent terrorists and those who are a security threat to our country from claiming refugee status.

Does the Hon. Member agree that the Senate filibuster and the filibuster which is taking place here today are just delaying actions? Does he not agree that Mr. Mohammad is ever so close, without Bill C-84 being passed, to claiming refugee status and delaying the whole process for another five years or six years? I think Canadians will not stand for it. If the Bill were passed, Mr. Mohammad would not have the right to claim refugee status, and after a seven-day period we could ship him back to where he came from.

We must not forget that Bill C-84 is also in conformity with Article 33 of the United Nations convention. Does the Hon. Member agree with that?

**Mr. Kaplan:** Mr. Speaker, I agree that the Bill, if passed in its present form, would certainly prevent some terrorists from getting into the country if they came in pretending to be refugees. I must say—and I say it with respect to the Hon. Member—that that is the kind of thick-headed thinking that results in using a hammer to deal with a problem which does not require that kind of heavy-handed treatment.

We have a very good tool for dealing with the case of Mahmoud Issa Mohammad. I do not know why the Government has chosen, instead of using that tool, Sections 39 and 40 of the Immigration Act to fall back on a more general provision that calls for a hearing before the Immigration Appeal Board and reviews by the Federal Court of Appeal which could go all the way to the Supreme Court of Canada. I do not know why the Government has chosen that procedure to deal with the case raised by the Hon. Member for Willowdale (Mr. Oostrom).

However, Mr. Mahmoud Issa Mohammad is not claiming to be a refugee. He is here with landed immigrant status obtained, as he himself indicated, by lying to the officials at the port of entry. This is something which he admitted.

The Bill will not help with people who sneak in and obtain landed immigrant status. The risk we run is that genuine refugees will be on those boats that get turned back. There are boat people living in my riding which borders on the riding of the Hon. Member for Willowdale, and there are boat people in his riding. I presume to speak on their behalf. Let us not resort to this kind of heavy-handed tactic and present it to the Canadian people as if it were the only way of dealing with the problem. It does not even deal with the problem. It deals much more broadly and much more insensitively with a variety of human situations, many of which will have merit in every single situation. I urge the Hon. Member to reflect on the position he has taken and to join with us in opposing the harsh provisions of the Bill.

As to the International Convention on Refugees, I do not want Canada to be following the lead of the United Nations in matters of humanitarian treatment. I would like Canada to be setting the example.

**Mr. Hawkes:** Mr. Speaker, the Government has consistently, as had the previous Government in 1979, set the lead. I think the legislation would be viewed by international legal scholars as taking another giant step forward for the protection of refugees.

However, I think the Hon. Member had a little courage. He deviated from the script that was prepared for the filibuster and provided something new and different, and for that I commend him. He also has courage and perhaps some gall to try to defend the laws which currently exist.

If anything should be clear to all Hon. Members of the House, it is that the current law is inadequate. It was forced through the House in its basic form under closure by the previous Government which the Hon. Member served. He brought to our attention some 1984 revisions which he says can be used with Mr. Mohammad. Perhaps that assertion by the Hon. Member speaks to the difficulty engendered by this debate.

The Hon. Member is absolutely correct that there is a faster way of determining whether Mr. Mohammad has indeed broken Canadian law and is indeed a terrorist. Because of the state of the law today, once that is done, once the Security Intelligence Review Committee and all such procedures have been followed, and Cabinet has considered it—and we must remember that there are six cases before that group right now going back to 1986—we are still stuck with a system that begins with an inquiry for removal where the refugee claim can be made. What he has proposed to the House is that by using a different section of the law we take the five years and make it seven years. That is the sum total of all bits and pieces of immigration law, the basic reason the Government has tried to go for the fastest method. There is nothing under current law that will even come close to matching the speed with which the country can protect itself in the future if the Opposition will cease filibustering and let us get on with changing what is demonstrably such a very bad law.

The Hon. Member has *Quorum* for today which contains a little piece from *The Toronto Sun*. He may not understand its total significance, but it says that 163 people out of the administrative review are in detention today because of security considerations. It also says that they have opened another 762 files on inadmissibles on similar suspicion. What that is is 4 per cent of the backlog that existed in the country prior to May 22, 1986 about whom we have serious security concerns. We have over 40,000 in the backlog that has grown since that date. If 4 per cent is consistent—and it has not grown—we are looking at another 1,600 people inside the country today, along with that 900, who are a serious security concern.

When the House was called back last August, the Speaker said that it was on an emergency basis. The emergency still exists. Perhaps I feel it more keenly because the Winter Olympics are coming to my city. Perhaps the people of Toronto should feel it more keenly because international Ministers are coming to Toronto and they are targets of terrorists.

**Mr. Rodriguez:** Scare politics.

**Mr. Hawkes:** Scare politics. We are getting nothing but ill-considered and ill-informed political rhetoric from the other side in an attempt to stall the House on something that it was decided a long time ago needed to be dealt with with speed and dispatch.

**Mr. Kaplan:** Mr. Speaker, I stretched my ears to hear a question in the comments of the Hon. Member. I do not want to characterize his intervention as a filibuster, and I do not want to take a great deal of time to answer it.

He has a point. I am not standing up to say that the procedures in the present immigration law for expelling those who should be expelled are adequate or that they cannot be improved in that they are working well. In fact, I would have been prepared to welcome some legislation to make them work better.

Our own spokesman, the Hon. Member for York West had some pretty good ideas, I thought, on the kinds of things we would have liked to see in a law to improve that type of procedure. As I indicated, nobody wants to be made a sucker. We do not want invalid claims to succeed in letting individuals who should not be allowed to come to Canada, let alone remain here, stay here for unduly long periods of time. However, the Government has a right-wing agenda and is sticking to features of this Bill which I think violate the Canadian Charter of Rights and Freedoms and which certainly violate the sense Canadians have that genuine refugees should be able to come and stay in Canada.

• (1650)

The Government should relent and take our advice and the advice of Conservative Members of the other place who agreed, in their criticism of these features of the Act, that the Government is cutting off its nose to spite its face. I know that there is a serious administrative problem in dealing with the backlog. This Bill has some features that would help clear up that backlog. Let us get on with it. However, by insisting that it have the whole cake including the portions of it that are poisoned, the Government is forcing us to resist. All Canadians want us to do so.

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, I am pleased to share a few thoughts with my colleagues. We are dealing here with legislation which is of profound importance to the kind of country we as Canadians want to have. We are dealing with legislation that in many ways is a direct repudiation of a long and honourable tradition of recognizing that those who are fleeing from oppressive regimes should not be turned away from Canadian shores. That tradition was recognized by the United Nations in 1985 when Canada received the highest possible award, the Nansen Medal, in recognition of our tradition of compassion and understanding. Since that time, the actions of the Conservative Government in response to a boatload of 174 refugee claimants who arrived in Nova Scotia in the summer of 1987 have put a black mark on that international reputation.

In his continuation of his attempt to filibuster discussion of the Bill, the Hon. Member for Calgary West (Mr. Hawkes) suggested that there was a crisis that had to be responded to quickly. It was some two years ago that a committee chaired

by that Hon. Member, the Standing Committee on Employment and Immigration, made unanimous, all-Party, recommendations of a mechanism for ensuring far speedier access to the refugee determination process.

Yes, Canadians are concerned about queue-jumping. Canadians are concerned about abuse of the system. However, Canadians also want to ensure that in rejecting the abuses and those who would abuse the system and exploit individuals, we do not turn our backs on a tradition of concern for those who are genuine refugees fleeing from persecution.

It was on August 11 that Parliament was recalled to deal with what we were told was a national crisis. Canada was being invaded and the Government intended to take speedy action to deal with that invasion. The action it took, Bill C-84, has been condemned by virtually every group that appeared before both the House of Commons committee which studied the Bill and the Senate committee.

The business before the House now is the report of the Senate back to the House. The Senate heard from some 37 witnesses who gave a very comprehensive review of the issues involved in this important piece of legislation.

[*Translation*]

The Senate, for instance, heard testimony from representatives of religious communities and humanitarian groups, from people from all regions in this country, from the Canadian Bar Association, Immigration Law Section, from professors of constitutional international law, from civil liberties experts and private citizens. Mr. Speaker, the Senate has proposed a number of amendments to ensure that the Bill does not violate our obligations, not just our international obligations but also our obligations to the Charter of Rights and Freedoms. The witnesses who appeared before the Senate committee shared the view that the Bill was contrary to the principles of international conventions on refugees and probably also to the provisions of the Charter of Rights and Freedoms. The courts and court decisions support this view. In fact, the Senate's report suggests this position is supported by several decisions of the Supreme Court of Canada.

Mr. Speaker, Conservatives on the Committee signed this report, and one would have hoped Conservative Members here in the House would have responded to this appeal from their Senate colleagues.

Mr. Speaker, the Government has accepted several amendments proposed by the Senate, but it insists on rejecting other, essential amendments. For instance, it still refuses to accept amendments to Section 6, concerning men and women who work, for instance, with churches and humanitarian groups to help refugees.

Mr. Speaker, these amendments are aimed at protecting these people who want to continue to work in the best traditions of this country. Unfortunately, the Government has refused to accept these amendments. The Government suggests that the amendments will make it impossible to prosecute successfully those persons who make money by organizing clandestine migrations and by advising individuals on how to make a fraudulent refugee claim. Mr. Speaker, that is not what the Senate says. In fact, it said that the Bill was a threat to Canadians who were not breaking the law at all! I am thinking of Paragraph 48 of the Senate's report, and I quote: "Bill C-84 would create offences with heavy penalties for knowingly organizing, inducing, aiding or abetting people to come into Canada without proper documents".

Mr. Speaker, many witnesses have strongly criticized the provisions concerning aiding and abetting, provisions that have also disturbed a great many Canadians.

[*English*]

**Mr. Hawkes:** Mr. Speaker, I rise on a point of order. The hour of five o'clock is rapidly approaching. If there were a predisposition on the opposition benches to conclude this item by not seeing the clock for a few minutes, the Government would certainly be willing to support that. I wonder if you could seek such unanimous consent.

**Mr. Deputy Speaker:** Is there such unanimous consent?

**Some Hon. Members:** No.

**Mr. Deputy Speaker:** There is no unanimous consent. Of course, the Hon. Member for Burnaby (Mr. Robinson) will be able to continue his speech whenever this matter is brought up in the House again.

[*Translation*]

It being 5 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS BUSINESS--MOTIONS

[*Translation*]

### CONSTITUTION ACT, 1982

SUGGESTED AMENDMENT TO INCLUDE PROPERTY RIGHTS

The House resumed from December 4, 1987, consideration of the motion of Mr. Reimer:

> That, in the opinion of this House, the Constitution Act, 1982 should be amended in order to include property rights and, that the Governor General issue a proclamation under the Great Seal of Canada to amend Section 7 of the Canadian Charter of Rights and Freedoms so that it reads as follows:
>
> "7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."
>
> and this House urges that the Legislative Assemblies of all provinces and the Senate pass similar resolutions.

**Mrs. Claudy Mailly (Parliamentary Secretary to the Minister of National Revenue):** Mr. Speaker, that issue of property rights has been a personal concern of mine for at least a decade.

In 1979, when I ran for the first time as a Conservative, a group of Quebec candidates adopted as their basic political position, almost as a prerequisite to running for the Conservative Party, that property rights become part of any Progressive Conservative elections platform. As for my Party itself, it has had that concern for decades. We are all aware of the efforts made by the Right Hon. John Diefenbaker on the matter of property rights.

Now, Mr. Speaker, what is involved is not simply a matter of lofty principles, but rather practical matters. We know very well for instance that property rights are part of the balance between community and individual rights. Let me explain. The community of course has a right, as a society, to a healthy, positive development, but the individual also has the right to basically protect the principles inherited along with citizenship.

In 1981, during the Constitutional debate, Hon. David Crombie, now a Minister but then a backbencher, although not backward because he had very progressive ideas, stated on February 18, 1981: "Secondly, the Charter of Rights does not include property, as I mentioned earlier. The right to enjoy property is essential to people understanding not only of their rights but of their freedom and security. We put a motion to include property as a right; and it was voted down". The Hon. Member then to criticized the approach taken by the New Democratic Leader when he suggested the Charter of Rights had to be enacted as put forward because of the need for change. And the Hon. Member went on to say: "The Leader of the New Democratic Party (Mr. Broadbent) said it is time for a decision, time for change. We have to act decisively in history".

As you see, Mr. Speaker, this principle was of major concern to many responsible members of our party.

I also want to quote the comments made by the Speaker of this House, the Hon. John A. Fraser, who was then Member for Vancouver South. He was asking the then Prime Minister, Mr. Pierre Elliot Trudeau, why, knowing that it would be useless to attempt negotiating to incorporate property rights in the Constitution, the Sollicitor General, acting as Justice Minister, had made such a commitment. He also asked: "Is the Prime Minister really trying to make us believe that it was put forward to broaden consensus which the Prime Minister knew perfectly well did not exist?" I should add that the major issue of the day was to broaden consensus among the Opposition Parties. The Right Hon. Pierre Elliot Trudeau had replied: "Madam Speaker, the federal Conservative party seems to attach such importance to this matter" At which point someone had interjected: "You're damned right we do". To which Mr. Trudeau had replied: "The hon. member says, "You're damned right we do". I say that if they want that amendment so badly in the constitution, and they want it so badly that it should bind all the provinces as well as the federal government, then let them come and support us and maybe I will give up the support of the NDP." He was therefore willing to trade on a basic principle.

Mr. Fraser had then replied: "Madam Speaker, I remind the Prime Minister that the Conservative proposal is to put these provisions that we have been suggesting and working on to the provinces." In other words, we wanted the support of the provinces for a very basic principle because our party believed in the rights of the provinces as it believes in the rights of the individual.

As for Mr. Hamilton, who was then Member for Qu'Appelle—Moose-Mountain, he said the following in his speech on February 23, 1981: "The third point I wanted to mention was the right to enjoy property, which is the first item in the Diefenbaker Bill of Rights. Why any Liberal or NDPer would deliberately, in full public glare of television, radio and newspaper, stand up and declare that they did not want this entrenched in the Constitution is beyond me. Anyone who knows the history of the new world, South America, North America, Australia and New Zealand knows why people came to these lands. They came to enjoy the ownership of land. To the working man, that means his home."

Vince Dantzer, who was representing the Okanagan North riding at the time, stated on March the 2nd, 1981: "There are other flaws in this document, flaws due to the process and haste which has characterized the passage of this resolution. Where are property rights?

During the committee hearings the hon. member for Provencher proposed the following amendment: Freedom from unreasonable interference with privacy, family, home, correspondence and enjoyment of property. These basic rights have been accepted in our tradition for hundres of years. They appear in the Magna Carta. They were present in John Diefenbaker's bill of rights. Yet, the Liberal majority at the direction of the New Democratic Party retreated from the position of acceptance to one of rejection and refused to allow the charter to guarantee the right of Canadians to own and enjoy property. "A man's home is his castle", but not in Canada under a Liberal and NDP government." It is rather ironic, Mr. Speaker, because these days, the idea of a Canada under a Liberal and NPD Government is again fashionable.

Canadians could then remember that at that time, such a government prevented them from enjoying the right of property which is a very basic right, not only as a principle, but also as an economic right.

Everybody knows that the citizen who owns his own house, who has the joy and pride of possessing assets, will respect them, respect himself and his neighbour much more.

On the other hand, we often realize, when watching TV or reading the papers and magazines, the great many social and basic problems faced by people forced to live in the tenement sections of ghettos, such as those found in the major American cities, where a great many individuals, because they do not own any property or their own house, feel dehumanized and show the most complete disrespect for themselves, their neighbours and the premises they live in.

Personally, Mr. Speaker, I feel that this old principle should be enshrined in the Constitution, but it is also something quite practical for us Canadians, because, as I said, it ensures the balance between the rights of the community and the rights of individual Canadian men and women.

[*English*]

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, Canadians should not be concerned in any way about the fact that property rights are not enshrined in the Charter of Rights. We have lived and now live under jurisprudence which has established an unwritten basis in law for property rights. Anglo-Canadian jurisprudence has traditionally recognized as a fundamental freedom the right of an individual to own and enjoy property, and the right not to be deprived of that property. This was established without being written into the Constitution.

• (1710)

Therefore, Canadians should not be concerned that property rights are not enshrined in the Charter of Rights and Freedoms. Their rights of property remain sound regardless of whether or not they are in the Charter. In fact, many countries believe that countries such as Canada, which have developed their law structure from the British parliamentary system and the British law structure and have established recognized rights, are in a better position than those which have them written into a charter such as is suggested here. When you include such rights in a charter, because it is sometimes necessary to abrogate those rights in some way, you have to make exceptions to them. As those exceptions develop the rights become less free than they would be if they were not written.

The Anglo-Canadian right to property has been confirmed by a Supreme Court decision. The Supreme Court came down firmly on the side of property rights. While they are not enshrined in the Constitution they are definitely the rights of the country.

Section 26 of the Charter of Rights and Freedoms states:

> The guarantee in this Charter of certain rights and freedoms shall not be construed as denying the existence of any other rights and freedoms that exist in Canada.

The Charter of Rights and Freedoms specifically set out that the fact that the rights of property are not included in the Charter of Rights and Freedoms does not mean that they do not exist. There is nothing in the Charter of Rights and Freedoms which says that these rights do not exist. That is the basis upon which we in Canada live with the security that the property we own is there for our enjoyment.

This therefore seems like a little bit of overkill. Perhaps it is playing a little bit on the fears which people have of government and of what they see across the border where property rights are a little more subservient to the Government. Countries around the world look upon our situation with envy because we feel secure in our property rights and can fight them in the courts without any suggestion that they are not secure.

In the process of discussing property rights we should also look at the history of Canada. We are in a rather unique situation in that when we brought our Constitution back we had the opportunity to decide what would be in it and what would be in the Bill of Rights. In the process of looking at what had happened over a period of 100 years the Parliament of the day accepted a Charter of Rights which did not include the right to enjoy property because it appeared to that Parliament, as it appeared to many people across the country, not to be necessary. In fact, the two strongest advocates of not including property rights in the Constitution were the then Premier of Alberta, Lougheed, and the then Premier of Prince Edward Island, MacLean—one a Conservative, one a Liberal. The third Premier who came down against the inclusion of property rights was Premier Blakeney of Saskatchewan. In the discussions regarding property rights in the Constitution the position of not including property rights was supported by a Conservative Premier, a Liberal Premier, and a New Democratic Premier, and by the parliamentarians at that time.

Parliament spent many months discussing the Constitution and finally accepted the position which was acceptable to the majority of people in the House of Commons at that time. Consequently, property rights were not included in the Charter of Rights.

I want to confirm that Canadians should not be concerned in any way about the fact that property rights are not enshrined in the Charter of Rights and Freedoms. Property rights have existed for 100 years in Canada and for several hundred years in the British tradition around the world. They have been challenged in courts and have never failed to be upheld. Consequently, I do not believe it is necessary to put property rights in the Charter of Rights and Freedoms.

**Mr. Gus Mitges (Grey—Simcoe):** Mr. Speaker, it is indeed an honour for me to have the opportunity to speak in support of the motion of my hon. colleague from Kitchener to amend the Constitution Act, 1982, to include property rights.

One of the two reasons I did not vote for the Constitution Act in 1982 was the fact that property rights were not included. The other reason was that the Charter of Rights and Freedoms gave no protection to unborn human beings. Many of us in the House at that time were very upset by those omissions in the Charter. We can see today, as a result of the decision brought down by the Supreme Court of Canada on Thursday, January 28, that unborn human beings are more and more discriminated against by not being included in the Charter of Rights and Freedoms. The Government of the day had no intention at any time to include unborn human beings in the Charter.

However, with regard to property rights, the Government of the day did in fact originally include property rights in the Constitution but later rescinded them. We later learned that

the Government bowed to the wishes and pressures of the New Democratic Party to remove property rights from the final text of the Constitution. We know why the NDP took this action, Mr. Speaker. Members of the New Democratic Party were being true to their belief that all property should be owned by the state. The NDP believes that the state knows what is best and that the people of Canada should follow their lead with no questions asked. God help us if by some accident of fate the NDP ever came to national power. It would be a disaster of the greatest magnitude.

Denying the right to private property to Canadians certainly makes a mockery of the existing rights to life, liberty, and security of person as depicted in the Charter of Rights and Freedoms.

The member of the New Democratic Party said that the definition of property is very complicated. I agree with that. We have real property which relates to land and we have personal property that deals with everything from cars to negotiable instruments. Just because the definition of property is very broad and it will, of necessity, have to be interpreted by the courts, is no reason not to embark on that course to have property rights included within the Charter of Rights and Freedoms.

• (1720)

At the outset, I would like to emphasize that in my view property rights have played a central role in the evolution of our society. Indeed, property rights are an essential part of British parliamentary democracy. These rights can be traced back to King John, the year 1215, with the signing of the Magna Carta.

Today, the right to own, use and enjoy property is fundamental to the economic life of our country and of other western democracies. For these reasons I believe property rights should be enshrined in the Charter of Rights and Freedoms.

The role of property in the economy of our country, the right to own, to use and to enjoy property, is fundamental to the basic feature of democracy, which is individual freedom. The Progressive Conservative Party has had a long and honourable association with this idea.

It was a Conservative Government under the late Right Hon. John G. Diefenbaker who, in 1960, introduced the Canadian Bill of Rights which included protection for the enjoyment of property. In the recent process leading to the patriation of the Constitution, it was the Progressive Conservative Party again that wanted the inclusion of property rights.

Unfortunately, that process was not included in the end and I am very pleased that the Hon. Member for Kitchener (Mr. Reimer) has come forward through his motion in an attempt to correct the situation.

The motion before us would add the enjoyment of property to Section 7 of the Charter, thereby guaranteeing the right not to be deprived of the enjoyment of property, except in accordance with the principles of fundamental justice. In conjunction with that, it is reasonable, I believe, to say that what we are talking about is the unreasonable deprivation of an individual when it comes to property rights.

I suggest that some of the fears I have heard enumerated in the House, that people's rights will be trampled on by the rights of Governments to conduct the business of either the province or the federal Government, are really misplaced. I do not think that is what we are talking about at all. We want to strike a reasonable balance between the property rights of the individual and the legitimate concerns of the state. I would not feel so strongly about this if I had not seen examples in Canadian history where property rights of the individual had been trampled upon.

The House will be aware of all the problems surrounding the expropriation of land for Mirabel Airport. The facts are this: Much more land than necessary was expropriated for the airport. Everybody knew it and acknowledged it. The people whose farms and homes were expropriated fought the issue for years, indeed decades, to do something about it.

I became a believer in this resolution just on that issue alone because I always thought that if property rights had been enshrined in the Constitution, people would have had a legal access and would have been able to take a legal route to show and demonstrate to a court of law that their rights had been unnecessarily deprived. It was a very moving moment for all of us when the then Minister of Public Works spoke to all the farmers who had been deprived of their property and acknowledged that a terrible mistake had been made. All the suffering during those years by those individuals was proved unnecessary.

There is no question that if this motion had been passed and been part of the Constitution, concerned individuals would have had remedy in law. I think that is what we all want. Therefore, I ask all Members to begin the process of enshrining property rights in the Constitution. It is a long and difficult process and I know it will need the support of the provinces. It is long overdue and we should begin the process now.

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, there is an odd historical event occurring now as I sit opposite my friend, the Member for Rosedale (Mr. Crombie). He may remember a former incarnation in his busy life when he served on the Constitution Committee which, prior to 1982, considered the patriation package, including a Charter of Rights and Freedoms.

He and other colleagues of his in the Conservative Party were strongly advocating that the Constitution should entrench property rights. The Conservative Members of the committee were enthusiastic about including property rights but were unwilling at that point to indicate that if property rights were put in the Charter they would support it. In other words, it was a negotiating freebie.

I hope the Minister will rise and tell the events from his point of view, but my recollection as I was sitting close to the negotiators was that the Official Opposition, the present Government, was opposing the patriation and the Charter, and were wanting changes to it.

I do not mind saying that we needed friends at that time and were quite alone in the country at that point on the patriation package. Most of the provinces were dead against it. The Official Opposition was opposed to it.

Whenever a good idea came along—and I think the inclusion of property rights was a good idea—we always hoped to use that piece of bait to further the small support that the constitutional package had at that particular time. I know the Member will correct me if I am wrong, but my recollection is that they were interested in it. The Member for Rosedale might have said on the record that this would make the package more attractive and easier for them to support, but they never said that if we put it in they would support it.

**Mr. Crombie:** But we did support it.

**Mr. Kaplan:** Now the Member for Rosedale wants me to get ahead of myself.

My colleague Jean Chrétien, the former Member for Shawinigan, was negotiating with the committee, hoping to get the support of the Official Opposition. He took ill at approximately four o'clock of an afternoon and was supposed to appear before committee in the evening. I was in Barrie, Ontario, speaking to the Kiwanis Club when I received a telephone call. I had to return to replace my colleague that night in Ottawa because we were working to international deadlines. There were other reasons why that meeting had to be held that night.

I had in my bag of tricks the approval of the negotiating committee to agree to the particular amendment that the Member for Rosedale and others were asking, which, in substance, is essentially the amendment that is before us tonight.

I was very pleased to be able to say that we would amend the package accordingly.

**Mr. Waddell:** That was Friday night.

**Mr. Kaplan:** A funny thing happened over the weekend. Other Members can speak to their side and perspective, but when next Monday morning came, it turned out that the negotiating committee had to take that back off the table. I say this to the Member for Kitchener (Mr. Reimer) and hope that he will have some sympathy for the situation we were in at the time. Not only did we fail to pick up any additional supporters as a result of making this part of the package, it looked as if we might lose the New Democratic Party, who had already agreed to support the package the way it was. Their company was an important element to the success of the package.

Now that that is behind us and patriation has occurred, everybody turns out to have been in favour of it all along in spite of the various political positions we were taking. I want to indicate for the record that this amendment does enhance the Charter. It recognizes property rights, not in the absolute—even the right to liberty is not absolute in the Charter—but recognizes it as one of the important values in Canadian society. This is not something to be tossed aside lightly by the Government of the day, by Parliament or by a legislature without having a good, sound justification for doing so in a free and democratic society. That is all this provision would do.

• (1730)

Concerning a grand scheme, the Member who just spoke before me said that the nationalization of all private property is the grand scheme. I hope it is not, and I do not think it is. But even if there were a grand scheme, and even if that grand scheme were adopted by some future Government of Canada, I think that the balance which the Charter provides would respect both interests. The Canadians would be more comfortable in the enjoyment of their property as they are more comfortable in the enjoyment of their liberty and their right of security of the person in a wonderful Charter of Rights and Freedoms which truly makes a difference in our life.

I have another minute or two and I have a comment to make about the notwithstanding clause. The notwithstanding clause in Section 33 of our Constitution permits any legislature or parliament to override the Charter and, in effect, to act as if these rights were not vested in the Canadian people. I think that the notwithstanding clause is incompatible with the Charter. The story of how it came to appear in the document is too long to put before the House now. As everyone knows, it was not the idea of the Government of the day. It certainly was not Mr. Trudeau who wanted his proposals for a Charter of Rights and Freedoms to be suspendable. It was a condition with which we had to agree if we wanted to get that basis of support which the Supreme Court of Canada held that we needed to have to go back to Britain for the last time to get permission and Britain's legislative blessing on the patriation and the establishment of the Canadian Charter of Rights and Freedoms.

What I do not understand, and perhaps some members of the government Party could help me with that—

[*Translation*]

I should like to conclude in French by saying that I do not understand why the Government is now so reluctant to take this initiative. It has recorded a success with the Meech Lake Accord and has greatly helped our Constitution to progress. I do not agree 100 per cent with what it has achieved, but nevertheless, Mr. Speaker, it has obtained the unanimous support of all Canadian governments. Why did it not enshrine the rights of property at that time? I feel it was because the Prime Minister (Mr. Mulroney) had no agenda, he had not "advanced" the interest of all Canadians to have their national perspective in the Charter. That is a major flaw which will be

remedied, I hope, following the forthcoming election which will "build" the Government of today.

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, I would like to say a few words about the motion of the Hon. Member for Kitchener (Mr. Reimer) to amend the Constitution Act, 1982, as follows:

> "7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

The purpose of this amendment is quite simple: It would protect the houses, buildings and lands owned by Canadians from any arbitrary Government interference. These provisions could have been included in the Constitution Act, 1982, which repatriated our Constitution without the support of the 27 per cent of the Canadian population residing in Quebec, in spite of the fact that there were then 74 Liberal Members from Quebec in this House. Yet, they agreed to a new Constitution for Canadians without the official participation of Quebec.

I would also like to refer to a comment made by the Hon. Member for York Centre (Mr. Kaplan) who said that, when we negotiated the Meech Lake Accord, we decided to limit the discussions to the integration of Quebec into the Canadian Constitution. Indeed, this is why we had a specific agenda. This agenda was quite well-known, notwithstanding what the Hon. Member for York Centre may have said. We were well aware of the wishes of the premiers generally and especially of the Quebec Premier, Mr. Bourassa, to have my province rejoin the Constitution, as you had not taken care of it yourselves.

I shall now come back to property rights, Mr. Speaker. These rights exist, and they scare many people, especially the socialists. Property rights terrify them. What they would like is a community of the instruments of production and especially a community of the means to spend and distribute wealth. They are afraid that, if we keep the existing legislation, they will be unable in the future to nationalize banks and oil companies and to allow state interference in the private sector. This is what the socialist party fears the most about the liberal-socialist coalition already referred to by the Liberal Leader and which would mean a movement to the left by our representatives in the House of Commons. With such a coalition, the Socialists will be in a position to demand more from the Government, to nationalize everything and surrender the future of Canada to technocrats who are not accountable for the use of our resources.

These people, who promote the ideas of Karl Marx, should look towards Russia and China and realize that these countries are starting to privatize some means of production.

**Some Hon. Members:** Come on!

**Mr. Fontaine:** They can yell as much as they please, but the fact remains that the Communist system in Russia is moving a little towards capitalism. The same thing is happening in China. They recognize to a certain extent the failure of the Communist system and the collective property.

If we do not want the same thing to happen here, the Government, instead of moving towards collectivism and developing state property to protect—

**Mr. McCurdy:** Quebec's own little Fascist!

**Mr. Fontaine:** Mr. Speaker, could we ask the few Socialists who are present here to show a little more respect for the Chair and the House of Commons and allow me to continue? Could we ask them at least that, Mr. Speaker? I know that they are complainers, that they are drop-outs and intellectual failures in our society, but they should respect those who have been elected here and are addressing the Chair.

I want all Canadians to understand that we want to give back the greatest possible benefit to the taxpayers who own and are accountable for their property. We want to make it possible for Canadians to acquire wealth. Strangely, Mr. Speaker, if it were not for us who are aware of the importance of private property, of capital and private initiative, the Socalists could not survive in this system because they are essentially parasites of a rich system which is capable to support even extremists in our society. They are people who tag along private enterprise, because private enterprise is rich. If these people were really serious, Mr. Speaker, they would move to another country. They would move to a country with a system compatible with their philosophy.

Indeed that would bring some relief to our country and to our House of Commons because the greatest frustration I have in this House, Mr. Speaker, the greatest frustration imposed by democracy, which is very useful to me, but the worst enemy of democracy is to see before me these intellectual beggars who aggravate us and try to aggravate Canadians all year round in this House. It is important for Canadians to know these people are like that. It is important for Canadians to know that these people could not care less about Canadians who produce and Canadians who want to develop their country through the private sector and with full respect for personal initiative.

I see they are smiling, but you are smiling because our country can support you, otherwise you would be beggars.

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, this is just the kind of situation where I would like to be able to speak French.

• (1740)

[*English*]

But I will have to reply in English to my friend opposite. I always enjoy his speeches. I hope that he will be happy when we return him to the private sector where he can be productive after the next election.

**Mr. Mitges:** Have you got a job?

**An Hon. Member:** Come on over.

**Mr. Waddell:** Members opposite suggest that I run against them. I would be pleased to do that.

The Hon. Member for Lévis (Mr. Fontaine) and the other Conservative Member who spoke, whose riding escapes me at the moment although I believe he is from Ontario, rant and rave about the NDP being for all property owned by the state. They rant and rave and accuse us of being, first, Russian communists and, then, Chinese communists. It is as if they had never heard of democratic socialism. They do not know the difference.

**Some Hon. Members:** Oh, oh!

**Mr. Waddell:** It is a case of desperate, pitiful, hopeless people who have to resort to Red baiting. That is what they are doing rather than debating the topic of private property.

The Hon. Member for Prince Albert (Mr. Hovdebo), our speaker on this debate, tried to deal with the issue of private property and property rights. He made the point that during the constitutional debate the Premiers of Prince Edward Island, Saskatchewan and Alberta, who were in fact a Liberal, an NDPer and a Conservative, were against putting property rights in the Constitution. Yet no one in this debate has asked why. I think there are reasons why.

Prince Edward Island was afraid of putting property rights in the Constitution because it wanted to retain the right to enact legislation to protect its farmland and its waterfront from being taken over by Americans especically, and by other people. The people of that province were concerned about that problem. If property rights had been in the Constitution they may not have been able to enact that type of legislation.

The Premier of Saskatchewan had taken over the potash industry for public services. He had taken some resource corporations under public ownership for the great benefit of the people of Saskatchewan, as, indeed, other provinces have done with respect to hydro power and so on. He was afraid that if a property rights provision were in the Constitution, it would be struck down by the courts.

The Premier of Alberta had his own reasons. I suspect they were that he wanted to be able to tax the oil industry, which was the biggest industry in his province. He wanted to get some of the revenues and to control the development, so far as that was possible, of the oil industry within his own province. For public policy reasons these Premiers were suspicious and, indeed, were against having property rights included in the Constitution.

"Property rights" is a buzz word. What the Conservatives really mean by property rights is that they want something in the Constitution that will stop Governments from doing things that would enact the collective public good, that would stop some economic planning, for example, or that would stop the takeover of a particular company. They do not say that they want this without compensation. There would be compensation and so on. In fact, they want this right included in the Constitution so that government will be severely restricted. They do so because they do not believe in government. I am not talking about every Conservative. There are a group of them who do believe in the John A. Macdonald tradition, something that others seems to be forgetting. It is the mainstream Canadian tradition that there is a partnership in Canada between government action and private industry action.

We have a mixed system in Canada. That is one of the things that makes Canada different from the United States. The Conservative Party is determined to make Canada more and more like the United States until we eventually become the fifty-first state. To say that the NDP does not believe in private property is nonsense. We accept that there is a mixed system of private and public enterprise in Canada.

What the motion before us would do is to load the dice so that there could not be public enterprise in the future. That is what the real agenda is here. That is what the Conservatives want.

The Hon. Member for York Centre (Mr. Kaplan) gave an interesting speech on this subject, especially with respect to what happened during the constitutional committee hearings. I was there and I remember the day to which he referred. I might tell him that, quite frankly, I was astounded by his speech. He said that property rights, and I use his words, were a piece of bait to get Tory support. It is lucky that his mother-in-law or his father-in-law were not there because he would have traded them off as well for Tory support. He said that property rights were part of his bag of tricks. That is an indication, if I might say to the Hon. Member for York Centre, of the Liberal frame of mind.

I think what happened on that Friday night when the Hon. Member for York Centre agreed to put property rights in the Constitution is that Mr. Trudeau and Mr. Chrétien identified over the weekend what was happening. The proposal was promptly withdrawn on the Monday when good sense prevailed.

While the Secretary of State (Mr. Crombie) is in the House I want to say this. I will never forget the look on his face at that committee meeting. I remember when the Hon. Member for Burnaby (Mr. Robinson) was trying to talk out the clock, quite frankly, and there were but a few minutes to go until 6 p.m. Finally, the Hon. Member for Burnaby, if one can believe it, was running out of words. He could not think of anything else to say. However, it finally hit him and he said, "Mr. Chairman, the family farm. We have to protect the family farm".

I will never forget the look on the face of the Hon. Member for Rosedale as well as the looks on the faces of the present Minister of Transport (Mr. Crosbie), the present Minister of Finance (Mr. Wilson), and some other Ministers who thought that that was really something. Of course, the clock struck 6 p.m. and Serge Joyal, who was then the Chairman, declared the meeting adjourned until Monday.

What was placed in the Constitution was a provision with respect to native rights and not property rights. That is the most radical part of the Constitution. If some were astounded by the Supreme Court decision on abortion, I think they will be astounded by some future Supreme Court decisions on aboriginal rights. They will shake up a great many people in Canada.

In conclusion, the Hon. Member for Prince Albert was quite right. Property rights are included in Canadian law now. An Englishman's home is his castle. We have the notion that there is a right to property. Property cannot be taken away under Canadian common law without compensation. If such a provision is placed in the Constitution, then the Governmment's hands will be tied. No one is in favour of outrageous expropriations and, in that regard, I refer to Mirabel. Yet the Government cannot be stopped from expropriating land to build an airport since that is in the public good. A balance must be struck.

The experience in the United States in the early 20th century with the American Supreme Court was that it struck down government laws because there was something equivalent to property rights in the American Constitution.

"Property rights" is nothing but a buzz word. The Hon. Member can keep her hot tub in the Gatineau. The NDP will not steal that from her. Property rights are included in the common law and we do not need them included in the Constitution or in the Charter of Rights. The only reason that some Conservative Members want it in there is that they want to restrict the Government from enacting laws that are in the general public interest in the Canadian tradition. They want to take us to a right-wing American tradition, which is not Canadian. That is why this should be rejected.

• (1750)

**Mr. Girve Fretz (Erie):** Mr. Speaker, I am pleased to have the opportunity to speak in support of the motion introduced by my colleague, the Hon. Member for Kitchener (Mr. Reimer), to amend the Constitution of Canada in order that Section 7 of the Canadian Charter of Rights and Freedoms reads as follows:

> 7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

The Hon. Member for Kitchener has rightly pointed out that the addition of the words "the enjoyment of property" to Section 7 of the Charter of Rights is a natural adjunct, a given, to those principles that we as Canadians hold dear.

However, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) is on record as saying that "Canadians should not be concerned in any way about the fact that property rights are not enshrined in the Charter of Rights and Freedoms". Yet in a Gallup poll commissioned by the Canadian Real Estate Association 81 per cent of Canadians said "yes", Canadians do feel that it is "fairly" or "very" important to amend the Constitution in order that property rights be protected.

The right to enjoy property was left out of Section 7 of the Charter of Rights when it was proclaimed in 1982. As a result, Governments are able to pass legislation or make regulations that may violate property rights. The exclusion of property rights is a grave oversight, in my opinion.

Protected property rights go back to 1215 with the signing of the Magna Carta. The right to own is similarly recognized in the English Bill of Rights in 1627, in the United Nations Universal Declaration of Rights which Canada signed in 1948, and finally in the 1960 Canadian Bill of Rights. But now in 1988 we do not have that protection.

The entrenchment of property rights is recognized in many democratic countries, such as the United States, Australia, Italy, Finland, Sweden, and West Germany. In Canada, however, it is not.

The simple acknowledgement of the principle of property rights and the understanding that there is an inherent belief that what one owns or possesses is his right to keep, is a tremendously reassuring principle that has evolved through time. We take a degree of satisfaction and pleasure, perhaps even refuge in our possessions, our reward for hard work.

I take pleasure in sitting in the backyard, working in the flower bed, mowing the lawn, or just puttering around because it affords me a certain degree of peace of mind, contentment, and enjoyment.

But what if my little Shangri-La were taken away from me, for some reason or another? What if my property rights were not recognized? This very real event has happened to many Canadians. Many Canadians were persecuted in their mother country because of government upheavals, changing ideologies, war, or religious persecution. Not only were their human rights violated, but as I argued earlier, property rights, being a direct adjunct, were violated without any form of compensation.

While it is not likely that this occurrence will happen in Canada, the entrenchment of property rights in the Canadian Charter of Rights and Freedoms would prove to be a safeguard, guaranteeing the rights of property owners against abusive or threatening measures taken against them.

I fully appreciate the difficulties that Hon. Members are encountering in defining the term "property". I believe that all Members from all sides of the House have stated that property encompasses not only property as in real estate, but intellectual property, passive property, and government largesse, which includes welfare payments, old age benefits, unemployment insurance compensation, and so on.

I am in agreement with the Hon. Member for Kitchener who argued that, although it may be difficult to define and interpret "enjoyment of property", it should not detract from the central principle of recognizing and entrenching property rights in the Charter.

During the last election campaign, the Progressive Conservative Party took the position that it supported the entrenchment of property rights in the Charter. Since that time, as a result of the Meech Lake Accord, the Province of Quebec has become a constitutional member. Provincial authorities are presently investigating their concerns in regard to property rights.

I believe that we will do an injustice to the Canadian people if the House does not support the motion presented by the Hon. Member for Kitchener. It is an injustice because the entrenchment of property rights in our Charter is clearly what Canadians want, and it is fundamentally the correct course of action for us to take as parliamentarians.

[*Translation*]

**Mr. Claude Lanthier (LaSalle):** Mr. Speaker, I think we still have four minutes to debate this motion today, but we were unprepared for this. Still I think I will echo some of the comments of my colleagues.

[*English*]

I wish to speak a little in English to ensure that all the folks from LaSalle are listening to me.

I am pleased to have this opportunity today to speak on this motion for a resolution to amend the Constitution to add property rights to Section 7 of the Canadian Charter of Rights and Freedoms. This is a matter of constitutional reform with no significant potential implications. It is a matter that has stimulated debate and discussions in the House of Commons and in other forums, and that has not yet been resolved. This is because while the premise of this amendment is simple, the actual amendment proposed raises rather complex questions. The premise is that the houses and homes, and lands and property of Canadians deserve protection against arbitrary government action. However, the actual amendment raises questions that go beyond the concerns expressed for having such a constitutional provision. This is clear from previous debates and discussions. Therefore, I am pleased to have the opportunity to speak to some of those matters today in the hope of adding some clarity to this debate.

The first thing I would note is the text of the proposed amendment before us.

[*Translation*]

Has my time expired, Mr. Speaker? Too bad, I had a good text to read but unfortunately I ran out of time. Thank you for your attention.

**Mr. Deputy Speaker:** The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2) the order is dropped to the bottom of the order of precedence on the Order Paper.

*Adjournment debate*

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### ACID RAIN—GOVERNMENT'S STRATEGY VIS-À-VIS UNITED STATES/GOVERNMENT INTENTIONS/REQUEST THAT CANADA BREAK OFF NEGOTIATIONS WITH UNITED STATES

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, recently I raised the question of acid rain and the negotiations with the Americans on an accord, and the fact that the negotiations are not moving ahead at all. We are not anywhere near to having an agreement that would actually reduce the emissions that cause acid rain. In the United States, emissions come largely from the midwest. We need emission reduction in the United States parallel to what Canada has done.

• (1800)

Ontario and Quebec have done a remarkable job at reducing sulphur dioxide emissions. We have an understanding that they will be reduced by 50 per cent by 1994. We would very much want to see the Americans making a similar commitment, and I regret to say that we do not have that. I do not see that the federal Government is working strenuously to that end, yet every day we hear new news about the effects of acid rain. Today the Presbyterian Church in Hamilton, on James South, is nearly falling down as a result of acid rain. Damage to monuments and buildings is part of the bill which must be paid on acid rain.

[*Translation*]

The withering of the maple groves, especially in Quebec, is another problem. The Union des producteurs agricoles taxes Ottawa of weaknesses and spinelessness in the face of the serious problems caused by acid rain from the United States.

An international forum on acid rain will be held soon in Quebec. Experts from the United States and from Europe will be attending. The Quebec provincial Government will be represented, the environmentalists will be there, but not the federal Government.

Now, the withering of the maple groves is caused by the acid rain, especially from the United States. And the European expertise may be usefull to us in Canada, since the withering of European forests is well advanced and the remedies are also well advanced over there.

[*English*]

I regret that the Canadian Government is not going to be there, nor will it provide financial aid for this important conference which is coming up shortly.

The Minister of the Environment (Mr. McMillan) has called acid rain the litmus test regarding the competence of the Government in dealing with environmental questions with the

United States. I regret to say that that litmus test has been failed. We have a Government which has been actively pursuing a free trade agreement with the Americans. All the while that this has been going on, acid rain has been relegated to a question of lesser importance. In order to get that free trade agreement, that Mulroney-Reagan trade deal, acid rain has been neglected.

I say this with great regret and knowing that the Government has in principle endorsed the Brundtland report, the World Commission on the Environment and Development, which indicates that all economic decisions should have an environmental component. Here we have the major decision for the economy which Canada is facing with the trade deal and the environment was not even considered. The effects of acid rain, the effects of toxic wastes, and the effects of any number of environmental questions, were totally ignored by this Government concerned to move ahead on a trade deal for the wrong reasons.

President Reagan said while he was in Canada that he would consider an agreement with Canada. We have negotiations going on, but they have not been successful. So far the Americans are not willing to specify any actual reductions or specify any timetable. This is essential.

Let us talk about money. Supposedly $5 billion is committed in the United States. Only half of that or $2.5 billion would come from the Government. The rest would come from industry sources. Of that $2.5 billion, $300 million had already been committed to research on acid rain. The Government's commitment, far from being $5 billion, is down to $2.2 billion which in fact has not been appropriated by Congress.

Why not? Our friends in Congress do not see the point in putting more money into research, especially research which will not necessarily reduce the causes of acid rain. Unless we have a real plan with a timetable and with actual remission reductions specified, we are not going to get anywhere.

We need to have two million tonnes of emission reductions from certain areas to improve the situation in Canada. That means 10 million tonnes over all to get the qualitative reductions we need. We are far from it.

Let me close by saying that I think it is absolutely essential that the Government begin to take seriously Canada's number one environmental question, acid rain, and give it a high priority. The first thing it must do is call off the negotiations. We have to send a message to Congress and the administration saying that this kind of negotiation that is going nowhere is not acceptable. Let us begin to prepare the way for a new Congress and a new President. Let us show them that we take the problem very seriously indeed. Let us work on the things that we can work on here at home, especially the effects on human health which we can share with the Americans. Let us not continue this farce of believing that the negotiations we are having with the Americans now will do any good. They will not. Let us look to the future.

• (1805)

**Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I am pleased to respond tonight to the Hon. Member's question on the negotiations of the Canada-U.S. acid rain Accord, an issue that is of concern to all Hon. Members. I am pleased that the Hon. Member for Broadview—Greenwood (Ms. McDonald) continues to have this interest.

As you know, Mr. Speaker, Canada has established an acid rain abatement program that will reduce its acid rain emissions to 50 per cent of 1980 levels by 1994. Six of the seven federal-provincial agreements required to fully implement the Canadian program are now in place. The federal Government expects to sign the agreement with Nova Scotia very soon. However, since approximately 50 per cent of the acid rain in eastern Canada originates in the United States, without similar action on the part of our American neighbours, our abatement program cannot be effective in protecting Canada's environment.

Last April, President Reagan agreed to consider Canada's proposal to negotiate a bilateral agreement including targets and schedules to reduce the U.S. trans-boundary flow of acid rain emissions to acceptable levels. Our officials subsequently provided their American counterparts with an outline of the elements Canada feels are essential in an effective Accord.

Publicly, we have stated that we want the U.S. trans-boundary flow of SO2 into eastern Canada to be reduced to two million tonnes by 1994, equivalent to the percentage reduction targets in our own abatement program. This proposal is based on sound scientific information and on existing principles and obligations under international law which provide that countries must ensure that activities within their jurisdictions do not damage the environment of other nations.

Canadian officials met with American counterparts in Ottawa last November 30 but the Americans were not prepared to provide Canada with a formal response to its concept paper at that time. The American negotiating team stated that a decision regarding the American position would be made by the President's domestic policy council at its mid-January meeting and that they would provide Canada with a substantive response to the proposal on January 25.

The Minister of the Environment (Mr. McMillan) has indicated that the American response received in Washington on January 25 was sorely inadequate. The main components of an Accord which the Americans were prepared to negotiate with Canada include: one, a heavy emphasis on joint research, emission monitoring and further problem definition; two, recognition by Canada that market-force-driven implementation of new technologies and deregulation will significantly reduce future U.S. emissions; and three, the most disturbing element for Canada, the position that any Accord could not include scientific emission targets and schedules.

This counterproposal indeed falls far short of the key elements needed to protect Canada's environment. As the Minister of the Environment stated in the House on January 26, he, the Secretary of State for External Affairs (Mr. Clark) and the Prime Minister (Mr. Mulroney) are currently reviewing every available option that will enable Canada to obtain the reduction it requires in the U.S. trans-boundary flow of acid rain. A decision on how the Government intends to proceed will be announced shortly, but Hon. Members may rest assured that the federal Government will continue to pursue this vital environmental issue with the United States, with the administration, with the Congress and with the American public.

• (1810)

GOVERNMENT APPOINTMENTS—REQUEST FOR COMMITTEE SCRUTINY/REQUEST FOR NATIVE REPRESENTATION ON BOARD

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, my appearance on the Adjournment Debate this evening arises from the unsatisfactory answers given by the Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. de Cotret) on November 23, 1987. He was responding to my question concerning the composition and representation of membership of the board of the FEDNOR agency, as the acronym has it, or the Advisory Committee on Development for Northern Ontario, as I believe the official title is. I asked the Minister if the Government would be appointing more members to the board. Having initially said there were seven more vacancies, in his reply to my supplementary question he said:

> There are 12 members on the board. There are still four vacancies to be filled.

That was well over two months ago and those vacancies have not yet been filled. I believe the Parliamentary Secretary should account for that omission.

I would like to point out that three nights ago the Standing Committee on Regional Industrial Expansion had the eight present nominees to the board come before it for their confirmation hearings. It rapidly became evident, under very probing and perceptive questioning by the Hon. Member for Nickel Belt (Mr. Rodriguez), that seven of the appointees owed their appointments to their connections with the Progressive Conservative Party. That is really not the gravamen of my complaint in this matter. We expect the Government to appoint Tories to the board. This certainly is not going to be one of the most financially lucrative boards to which a supporter of the Government could possibly aspire. I might say incidentally that the eighth appointee appeared to be a partisan of the Liberal Party. Indeed, one of the seven left some doubt as to where his current loyalties lay, although it was clear as to how his appointment was arranged.

Those four vacancies have to be used to get some balance on the board. I am sure that the Hon. Parliamentary Secretary is not going to tell me that a board made up completely or almost completely of people who have a firm allegiance to the Progressive Conservative Party is going to be a board that will be capable of rendering fully objective decisions no matter how strong their background in business, how strong their understanding of regional development, or how strong their understanding of financing programs might be.

It was obvious from those who came before us on I believe it was Thursday night that the native element of northern Ontario, a very significant element numerically and even more so if we consider the lack of employment and underdevelopment of the 100 odd reserves in northern Ontario, was not represented on this board. Yet the chairman of the board acknowledge with some pride, I am glad to say, that the board would be having an active interaction, an active role, in regard to the economic development of native communities. If that be so, and I trust it is, there should be representation that reflects and is conversant with the realities of the economic situation of native communities.

Another obvious component that was not represented among the eight who appeared before us was that of labour. Organized labour is very strong in northern Ontario with its resource industries of mining and forestry in particular. Organized labour of course has many representatives who have very well-developed ideas on the nature of regional development, on regional development needs, and could contribute a great deal to this board.

Finally, I think it is proper to point out that the resource and processing industries, which are the *raison d'être*, if you like, for the economy of northern Ontario in very large measure, were significantly under-represented on this board. Indeed, the board members collectively could only claim, I would say, a passing familiarity with resource industries.

• (1815)

Mining, the forest industry, and the forest resource processing industries such as sawmills and pulp and paper mills need to be represented on this board if we are to have a balanced composition.

I was glad to see that the matter of potential conflict of interest has been taken care of. Let it not be said that I will not compliment the Government when such a compliment is earned.

We did, of course, highlight in our questioning the over-all inadequacy of the funding allowed for the FEDNOR agency. There is $40 million available for grant distribution plus $60 million in loan guarantees. Not to criticize, contrast that with the Atlantic Canada Opportunities Agencies which has something like five times the per capita available funding.

The basic question which I would like to hear the Parliamentary Secretary answer this evening is when appointments will be made to those four open positions and whether they will be made in such a way as to ensure that we end up with a balanced board, not only in terms of ideology but in terms of the community of interest of northern Ontario they represent.

**Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion):** Mr. Speaker, at the outset I would like to remind the distinguished Member for Kenora—Rainy River (Mr. Parry) that ACOA deals with four provinces while FEDNOR deals with northern Ontario.

Were the Minister here this evening, I am sure he would welcome the opportunity to bring to the attention of Members in the Chamber again the very important and very major thrusts which the Government is making toward the economic rehabilitation of northern Ontario. As you know, Mr. Speaker, FEDNOR is the recently announced federal economic development initiative for northern Ontario. A key component is a $55 million fund, and there are different ways to explain the levels of the funding. Its intention is to fill the gaps which exist in federal programming with respect to that region. I think that is particularly fair to say with regard to new native economic thrust for the future.

The Northern Ontario Development Advisory Board was established to provide an important source of advice to the Government on federal economic policies, programs, and services, particularly as they relate to FEDNOR and economic redevelopment.

The eight board members, announced on October 9 last by the Member for Sault Ste. Marie (Mr. Kelleher), the Hon. Solicitor General, on behalf of the Minister for Regional Industrial Expansion (Mr. de Cotret), are all northerners and represent the region's geographic districts. They bring with them a wide variety of expertise and experience together with a very deep and personal commitment to the economic redevelopment of northern Ontario.

There has been some suggestion here this evening that all such nominations by the Governor in Council are subject to the approval of the appropriate committee of the House. These eight, as the Member has just indicated, were all, if I am correct, before the committee only last week.

The Order in Council establishing the board does provide for 12 members and eight of them have been appointed. There are four appointments yet to be made and these vacancies will be filled with the assistance of suggestions coming not only from the Member for Kenora—Rainy River but all those interested in the orderly economic development of that part of Ontario. Suggestions will come from native people, labour, and the resource based industries, which, as the Hon. Member has mentioned, are so important.

Since the announcement last fall the board has been meeting regularly. Planning and discussion of appropriate programs are ongoing. There will be a secretariat established in Sault Ste. Marie. I think the Member will be pleased to join with all of us in applauding this first step. The board will be rounded and fleshed out to its full membership. I know it will do an excellent job for that part of the country.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow morning at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.21 p.m.

# HOUSE OF COMMONS

**Tuesday, February 2, 1988**

The House met at 11 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### PETITIONS

GOVERNMENT RESPONSE

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petition No. 332-3518.

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### CRIMINAL CODE

MEASURE TO AMEND

**Mr. Don Boudria (Glengarry—Prescott—Russell)** moved for leave to introduce Bill C-278, an Act to amend the Criminal Code.

**Mr. Speaker:** Shall the Hon. Member have to leave to introduce the Bill?

**Some Hon. Members:** Agreed.

**Mr. Boudria:** Mr. Speaker, at present, Section 173 of the Criminal Code deals with criminal intrusions at night. It has been mostly used in relation to peeping Toms. The law at present is totally ineffective in daylight hours. The proposed change would extend the offence to acts of voyeurism committed in the daytime as well as night.

Motion agreed to, Bill read the first time and ordered to be printed.

### PETITIONS

PROPOSED FREE TRADE

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I have the honour, on behalf of a number of people in western Canada, to present a petition on the subject of the trade deal the Government negotiated with the United States.

These people are very concerned about the future of Canadian sovereignty, and believe it has been compromised through this agreement. They are afraid that the Prime Minister (Mr. Mulroney) has threatened the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions. They also believe that the agreement would deny Canada the policy freedom to determine its own economic future, and undermine our ability to build a society distinct from that of the United States.

For those and other reasons the petitioners humbly call upon Parliament to dissolve and let the people of Canada have the opportunity to accept or reject the proposed trade arrangement through a national general election.

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty to present petitions signed by resident of the Yukon who are concerned that the U.S. and Japan propose to fly plutonium over the Canadian North. As that represents both an environmental and nuclear proliferation risk, they call upon the Parliament of Canada to recognize the dangers of such flights and to say no to the transport of plutonium over northern Canadian territory.

• (1110)

PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is my honour to rise, pursuant to Standing Order 106, to present a petition on behalf of a number of people from Gull Lake, Saskatchewan, who are very concerned about the trade deal which has been signed.

They believe that the Conservative Government does not have a mandate to conclude a trade agreement with the United States. They believe that these negotiations have compromised Canada's sovereignty. They believe that the government trade

deal threatens the very fabric of our political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership in Canada.

There are a number of other points about which they are concerned which I will not bother to read. By and large, they call upon Parliament to dissolve now to allow the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

**Mr. Dan Heap (Spadina):** Mr. Speaker, it is my honour and pleasure, in accordance with Standing Order 106, to present a petition from a number of residents of Spadina as approved by the Clerk of Petitions.

The petitioners have said that considering that the trade deal arranged between the Prime Minister of Canada (Mr. Mulroney) and the President of the United States would have a fundamental impact on Canada's economic, cultural, and political independence, and considering that such an agreement implies the loss of jobs in many sectors and regions, the undersigned request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election prior to the signing of such an agreement.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have the honour to present a petition signed by a number of residents of my constituency of Ottawa Centre and other people who were visiting in my constituency from Kingston and other parts of eastern Ontario who are opposed to the trade agreement which has been entered into by the Government with the Government of the United States.

They believe that the Conservative Government had no mandate from the Canadian people to conclude this trade agreement. They recall that during the course of the negotiations the Prime Minister (Mr. Mulroney) promised that Canadian sovereignty would not be compromised. They call upon the Government to dissolve so that Canadians can have a general election so that the people of Canada can make a decision on the trade negotiations.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I have the duty to present a petition which has to do, as you would know, with the free trade issue and the recently signed Mulroney-Reagan agreement. Your petitioners wish to present a common grievance which reads as follows:

Considering that the Mulroney Government has sold out Canada and received nothing in return, whereas Canadian industries are still not protected from U.S. trade laws, whereas the United States obtained everything it wanted in all key sectors, especially agriculture, energy, the auto trade, financial services and investment, whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers.

Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the Mulroney-Reagan trade agreement.

* * *

## QUESTIONS ON THE ORDER PAPER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Deputy Speaker, I ask that all questions be allowed to stand.

**Mr. Speaker:** Shall all questions be allowed to stand?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed from Monday, February 1, consideration of the motion of Mr. Bouchard:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendments 8 and 13(e) made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, but disagrees with amendments 4, 5(a), (b) and (c), 6(a) and (b), 9, 10, 11, 12 and 13(a) because this House believes they contradict the principles of the Bill for the following reasons:

Amendment 4 would exclude only criminals and war criminals from the refugee determination process, but would allow terrorists, spies and subversives to pursue a claim to refugee status, notwithstanding the fact that Article 33 of the UN Convention would permit the removal of these latter individuals to their countries of nationality or permanent residence, even if they were determined to be Convention refugees.

Amendment 5(a) would eliminate the authority of the Minister to direct a ship to leave or not to enter Canadian waters. This amendment would reopen a significant gap in Canada's ability to control its borders.

Amendments 5(b) and (c) arise out of Senate amendment 5(a), which is not acceptable, and are therefore inappropriate.

Amendments 6(a) and (b) would reverse the policy on which the Immigration Act, 1976 was based, which policy was not changed in the Bill as passed by this House. The amendments jeopardize the possibility of successfully prosecuting persons who profit from organizing illegal migration and from counselling fraud among refugee claimants.

Amendments 9 and 10 would restrict the ability of peace officers and immigration officers to act quickly to search for evidence of major offences under the Immigration Act, 1976, in exigent circumstances, where lives are at risk or where evidence with respect to those offences may be lost or destroyed.

Amendments 11 and 12 would restrict the ability of peace officers and immigration officers to execute search warrants which have been duly authorized by a justice of the peace, by denying explicit authority to break open containers where it is reasonably believed evidence will be found and by limiting the authority to execute these warrants at night.

Amendment 13(a) would reduce the initial period of detention without review from seven days to forty-eight hours, which would allow insufficient time for the gathering of information to substantiate allegations or to identify

the individual, particularly when large groups of undocumented persons arrive at one time.

And that this House agrees with the principles set out in amendments 1, 2(a), 3, 7 and 13(b), (c) and (d), but would propose the following amendments:

Amendment 1 be amended to read as follows:

"Strike out lines 22 and 23 on page 1, and substitute the following:

(c) to deter those who assist in the illegal entry of persons into Canada and thereby minimize the"

Amendment 2(a) be amended to read as follows:

"Strike out lines 29 to 39, on page 4, and substitute the following:

(a) examine within seven days, *in camera*, the security or criminal intelligence reports considered by the Minister and the Solicitor General and hear any other evidence or information that may be presented by or on behalf of those Ministers and may, on the request of the Minister or the Solicitor General, hear all or part of such evidence or information in the absence of the person named in the certificate and any counsel representing the person where, in the opinion of the Chief Justice or the designated judge, as the case may be, the evidence or information should not be disclosed on the grounds that such disclosure would be injurious to national security or to the safety of persons;"

Amendment 3 be amended to read as follows:

"Strike out lines 7 to 12, on page 5, and substitute the following:

(d) determine whether the certificate filed by the Minister and the Solicitor General is reasonable on the basis of the evidence and information available to the Chief Justice or the designated judge, as the case may be, and, if found not to be reasonable, quash the certificate; and"

Amendment 7 be amended to read as follows:

"Add, and immediately after line 6, on page 10, the following:

95.21 No proceedings for an offence under Section 95.1 or Section 95.2 shall be instituted except by or with the personal consent in writing of the Attorney General of Canada or Deputy Attorney General of Canada."

Amendment 13(b) be amended to read as follows:

"Strike out lines 1 to 22, on page 21, and substitute the following:

(2) Where, with respect to a person detained under subsection (1), the Minister certifies in writing

(a) that

(i) the person's identity has not been established, or

(ii) the Minister has reason to suspect that the person may be a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g), and

(b) that an additional period of detention is required to investigate the matter referred to in subparagraph (a)(i) or (ii), the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention."

Amendment 13(c) be amended to read as follows:

"Strike out lines 23 to 47, on page 21, and substitute the following:

(2.1) Where the Minister has issued a certificate under subsection (2), the Minister may amend the certificate to which the detention relates to include any matter referred to in subparagraph (2)(a)(i) or (ii), following which the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention.

(3) Where a person is detained under subsection (1) and the Minister has not issued a certificate under subsection (2), the person shall be brought before an adjudicator forthwith after the expiration of the period during which the person is being detained and that person shall be brought before an adjudicator at least once during every seven-day period thereafter, at which times the reasons for continued detention shall be reviewed."

Amendment 13(d) be amended to read as follows:

"Strike out lines 48 to 50, on page 21, and lines 1 to 18, on page 22, and substitute the following:

(4) Where an adjudicator who conducts a review under subsection (2) or (2.1) is satisfied that reasonable efforts are being made by the Minister to investigate the matter referred to in subparagraph (2)(a)(i) or (ii), the adjudicator shall continue the person's detention.

(4.1) Every review under subsection (2) or (2.1) of the detention of a person suspected of being a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g) shall be conducted *in camera*.

(4.2) Where (a) the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at any review under subsection (2) or (2.1) of the detention of a person referred to in subsection (4.1) should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons, and (b) a request therefore is made by the minister, the adjudicator shall order that the review or any part thereof be conducted in the absence of the person and any counsel representing the person.

(4.3) Any person excluded by an order under subsection (4.2) from the whole or any part of the review under subsection (2) or (2.1) may apply to the Chief Justice of the Federal Court or to a judge of that Court designated by the Chief Justice for the purposes of this subsection to have the order quashed and sections 36.1 and 36.2 of the Canada Evidence Act shall apply, with such modifications as the circumstances may require, to such applications.

(4.4) Unless quashed, an order under subsection (4.2) shall, with respect to the person to whom the order relates, apply to every review under subsection (2) or (2.1), or part thereof, at which the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at the review, or part thereof, should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons.

(5) Where the adjudicator who conducts a review under subsection (2) or (2.1) does not continue a person's detention under subsection (4), the adjudicator shall make the appropriate order under subsection 104(3).

(6) An adjudicator who conducts a review under subsection (3) shall make the appropriate order under subsection 104(3)."

And the amendment of Mr. Marchi:

That the message of the House of Commons to the Senate be amended by:

a) deleting, in paragraph one, the reference to Senate amendment 4;

b) deleting paragraph two;

c) adding to paragraph nine a reference to Senate amendment 4; and

d) adding after amendment 3 the following:

"That amendment 4 of the Senate be amended by deleting the said amendment and by striking out line 16 on page 7 of the Bill and substituting the following therefor:

"(2)(c) and against whom a deportation order has been upheld by the Board; or""

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Burnaby (Mr. Robinson) had the floor. He is not in the House and, therefore, I will recognize the Hon. Member for Kamloops—Shuswap (Mr. Riis) on debate.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I appreciate being recognized this morning to make some comments on Bill C-84. We have had a good debate on this Bill. We are discussing, of course, the Government's motion in response to the Senate's reaction to this Bill. My hon. friend

from Spadina very eloquently presented my Party's position on this government initiative. I thought he had done the job so well, as had a number of my colleagues, that this round of debate would be ended after another two or three interjections. However, a number of things encouraged me to change my mind earlier this morning and I have decided to say a few words.

Earlier today I was handed a telegram from the Council of Christian Reform Churches. It brought to my attention that the government motion on Bill C-84 is very inadequate and unacceptable. They believe it is unacceptable in the way it relates to the Canadian Charter of Rights and Freedoms and in how it refers to the United Nations Convention for Refugees, about which I will have more to say in a moment. When the Christian Reform Churches brought to my attention that there were some real problems with this government initiative I decided to explore it a bit further.

This morning I was also handed a lengthy telegram from the Inter-Church Committee for Refugees. The Inter-Church Committee for Refugees said that the government response to the Senate refugee Bill report is unacceptable. They said:

> The Senate undertook a serious study of Bill C-84 and made minimal changes to make it constitutional and thus workable. There was no room for compromise.
>
> The government response denies persons their right to have a refugee claim heard by insisting on calling them a security risk or turning away boats. That is an unacceptable and unnecessary denial of individual rights.

That phrase, "turning away boats", reminded me of an incident which happened many years ago in our country. I received a number of phone calls over the weekend from constituents of mine who are of the Sikh religion. They reminded me of the *Kamagata Maru* incident which occurred on our West Coast.

At that time a number of people from India wished to come to Canada to make Canada their home. They chartered a boat, certainly not a liner or a passenger ship, but a regular freighter which was their home for many weeks as they journeyed from Bombay and other parts of India, primarily the Punjab region. They arrived on the coast of British Columbia in the Port of Vancouver and wanted to make Canada their home.

The Canadian officials with the Port Authority in Vancouver, and I regret to say with the support of the federal Government of the day, held that boat in the port day after day as the Government of the day tried to find ways of stopping these people from landing and becoming Canadian citizens. One of the saddest days in our history was when the federal Government decided to use our naval gunboats to force that ship to return to a port in India. Those Sikh immigrants were forced to return to their homeland against their wishes and their will.

The *Kamagata Maru* incident, as it is now referred to, is a very dark mark on our history. There are others. As an example, a ship carrying Jewish refugees fleeing persecution in Nazi Germany and other parts of Europe came to Canada and the Canadian Government forced it to return to Europe. We did not want to welcome those refugees at the time. The federal government of the day thought this was inappropriate and forced the boat to return to Europe. I am afraid to say that sources tell us that virtually all of those people eventually met death at the hands of the Nazi war machine.

• (1120)

Most of us are well aware of those two incidents. We now find that this legislation includes a clause that would give the federal authorities the right to intercept a ship coming into Canadian waters with alleged illegal refugees onboard and the right to force that ship to turn about and return to its port of origin or some other port. In other words, someone would determine that the people onboard were illegal refugees, but I do not know how that could be determined by flying over the ship or quickly visiting it without allowing due process to hear those people claiming to be refugees. Quite frankly, it makes me shiver because it conjures up images of the *Kamagata Maru* incident or the incident when we forced the ship with people of Jewish faith to return to Europe.

The United Nations High Commissioner for Refugees has repeatedly made it clear that a denial of access actually violates the intent of the U.N. Convention on Refugees. As a matter of fact, a United Nations High Commissioner for Refugees spokesperson who testified before the legislative committee examining Bill C-84 said that, "According to the provisions of the convention, it is necessary to determine if the person is a refugee or not." He went on to say, "During the refugee determination procedure it is always possible to discover whether the person committed a serious crime of a non-political nature, but it is necessary first to proceed to a determination of refugee status."

There are many concerns about this legislation, but I am reminded by my constituents of the *Kamagata Maru* incident. The Government still insists on maintaining a clause in Bill C-84 by which the *Kamagata Maru* incident could occur again. That is something of which I and my Party want no part, and we identify this as a dark day in Canadian history. We describe this as a very racist act of a past government and something that ought to have no place in Canada in the past, present or future.

I cannot imagine that anyone in the House would want to accept the fact that this Bill enshrines this kind of behaviour as part of Government legislation. Personally, I welcome the amendments that were adopted unanimously in the Senate. While I do not agree with that particular institution, their amendments to Bill C-84 are good. They follow very closely the amendments which my Party moved when this matter was debated in the House. They would correct the main flaws of this Bill and, therefore, I regret that the Government has rejected the majority of the Senate amendments, including amendments which the Government accepted in principle but then whittled away most of their meaning.

I regret that the Government has chosen to rush this Bill in after months of delay, with so little time for Members to read it before debate is completed. I want to congratulate Members of the New Democratic Party and those in the Liberal Party who have spoken out about the major shortcomings that still exist in Bill C-84. The Government has failed to listen to virtually every individual and group with experience in the area of refugees. I believe there were dozens and dozens of qualified groups with great experience in matters dealing with immigration and refugees that universally condemned this Bill. All pointed out major shortcomings in Bill C-84, yet their voice was ignored by the Government. I find that rather arrogant and I question whether the Government is serious in its intention to bring forth legislation that is consistent with the Charter of Rights and Freedoms and with the United Nations Charter dealing with refugees. This Bill fails on these two counts. On that note I will conclude my remarks to allow others an opportunity to raise their concerns.

**Mr. Redway:** Mr. Speaker, the Hon. Member's comments are ones that we have heard many times before, not only from the Hon. Member but other Members of his Party and the Liberal Opposition. The remarks really repeat what has been said during a very lengthy debate on Bill C-84, when it was first before the House for debate on second reading, then at third reading, report stage and at committee stage.

We are now into what I believe can be reasonably described as the longest filibuster of any matter coming back from the Senate that has occurred during the course of this Parliament. The Hon. Member indicated that he was in support of all the amendments that came from the Senate.

The Government has specifically rejected amendment No. 4. In fact, the Liberal Member for York West (Mr. Marchi) has moved an amendment to these proceedings which would put the Senate amendment No. 4 into place. The effect of that, of course, would be that refugee claimants who are criminals, and war criminals, would be excluded from the refugee determination process but the terrorists, spies and subversives would be allowed to continue through the process.

It is my understanding that Article 33 of the U.N. Convention provides that where there are reasonable grounds for regarding a refugee claimant as a danger to the security of the country in which he or she is, that article would permit the removal of the individual from Canada even if it were determined that such person was a convention refugee. Does the Hon. Member agree with the amendment put forward by the Liberal Member for York West that would allow terrorists, spies and subversives to make a claim for refugee status in this country?

**Mr. Riis:** Mr. Speaker, I appreciate the question put by my colleague. At the beginning of my presentation I indicated that I welcomed the amendments that were adopted unanimously by the Senate and that they followed very closely the amendments which my Party moved regarding this matter. While I certainly agree with the intent of all the amendments, there were nuances about which my colleagues previously indicated we had concerns. I think that would clarify for my hon. friend that we do agree with the general principle, but we certainly do have some concerns about the fine points.

• (1130)

I would like to use this opportunity as my hon. colleague would like me to do, to say something about the right of the Government to turn back ships. Some of my constituents, and particularly those who come from countries with many citizens that have become Canadians, feel that the Government might now wish to turn away people alleging to be refugees if they come from countries where the people are of the wrong colour of skin or perhaps countries where there are the wrong politics. There is some concern that if there were biased sentiments on the part of certain officials on colour, race, religion or politics, that could be used to determine whether or not a ship would be turned back. Some of my constituents who are of the Sikh faith have concerns about how that could be used against their kin who would be forced to return to a problematic situation in India.

Many Sikhs fled persecution in India and sought refuge with their families here in Canada. They are very concerned about just what future government policy may be. I believe we want to do everything possible to send a clear message, through this legislation and perhaps by other means as well, that in no way would any Canadian citizen or landed immigrant be required to return to India or to any other country where his or her life would be put in danger. I hope that covers the issue raised by my hon. friend.

**Mr. Gauthier:** Mr. Speaker, I would like to make a comment and possibly follow it up with a question. I would like to respond to the comment made by government Members to the effect that this is a filibuster on the Senate amendments to Bill C-84. Nothing could be further from the truth. As a matter of fact, I asked this morning and received statistics concerning the debate. Hon. Members will be interested to know that we have debated the amendments proposed by the Senate for 13 hours and 25 minutes. That is far from being a filibuster. Over five days—

**The Acting Speaker (Mr. Paproski):** The Hon. Member who has been here for many years knows that under the new rules we only comment during questions and comments on the speech made by the Hon. Member, not on the words of another individual who has questioned the Hon. Member who has spoken. I would hope that the Hon. Member would realize what he is doing.

**Mr. Gauthier:** I fully appreciate that, Mr. Speaker. I just thought that I would come to the defence of my good friend from the NDP who spoke for 20 minutes, as the rules allow. I take exception to other Members saying that he is filibustering.

I would like to ask the Hon. Member what he feels about Government Members telling him that he is part of the filibuster designed to prevent the amendments from the Senate to Bill C-84 from going through. Does he not feel that 13 hours and 25 minutes of debate is not sufficient time to get the Government to understand good common sense?

**Mr. Riis:** Mr. Speaker, my hon. friend from Ottawa—Vanier asked if 13 hours and some minutes would be adequate time for the Government to assume some sense. I do not think we could be here for enough weeks for that to occur. While that might sound like a rather casual comment, it is a thoughtful comment.

Hon. Members will recall that the Senate held hearings on Bill C-84, a Bill which strikes at the very essence of what this country is all about and whether we welcome people who face oppression in other countries. Dozens of witnesses appeared at those committee hearings, and every single witness opposed this legislation.

We must admit that when every single witness opposes a piece of legislation and points out major flaws in it, it is not surprising, since the Government has ignored all of that advice, that members of the Opposition feel more than ever an obligation and responsibility and indeed a duty to attempt to bring some sense to the Government by pointing out what these experts have said. I think that this is probably one of the more important debates this House has ever had.

We as members of the Opposition are trying, in thoughtful and positive speeches which offer suggestions and point out weaknesses and flaws in this legislation, to make our points. To call that a filibuster is to make the kind of comment that can only be described as unparliamentary and, quite frankly, undemocratic.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I would like to comment on the refugee question and on Bill C-84. I am particularly concerned about this issue. While there was a real problem which needed addressing, the Government has handled it in the wrong way. I believe that a large part of the responsibility for the problems we face with the backlog of refugees seeking determination under the present process must fall upon the present Government.

I do not want to deal with this at length, but I would remind Hon. Members that it has now been some two and half to three years since we received the report of Rabbi Plaut on refugees and it has been something over two years since we received the report of the employment and immigration committee. That report represented a consensus on a workable means for putting into place a more effective refugee determination process.

If the Government had been prepared to listen to the recommendations that had been made at that time and if it had been prepared to go along with them, we would now have an effective determination system working. After a couple of years, if contentions made by refugee-aid groups, by opposition Parties, by the churches, by Amnesty International and by a whole range of people involved in the refugee question were that the procedure did not prove to be workable, perhaps some further amendments to the process might then have been needed. Instead of that, the Government continues to reject the bulk of the amendments which came back from the Senate.

I am normally not an advocate of the Senate of Canada. I believe it is an outdated body and I do not think that having an appointed body as one of the Chambers of this Parliament makes a great deal of sense. I believe that the Senate should be abolished. However, it exists now. It has a Constitutional role and, for once, it is trying to redeem a pretty tawdry record by doing its constitutional job of being a Chamber of sober second thought.

I find it interesting that a Chamber of this House, which has traditionally been known as a defender of the privileged and wealthy and as a body which ignores the needs of average Canadians, should have been so convinced by the evidence presented to its committee which laboured long and hard on Bill C-84 that it came back to the House with 13 amendments. These amendments would turn this Bill which is unworkable, unfair, unconstitutional and would sully Canada's international reputation, into a piece of legislation which my Party and most people concerned with refugees would be able to support. It does not make it perfect.

• (1140)

We recognize that some difficult compromises may need to be made, but there is the wherewithal for reasonable compromise in this particular area in the amendments put forward by the Senate. However, rather than going along with that and rather than trying to build a certain amount of consensus and support from the people concerned with the refugee process, the Government continues to bull ahead, accepting only two or three of the recommendations from the Senate. It then put forward a motion which essentially would reject most of those amendments.

If the Government still believes that the Senate should exist, then it should be prepared to accept that the Senate does function and that its constitutional mandate is to function as a chamber of sober second thought. We are not talking here about the Senate trying to undo a major tax Bill, or about the Senate trying to reverse economic policy being made by the Government of Canada. Those functions properly belong in the House of Commons. We are talking about sober second thought after detailed consideration of a difficult topic.

Under those circumstances I have to say that until we get rid of the Senate or until the Government says that it does not acknowledge any validity in terms of the Senate's operations and it will get rid of it as soon as it can, then the Government should be prepared to listen to the suggestions that the Senate has made and to give them positive consideration. It does not necessarily mean that the Government should adopt all 13 recommendations. It does mean that it should be prepared to

give enough consideration so that the bulk of the 13 representations will be accepted. Of course, that has not occurred. The consequence is that we are back to where we began in this affair. We are back to a situation in which we have an unacceptable response from the Government.

[*Translation*]

The refugee issue will remain a controversial one and will continue to generate appeals to our courts of law, all the way up to the Supreme Court. Last week after the decision on the Morgentaler case, we saw how the Supreme Court was prepared to apply the Charter of Rights and Freedoms to every jurisdiction of the Government of Canada. If before last Thursday, the Government was unwilling to respond to the constitutional concerns of the Senate with respect to Bill C-84, it should be willing to do so now.

Mr. Speaker, I am personally very disturbed about two questions. First, the matter of precluding from the refugee system people found to be security risks, without further specification, instead of specifying only those refugees who are indeed a threat to Canada's security. Second, I am concerned about the fact that the Government has rejected the Senate's remarks about assistance given to refugees by various groups here in Canada, by priests, religious communities and volunteer groups who simply want to help these unfortunate people.

Mr. Speaker, I am also concerned that the Government remains determined to restrict access to the refugee claims process to the wealthy and to those who have direct access to Canada, and I am referring to people coming from Eastern Europe, of whom it could be said that their need to seek refugee status is certainly becoming less urgent then it is for people from Central and South America, Africa, and other parts of the world. The Government is effectively saying that if you have spent two or three months or perhaps two or three years of your life seeking refugee status and fleeing from one country to another, if you are in that kind of a situation, your chances of entering Canada as a refugee are nil.

Mr. Speaker, I was in Montreal yesterday, and I had the privilege of meeting Canadians originally from Zaire, in Africa. As you know, Zaire is a country that has been rather unlucky. It was formerly the Belgian Congo and has now been under the dictatorship of General Mobutu for nearly twenty years. There was a brief period of parliamentary democracy in Zaire, but now they have a situation where it seems General Mobutu, the country's dictator, has actually extracted a fortune of $5 billion from his people and put it in Swiss banks.

Mr. Speaker, attempts were made to found a new political party in Zaire. I am referring to the Democratic Union for Social Progress. In January, leading members of the new party, Mr. Tshisekedi and Mr. Kanana, went back to Zaire in response to a declaration by Mobutu that other political groups would now be permitted and would have freedom of expression and be free to participate in political life in Zaire. Unfortunately, during demonstrations in Zaire there was an attack by armed police. Ten citizens were killed, many others were injured and the two leaders of the new political party were arrested. This is a tragic situation, but it is not the first time this has happened in an African country. However, if a member of the Democratic Union for Social Progress were to come to Canada seeking refugee status on the grounds of the events in Zaire, what would happen under the proposed legislation, now that the Government has rejected the amendments proposed by the Senate? There is no direct access. Travel is very difficult, and besides, the average annual income is about the same as in Haiti, which is between $60 and $100 per year in U.S. funds. Even if there were direct flights from Zaire, how could a citizen of this opposition movement pay for a flight which might cost as much as ten or twenty times the annual income of the average citizen in this country of 32 million inhabitants? For all intents and purposes, therefore, it is impossible.

Mr. Speaker, assuming that a religious organization in Montreal with contacts and even missions or schools in Zaire had helped someone seeking refugee status in Canada, what would be its situation under the Act? With so few changes in the Government's remarks, this person or religious organization would be liable to the full penalties of the Act and to the same ordeal as the travel counselors who had organized trips for Portuguese and Brazilian nationals seeking refugee status in Canada in a way which was clearly and definitely illegitimate.

[*English*]

That is the kind of situation which the Government is creating in the current situation because of its refusal to accept changes in the law.

[*Translation*]

Perhaps I might quote a paragraph of the report from the Senate committee which dealt with this legislation. I should like to remind you, Mr. Speaker, that of the thirty-seven groups of witnesses which appeared before the Senate committee which dealt with Bill C-84, only one supported the Bill as proposed by the Minister. And this group was made up of witnesses from the Department of Immigration.

[*English*]

I am reminded of just how in certain cases the bureaucracy of the Government of Canada, for which I normally have a good deal of respect, has in fact had an agenda and has refused to recognize the democratic process. In a democratic process it is ultimately parliamentarians who make decisions and not officials. The officials may disagree privately with what parliamentarians ask them to do, but it is their constitutional duty to go along with the Government.

Instead, we see here a case in which the Department of Immigration has kept on pushing. It has terrorized, or at least convinced Ministers that they have to have this broad and sweeping legislation. As a consequence we have legislation which in my view is likely to get struck down when it gets into the courts because of the Charter of Rights and Freedoms.

• (1150)

[*Translation*]

Mr. Speaker, it dealts with security risks. And now I am looking for the section of the report . . . because in this section, it is clear that . . . here it is: "The Committee is also concerned that much of the security intelligence that would underlie the exclusion decision might be unreliable and possibly even fabricated because it would originate in the country of the person's origin and might be designed to discredit dissidents . . . "

If a member of an organization seeking to promote democracy and social changes in Zaire came to Canada seeking refugee status, would the Government of dictator Mobutu say that this person is not a security risk? Quite the contrary, it would say that this person is indeed a security risk and should not be accepted in Canada. This is the situation with which we will end up if Bill C-84 is adopted.

"Witnesses argued that sometimes this kind of "evidence" actually helps to prove the person is a *bona fide* refugee." The fact that Mobutu has designated a person as a security risk in his country clearly demonstrates that he or she is a threat to the security of that country for trying to establish a democracy, a democractic process, the creation of a new political party through means different from those of the army.

Mr. Speaker, as some of my colleagues have already asked, in the case of a Government such as that of South Africa, which uses all kinds of acts of violence against black Africans, is the Canadian Government saying that any refugee claimant who has not renounced to violence as a tool for the liberation of his own country would be a threat to Canadian security? In such a case, any member of the African National Congress, which is the only truly viable group representing black South Africans would in effect be viewed as unacceptable as a refugee in Canada since the ANC has not renounced to violence to the extent that the South African Government has not renounced to its own acts of violence against the Black population of South Africa.

Mr. Speaker, I quote again from the Committee report:

> The Chairman of the Refugee Status Advisory Committee (RSAC) also pointed out that some of the security grounds for exclusion are highly subjective and could exclude some surprising people:

This is also important, Mr. Speaker. I continue:

> When we talk about protecting our borders and protecting our citizens, I think most of us are thinking of terrorist attacks or of people who come here to commit acts of violence, criminal attacks against individuals or subversion against the state.
>
> However, this clause also includes a category of people in Canada who are working to—as the language says—"engage in or instigate the subversion by force of any government."

As I have just said, any Member of the African National Congress would be viewed as someone who engages in or instigates the subversion by force of a Government, in this case, the South African Government. Our own Secretary of State for External Affairs (Mr. Clark) is now at the meeting of External Affairs Ministers of Commonwealth countries in Lusaka, South Africa, to find a way to change the opinions of his counterparts about a basic policy of the South African Government.

Mr. Speaker, during his Victoria Falls meeting with Mr. Kaunda and the other South African heads of state, who did not all appeal to violence, even the Prime Minister admitted that it is not up to us in Canada to make the decision, if only because we are not directly involved in that situation. Our Prime Minister said that if under the circumstances people are urged to resort to violence because there is no other way to throw out such an antidemocratic regime, then it is not up to us in Canada to render a favourable or unfavourable judgment.

However, Mr. Speaker, our immigration officials will indeed have to render that judgment.

The chairman of the advisory committee went on to say:

> That is a very subjective provision of the law. We are talking about people who have not been convicted of a crime and who are not necessarily terrorists.

We do not want terrorists in Canada, with that I agree.

But, Mr. Speaker, I can no longer agree when our Secretary of State for External Affairs (Mr. Clark) considers the possibility of Canada opening its doors to Nicaragua Contras, while at the same time his colleague the Minister of Immigration is intent on pushing through a piece of legislation which will put an end to refugee arrivals from Central America because such individuals just might threaten the security of the state which forced them to become refugees in the first place.

Since my time has expired, Mr. Speaker, I conclude by again telling the government: Think about your constitutional responsibilities. The Senate exists, and it now has a constitutional role. Fair enough, let us abolish the Senate. But for the time being it can still give sober second thought to various measures and bills. That being so, heed the sound advice from the Senate, take it and give us effective legislation which all Canadians can endorse, not extreme right measures.

**The Acting Speaker (M. Paproski):** Questions and comments. The Hon. Member for Lévis (Mr. Fontaine).

**Mr. Fontaine:** Mr. Speaker, I have a few questions I would like to ask the Hon. Member for Ottawa Centre (Mr. Cassidy). I think a note of caution is in order, because last week, the Hon. Member told Quebecers that if his Party were to form the Government, it would come down very harshly on the Maritimes. Apparently, his Leader did not appreciate that statement.

I would like to ask the Hon. Member first of all whether he had his Leader's permission to speak this morning. Was there an understanding on the amount of information he could give the House? I say that because we know he often speaks and afterwards has to be disciplined by the Socialist Leader.

I would like to ask him more specifically about Bill C-84 and whether he thinks Canada should continue to be considered internationally as a target for traders in phony refugees, for people who abuse the good faith of individuals in far-off countries and charge exorbitant fees for bringing them to Canada illegally. Does he support those people? That is what Bill C-84 is all about. He should have adressed this issue instead of talking up a storm and going around the world in 20 minutes.

I also want to ask him how he can reconcile the position taken by his Leader, who last week was ready to crucify Mr. Mahmoud Mahommad. He wanted to put him out of the country immediately, but for the last six days, he has been part of the Liberal-Socialist coalition. I think he should ask his Leader and perhaps the Leader of the Liberal Party as well what he should do. Why does he want to crucify this terrorist or put him out of the country when at the same time he refuses to approve a Bill that would help us deal quickly with such cases?

In concluding, he referred to the Senate. Mr. Speaker, this Party has been against the Senate from the very beginning. However, when it suits them, for political purposes or out of solidarity with the Liberal Caucus because a coalition is in the offing, they support the Senate.

What is so genuine, so transparent, so clear about their position? That is my question, Mr. Speaker, and I hope some day they will understand they should stop wasting the time of the House—today is day six—and taxpayers' money to repeat over and over again what the coalition and its members have been saying and give us a world tour.

I wish you would remember your constituencies are in Canada and not all over the world. So start representing those constituencies and stop going around the world ten times in twenty minutes.

**Mr. Cassidy:** Mr. Speaker, I am pleased the Hon. Member rose. I further noted he did nothing to calm his constituents. In fact, the Hon. Member unfortunately is leaving the House, Mr. Speaker. But I am referring to the fact that he made great promises to his constituents over the last six or eight months, and indeed he completely forgot those promises.

Promises also were made by the Minister responsible for the area as far as shipbuilding is concerned. And they did unfortunately try to convince the people everything was normal, altough it was not. I personally made an error. I was corrected by my Leader who stated that, and I accept it, we would not reopen a contract that was awarded, such as the contract ... even though we criticize from time to time the manner in which decisions are made.

Now, Mr. Speaker, I would also like to refer to the matter of Mr. Mohammad. This is someone who had been living in Spain for a number of years and clearly it was indicated on the refugee's passport. And there were a lot of errors made under the Conservatives, which allowed that individual to enter. So it is our role as an Opposition Party to criticize. We did this vigorously. This Government's mismanagement is not only a matter of the Immigration official in Spain making a mistake—the Government must assume their political responsibilities for having allowed the situation to arise.

Finally, Mr. Speaker, the Hon. Member is asking me if I accept that Canada should be a destination for bogus refugees? The answer is no. And I know for a fact the amendment to clause 9 of the Bill as proposed by the Senate, which is now before us, states in fact that:

"Every person who knowingly organizes a person or a group of persons to make a manifestly unfounded or fraudulent refugee claim is guilty of an offence and liable ..."

So there we have it, Mr. Speaker. It is clear that under the Senate amendments, if someone organizes a plane load of peasants from Portugal or citizens from another country such as Brazil to come to Canada, stating they are Jehovah's Witnesses or something else in order to claim refugee status, it is clearly unacceptable that the persons, the group of persons that organized that be guilty of an offence and liable to a penalty. So there is no problem with that, Mr. Speaker. But at the same time, let us hear the matter of the 36 witnesses who opposed the Bill before the Senate Committee because it is going much too far.

• (1200)

[*English*]

**Mr. Redway:** Mr. Speaker, the Hon. Member indicated in his comments that he was in support of all Senate proposals in connection with Bill C-84. One of those Senate proposals, proposal No. 4, would allow terrorists, spies, and subversives to make a refugee claim.

Article 33 of the United Nations Convention provides, if there are reasonable grounds for regarding a refugee claimant as a danger to the security of the country in which he is, for the removal of this type of individual from Canada even if he were determined to be a convention refugee. The proposal of the Senate in that respect has been rejected by the Government, but the Liberal Opposition has moved an amendment to reinstate it.

Is the Hon. Member personally in support of the amendment? Will he vote for it? Is that also the position of his Party?

**Mr. Cassidy:** Mr. Speaker, this is a difficult question. We will oppose the amendment coming from the Liberal critic. On the general question I cannot say that I have been as heavily involved with it as the Hon. Member for Spadina (Mr. Heap). However, certainly the testimony from the spokesperson of the UN High Commission for Refugees indicated that in fact the way the Government was proceeding was in violation, as I understand it, of the way the UN procedure was anticipated.

I do not want to take it further than that, but I believe that is the case.

**Mr. Riis:** Mr. Speaker, I rise on a point of order. Having looked around, I do not know if there is a quorum in the House of Commons. There may be.

**The Acting Speaker (Mr. Paproski):** I believe there is a quorum. Does the Hon. Member have a further question or comment?

**Mr. Riis:** Yes, I have a question. Indeed there is a quorum now that people have regrouped. My question—

**The Acting Speaker (Mr. Paproski):** Order, please. The Hon. Member's time has expired. Questions and comments are now terminated. On debate, the Hon. Member for Yukon.

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I am pleased to rise today to speak on this Bill; I have not spoken on it before. I feel that it is an extremely important Bill. Certainly in my riding of Yukon we have a number of refugees who have made a significant contribution to the community and to the territory as a whole. They are certainly well respected by the other people in the community and territory.

It was interesting for me during the break to have the opportunity to travel to a number of communities in my riding and to speak with students in January when the schools were reopened. This issue was raised by many students. They were very confused about what were immigrants and what were refugees. I guess they reflected the gambit of opinion which one often sees throughout Canada.

I am pleased to speak to the matter today because it is an area which is still somewhat confusing to many people in Canada. I am also pleased to support many of the Senate amendments. Like many of my colleagues, I do so with some difficulty since I have some problem with the authority of that body. However, in this particular case the Senate has listened to the comments from across Canada. It has heard many of the same people who were heard by the legislative committee, and it has responded in a very reasoned way by proposing a number of quite useful amendments.

The issue is not really one of taking too much time for debate; it is an extremely serious issue in Canada. We see that in the general public on the one hand there are remarks which seem to reflect an attitude that somehow Canada is being taken advantage of, that somehow someone is doing something to us over which we do not have control, and that we must have better control. I think other groups of people who have worked with refugees, have assisted refugees, and have travelled abroad, more clearly understand the very pathos and tragedy of people who become refugees. We see a debate which sometimes does not just dwell on the facts of the case but on the impressions of people.

The impression of one group that the refugees about whom we are talking are somehow taking advantage of us in Canada and are misrepresenting themselves is perhaps true in some cases. Certainly it does not describe, by far, the majority of refugees. Therefore, my Party and I say that there must be some improved ways to ensure that people who come to Canada presenting themselves as refugees are truly in need of protection.

On the other hand Canada cannot abrogate its role and its well deserved reputation for responding in a humanitarian way to the needs of those who are in situations in their own countries which put their lives, their families, and their well-being in jeopardy.

A further point which the Senate amendments have addressed is that of the constitutionality of Bill C-84. When we hear Members speak of the high cost of this debate, taking up taxpayers' funds, we have to see if we can bring some reason into this debate for the Government to support some of the reasoned amendments which will save taxpayers' money, otherwise there will be many charter challenges and a lot of money will be spent in the courts.

• (1210)

I would like to return to the issue that I addressed early. There is great confusion between what is an immigrant and what is a refugee, and why a refugee and an immigrant come to this country. Many witnesses at committee hearings and many commentators have pointed out that because of the many problems in our immigration system this has led to a backlog of people awaiting entry to Canada. Our inability to deal with that backlog has exacerbated the problem of access to this country by legitimate refugees. People who, in other circumstances, would be immigrants as opposed to refugees, are representing themselves as refugees. This is a serious problem that needs to be addressed. The Government felt it was so serious that it recalled Parliament on an emergency basis to deal with it.

The issue is fundamental; the two systems are not working well together, namely, our immigration system and the rules relating to refugees. I want to say a few words about what it means to be a refugee. For those of us who have been fortunate to have lived in Canada all our lives and have not been faced with threats to our lives or well-being because of our views, it is often very difficult to imagine what it would be like if that were not the case. That is why we have so much public debate on the issue. Most of us who have lived in security find this difficult to understand.

**Mr. Friesen:** Mr. Speaker, I rise on a point of order. The Bill really deals with the whole business of fraud in refugee transactions. The Member, no doubt, has some valid points of view on refugees and what it is like to be a refugee, but would it be too much to ask that she confine her remarks to the principles of this Bill, namely, how Canada will deal with fraud artists and how we keep out people who are undesirable.

**The Acting Speaker (Mr. Paproski):** I believe the Hon. Member will be coming to that point. I thank the Hon.

Member for Surrey—White Rock—North Delta (Mr. Friesen) for bringing that to my attention. The Hon. Member for Yukon (Ms. McLaughlin) has the floor.

**Ms. McLaughlin:** Mr. Speaker, I quite understand what the Bill is about and we are trying to deal with those people who are misrepresenting themselves as refugees. I am attempting to say, perhaps not articulately enough for the Member across the floor, that often there is a misunderstanding about what a refugee is and what a refugee can do. I think this Bill reflects some of that misunderstanding.

For example, to suggest that a refugee can go to a country's local immigration office, receive all the proper documentation then leave that country with the blessing of the officials and blithely come here to present the proper documentation, is incorrect. If that were the case, we would not be discussing the question of fraud and misrepresentation. Refugees do not have that option. They are often in a situation, as the Member well knows, where their lives are in danger if they speak out and they cannot go to the local office, get all the proper documentation and blithely leave their country. If we limit access to those seeking asylum to those travelling by airlines, legislating that the airlines must require and control documentation; if we insist on proper forms of visas and transit visas, and forcibly return people from border points, the only right that people would have would be to stay in their countries, be tortured, detained or killed. That is what we are talking about.

To counteract that, we are suggesting that every person who comes here has the right to be heard as to the legitimacy of whether or not that individual is a refugee. We are not suggesting that every person who says he or she is a refugee should automatically be accepted on that word. But we have to accept the reality that a person may not be able to get the kind of documentation this Bill suggests should be obtained. That is not an appropriate or realistic, but rather a punitive and unrealistic form of control.

What is being suggested by the amendments and by my Party is that we should have a process in place where a person can state his or her case in a full hearing about whether or not that person is a refugee. It is at that point that those who may misrepresent themselves will be identified and not accepted as refugees.

I want to say again that we cannot categorize all people as misrepresenting themselves in order to ensure that the few people who do will not be accepted. There is a compromise position presented in these amendments. It is a position which I believe, and which many others believe, will address the problem and ensure that we carry out our humanitarian obligations, not contravening the very constitutional base of this country. We must also make sure that we do not allow in people who are not genuine refugees, who can apply through the other immigration process.

I feel very strongly that we must as a country keep our deserved humanitarian reputation, while at the same time we must have appropriate systems and mechanisms in place to ensure fairness for immigrants and refugees. I believe these amendments would go a long way toward addressing that.

**Mr. Redway:** Mr. Speaker, the Hon. Member in her comments indicated that she and her Party are supporting the amendments from the Senate on the basis that they would be helpful to genuine refugees.

As you are aware, Mr. Speaker, one of those amendments being put forward by the Senate would allow terrorists, spies and subversives to make a claim for refugee status in this country, even though Article 33 of the U.N. convention indicates quite clearly that where there are reasonable grounds for believing anyone making a refugee claim can be regarded as a danger to the security of Canada or any other country, such person can be excluded from the system. It is quite obvious that the Hon. Member by joining in the filibuster of the New Democratic Party is in this case in support of that position of allowing terrorist, spies and subversives to make refugee claims.

Does the Hon. Member seriously support that position? Will she be voting for that portion of the Senate's proposals, recommendations and amendments? Will the New Democratic Party be voting for that portion of the Senate's proposals, amendments and recommendations?

**Ms. McLaughlin:** Mr. Speaker, I think my hon. colleague's comments illustrate the level of debate that sometimes occurs and why the public wonders what we do here. Of course no one is supporting terrorists and spies coming into the country. We are saying that everyone deserves a fair hearing. Everyone deserves an opportunity to present his or her case and not be prejudged. Certainly a person should be deported if a person's status as a legitimate refugee, as we understand it, is not accepted. To frame the argument in terms of supporting terrorists and spies is clearly a factious argument. It is not being supported by anyone, as the Hon. Member, I am sure, well knows.

• (1220)

**Mr. Redway:** Mr. Speaker, in her response to my question the Hon. Member did not indicate whether she and her Party would be supporting this particular Senate amendment. She made it quite clear that she feels the thrust of all these amendments would be for the better. She also indicated she and her Party do not support terrorists staying in this country.

I would like a clear answer, yes or no, on whether she and her Party are going to be supporting amendment No. 4 put forward by the Senate?

**Ms. McLaughlin:** Mr. Speaker, I would just reiterate what I said. If the Hon. Member is asking about the subamendment—

**Mr. Redway:** No, I am asking about the original proposals from the Senate which have been rejected, and you indicated you are supporting all of them.

**Ms. McLaughlin:** I did not indicate that.

**Mr. Redway:** Then let us make it clear.

**Ms. McLaughlin:** I think what I said is clear. I said we support many of the amendments brought forward by the Senate.

**Mr. Redway:** Which ones?

**Ms. McLaughlin:** The Hon. Member had a chance to ask a question.

There are a number of amendments that we support. To make it clear for the Hon. Member, we support amendments 2 and 3 to restore the right of a person accused of being a security risk to hear the case against him or her, as I said before. It is important that those persons be given a full hearing and have the opportunity to present their case before an appropriate committee. It is important that there be no prejudging of what may or may not be done. We are suggesting that the people who hear that person will be the judges of whether national security is in danger, or the safety of persons is endangered.

I believe the Hon. Member is trying to frame this in an inflammatory way. What we are simply trying to support is the right to claim refugee status. Amendment No. 4 that he speaks to restores the right of a person accused of being a security risk to have his refugee claim determined. Simply put, that person has the right to present their case to the persons who judge that case and determine whether that person is or is not a refugee. Surely this is a right anyone should have, to present their own case and not have it framed by someone else. This right of claim to refugee status follows our own Constitution and Charter of Rights which apply to any person in this country. This would maintain Canada's obligation under the UN Convention on the Status of Refugees and enable the person concerned, if deported, to have UN assistance in finding a safe country other than the one they fled.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, having heard all of the debates this morning and I think most of the critical clauses referring to the amendment have been covered. I just want to say on behalf of my Party that we are prepared to vote at any moment. As soon as the Conservatives are ready, we are.

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, it is the sixth day of a filibuster on the Senate amendments. Certainly the Government is ready to vote on the amendment, but I would like some clarity from my hon. friend. Does the same willingness exist, without further debate, to deal with the two technical amendments put forward by the Government as well as the main motion, or are we just simply talking about voting on the amendment moved by the Liberal Party Member?

**The Acting Speaker (Mr. Paproski):** Maybe if I just put the question we will find out what happens. How would that be?

Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on the motion of Mr. Marchi.

Is it the pleasure of the House to adopt the said motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the yeas have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Call in the Members.

The House divided on the amendment (Mr. Marchi) which was negatived on the following division:

(*Division No. 307*)

YEAS

Members

| | | |
|---|---|---|
| Allmand | Garneau | Nicholson |
| Baker | Gauthier | (Trinity) |
| Boudria | Gray | Nunziata |
| Caccia | (Windsor West) | Penner |
| Copps | Guilbault | Pépin |
| de Corneille | (Saint-Jacques) | Prud'homme |
| Dingwall | Henderson | Robichaud |
| Finestone | Isabelle | Tobin—27 |
| Foster | Kaplan | |
| Frith | Lapierre | |
| Gagliano | Malépart | |

NAYS

Members

| | | |
|---|---|---|
| Althouse | Blackburn | Blouin |
| Andre | (Brant) | Bouchard |
| Angus | Blackburn | Bourgault |
| Belsher | (Jonquière) | Boyer |
| Bernier | Blaikie | Bradley |
| Binns | Blais | Brightwell |
| | Blenkarn | Broadbent |

Browes
Caldwell
Cassidy
Clark
(Brandon—Souris)
Clinch
Cochrane
Cooper
Cossitt
Crofton
Crombie
Crouse
Darling
Daubney
Della Noce
Desjardins
Desrosiers
Dewar
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gérin
Girard
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Halliday
Hamilton
Hardey
Harris
Hawkes
Heap
Hicks
Hockin
Holtmann
Hovdebo
Howie
Hudon
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista—Trinity—Conception)
Kempling
Ladouceur
Landry
Langdon
Lanthier
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Malone
Marin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McCurdy
McDermid
McDonald
(Broadview—Greenwood)
McDougall
(St. Paul's)
McKinnon
McKnight
McLaughlin
Minaker
Mitchell
Mitges
Murphy
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Parry
Pennock
Peterson
Pietz
Plamondon
Porter
Price
Redway
Reid
Riis
Robinson
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scowen
Stackhouse
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vézina
Vincent
Waddell
Weiner
White
Wilson
(Swift Current—Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—143

• (1300)

**The Acting Speaker (Mr. Paproski):** I declare the amendment lost.

Is the House ready for the next question?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** It being after 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1.06 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

*S. O. 21*

# STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

MONTREAL POPULATION'S EXPECTATIONS—GOVERNMENT PERFORMANCE

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, Quebecers, Montrealers are really disappointed in the Prime Minister of Canada. They expected him to unveil programs to promote the economic renewal of Montreal East. We expected him to announce, when he was in Montreal, that in co-operation with the provincial Government he would inject $25 million to establish a business modernization and restructuring office, that he would commit considerable amounts of money toward training programs, the employability of Montreal East workers and the eligibility under the Program for Older Worker Adjustment.

We also expected the Prime Minister of Canada to select Montreal as the site of the Space Agency, to offer a $130 million expansion of the old harbour and money for the development of the Montreal harbour, but the people of Quebec also expected the Prime Minister to announce redress for the Lauzon, Sorel and Montreal shipyards that have been unjustly treated.

Unfortunately, Mr. Speaker, all the Prime Minister did when he came to Montreal, to City Hall and the Chamber of commerce was clown about. Nothing concrete was announced for the people of Montreal and Quebec.

* * *

[*English*]

## IMMIGRATION

BILL C-84—TIME SPENT ON DEBATE

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, this is an historical day in the House of Commons. We are now in the sixth day of a Liberal/NDP coalition filibuster on Bill C-84, a Bill which is extremely important to Canada's future. This Bill is aimed at preventing the abuse of Canada's generosity and humanitarianism by getting control of our borders. The measures in this Bill are aimed at those who jeopardize the safety of legitimate refugees and imperil the security of Canadian citizens.

This filibuster is costing Canadians almost half a million dollars per day. Is this the style of low-handed dealings that Canadians could expect if we were ever unfortunate enough to experience a coalition of those two Parties? Rather than continuing to stall a Bill which is supported by the majority of Canadians, those two Parties should let Parliament get on with the business of passing Bills for the betterment of our citizens.

It is time that we asked the Canadian people if they want an opportunistic coalition or a common-sense Government. Let's call an election!

* * *

## CANADIAN BROADCASTING CORPORATION

CRITICISM OF GOVERNMENT POLICIES

**Mr. Simon de Jong (Regina East):** Mr. Speaker, I do not know if the United Nations has proclaimed 1988 the year of CBC bashing, but this Conservative Government certainly has. The onslaught began last week when the Communications Minister succumbed to the petty and vindictive whinings of many of her caucus colleagues and put on hold indefinitely a CBC all-news channel. Conservatives believe that if you control the messenger you can control the message. The Minister's decision was a blatant, thinly veiled effort to muzzle the CBC.

Today we learn of yet another attack on the corporation. Now the Minister of Finance (Mr. Wilson) and the Secretary of State are getting into the act. They are working with real estate friends in Toronto to scuttle plans for a much needed national broadcast centre. Public broadcasting is under attack, and this foolhardy Conservative Government is leading the charge. It must be stopped. Let's have an election!

* * *

## IMMIGRATION

BILL C-84—TIME SPENT ON DEBATE

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, the Progressive Conservative Government was elected with a large majority by the people of Canada to govern the country, and the Opposition and the Senate are thwarting the will of the people.

For weeks the Liberals and the NDP coalition, along with their friends in the Senate, have stalled the passing of immigration laws desired by the majority of Canadians. These bleeding hearts want every boatload of illegal so-called refugees, and every person who tears up their papers arriving at our airports, accorded the same treatment set out for true refugees, even if they are deemed to be terrorists and security risks. "Don't turn the boats back, let them land", the Senate and the Liberal-socialist coalition cry.

For several weeks the stalling of legislation has been going on and already it has cost the Canadian people more than $3 million. The Senate and the Liberals and the NDP talk democracy but act like totalitarians. Let's call an election and get rid of these obstructionists, these bleeding hearts!

[*Translation*]

## CANADA POST CORPORATIONS

LAVAL POSTAL EMPLOYEES—FUTURE OUTLOOK—NEED FOR GOVERNMENT TO FURNISH INFORMATION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, last Friday the Minister responsible for Canada Post answered a question from my colleague from Saint-Léonard—Anjou (Mr. Gagliano) concerning the closure of Laval's postal processing plant saying, I quote:

[*English*]

"I understand that Canada Post did brief Members of Parliament from that area with respect to its plans".

[*Translation*]

As briefings go, Mr. Speaker, I can tell you that I first heard about the closure of Laval's postal processing plant in a telephone call from the mayor of Laval who wanted to know if I was aware of it. I also learned that the local Conservative Members had not been consulted either. Later my office got a phone call from Canada Post officials promising that I would be sent information and releases. Mr. Speaker, these documents reached me only late yesterday afternoon.

I want to take exception to the attitude of the Mulroney Government and the Minister responsible, disrespectful as they are of our representative duties as Members of the House. Laval happens to be the second largest city in Quebec. Astonishing though it may be, the Conservatives consider this city as a negligible factor, a city with over 300,000 residents which apparently does not even deserve to have a postal processing plant.

We have been told that the employees will be transferred to the Montreal downtown plant. But what will happen after that? Will they be included in the lay-offs announced in the rationalization plan to which my colleague from Saint-Léonard—Anjou referred last Friday in this House?

Mr. Speaker, the Laval postal employees have the right to know.

* * *

## IMMIGRATION

NEED FOR MINISTERIAL POWER TO EXPEL SHIPS

**Mr. Guy St-Julien (Abitibi):** Mr. Speaker, the Senate is seeking to deprive the Minister of Employment and Immigration (Mr. Bouchard) of his authority to turn around ships which have been chartered by racketeers to bring people to Canada.

It has been argued that the best deterrent would be to bring the ships into port and confiscate them. The Minister does not share this view. He feels that it would be only a hay rake

attempt which would allow many more groups of people to enter Canada illegally.

By maintaining his power to turn ships around, even if he exercised this power on rare occasions, we would take away from the racketeers who organize illegal trips their main argument of a guaranteed access to Canada.

If the people concerned start having serious misgivings about the success of the various schemes, they might be less tempted to pay the high prices demanded by the racketeers, and the attractiveness of these organized trips would no longer be so great.

Mr. Speaker, all Hon. Members of this House will have to unite to support the amendment moved by the Minister of Employment and Immigration to turn the ships around and stop these racketeers who are organizing illegal trips to Canada.

* * *

• (1405)

[*English*]

## WILDLIFE

IMPORTANCE OF PORCUPINE CARIBOU HERD TO ABORIGINAL PEOPLE

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I am pleased to speak today on the release of a publication entitled "The Caribou are our Life", which outlines the importance of the Porcupine caribou herd, one of America's most unique natural resources and essential to the subsistence activities of the aboriginal people of Alaska, the Yukon, and Northwest Territories.

Today this booklet is being distributed to all Members of Parliament. I am happy to say that the Department of External Affairs has shared in the costs and supported the voices of the Yukon and Northwest Territories in speaking out against the opening of caribou calving grounds to oil and gas development.

What this means is that the Arctic National Wildlife Refuge in Alaska must be protected from oil and gas development. We were alarmed when the Standing Committee on Energy, Mines and Resources appeared to support development in this area, a stance not previously taken by the Government.

However, clearly we now stand together in attempting to persuade the United States Government of the importance of the wise use of this land. Northerners are not opposed to development, but we know that we must respect our wilderness heritage and the aboriginal people who depend on it.

I call upon all Members of the House to support the pressure for the Arctic National Wildlife Refuge.

*S. O. 21*

## IMMIGRATION

BILL C-84—TIME SPENT ON DEBATE

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, this minute has six days. Canadians have witnessed, for the first time in history, six days of phoney debate on Senate amendments to Bill C-84. The Conservative Government of Canada, by this Bill, will put an end to illegal and undesirable aliens from entering Canada.

Six days of stalling this Bill by a nonsensical filibuster could presently allow legal entry of terrorists into Canada. If another "Munich" occurs in Calgary or Toronto, it could very easily be blamed on the Opposition's irresponsible tactics in the House.

Higher drug prices would easily have been avoided by the new drug price review board, had the Opposition not used the same tactics when stalling Bill C-22.

If the Opposition plans to continue this filibuster in the House in such an irresponsible manner, perhaps it is time to call an election so that voters can throw them out and put mature people in their place.

* * *

## POLITICAL PARTIES

AWARD OF FRIGATE CONSTRUCTION CONTRACT TO NEW BRUNSWICK SHIPYARD—POSITION OF NEW DEMOCRATIC PARTY

**Mr. Fernand Robichaud (Westmorland—Kent):** Mr. Speaker, the NDP is having a great deal of difficulty deciding whether or not to support the awarding of the second batch of frigates to Saint John Shipbuilding Limited.

First it was the Hon. Member for Ottawa—Centre (Mr. Cassidy) stating in Quebec that his Party would reopen the contract and give Quebec half the frigates. Then the Hon. Member for Churchill (Mr. Murphy) stated in the House that such decisions should be made after an open and honest tendering system regardless of where you live, for which I applauded him. That position was backed by his Leader who, later in the day, indicated that his Party would not re-open the contract. However, last Thursday, the NDP Member for Thunder Bay—Nipigon (Mr. Epp) was saying in the House:

• (1410)

> —I want to express my astonishment at the Government's decision—to award the second half dozen frigates entirely to the Saint John shipyards—
>
> It is particularly repugnant to Quebecers to see one particular enterprise, the Irving interests in Saint John receiving this very large contract to the detriment of the provincially owned Marine Industries—

It is time the New Democratic Party got its act together on this issue. The NDP is pitting region against region, similar to the way the Tories did with regard to the CF-18 decision. This attempt to sway the voters of the Province of Quebec is unacceptable. Such behaviour is not in the national interest.

*S. O. 21*

[*Translation*]

## IMMIGRATION

BOGUS REFUGEES—POSITION OF ALLEGED LIBERAL-SOCIALIST COALITION

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, the House has been faced for the past six days with a fillibuster from the Liberal-Socialist coalition which opposes our bill aimed at stopping illegal refugees.

Does the Liberal-Socialist coalition want Canada to continue to be considered as a privileged target country by all those involved in the illegal refugee trade throughout the world?

Does the Liberal-Socialist coalition continue to support these international smugglers?

Last week, the Socialist leader wanted the Government to crucify Terrorist Mahmoud Mohammad and send him away immediately; yet, together with his party, he still refuses to adopt the necessary legislation to settle quickly the case of this terrorist.

The Liberal-Socialist coalition should make up its mind quickly, unless it wants to receive a clear message from Canadians during a general election, Mr. Speaker!

* * *

## HEALTH

NECESSITY FOR GOVERNMENT TO GIVE INFORMATION ON SUBJECT OF THERAPEUTIC ABORTIONS

**Mrs. Marion Dewar (Hamilton Mountain):** Mr. Speaker, Canadian women are confused since last Thursday about the procedures to be followed to obtain a therapeutic abortion. Unfortunately, they cannot turn to the federal Government for guidance, because it has not yet responded to the decision delivered by the Supreme Court. On the other hand, the provinces interpret that decision quite differently.

It is essential, Mr. Speaker, that the Tory Government clearly indicate to Canadian women, physicians and provincial governments that Section 251 of the Criminal Code can no longer set the procedure through which therapeutic abortion services are made available.

After having done that, the Government could perhaps take up the real challenge underlying the entire matter. A broad range of health services should be made available to Canadian women. For that purpose, the federal Government should finance the search for safe and effective contraceptive methods as well as the educational programs of responsible organizations such as the Planned parenthood Federation.

[*English*]

## IMMIGRATION

BILL C-84—TIME SPENT ON DEBATE

**Mr. Jim Jepson (London East):** Mr. Speaker, we have witnessed a record six-day filibuster in this House by the Liberal-Socialist coalition supporting the Liberal dominated Senate amendments to Bill C-84.

The Minister, in a spirit of co-operation and openness, has accepted several of the 18 Senate amendments. This unecessary filibuster has cost Canadians $3 million to date, all for the political advantage of the Socialist-Liberal coalition.

Let us stop this silliness and political grandstanding and let the democratically elected voice of Parliament get on with its job. Once again we are seeing the unelected Senate thwarting the will of the duly elected Members of Parliament from passing a progressive piece of legislation, very much needed for the protection of Canadians, and giving a fair process for all who would seek refuge in Canada.

* * *

## EXTERNAL AID

ETHIOPIA—FOOD SHORTAGES—PLEA FOR CANADIAN DONATIONS

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, there is an emergency in Ethiopia. Last November the Government of Ethiopia issued an urgent international appeal for 1.05 million tonnes of food. This appeal was subsequently increased to 1.3 million tonnes, virtually the same amount as during the 1984-85 famine which claimed the lives of approximately one million people.

Very few of us will forget the tragic scenes of starvation and death three years ago. Today, Ethiopia faces an equally urgent situation. Drought and locusts are now threatening the meagre existence of seven million Ethiopians. If we act quickly and decisively, lives can be saved. Government aid is significant but more can be done. Canadian farmers have been exceptionally generous but various fund-raising appeals to average Canadians have reported a poor response.

• (1415)

Do we as Canadians have to see the bloated bellies of children before we are jarred out of our complacency? I call upon our Government to provide more assistance, and at the same time urge all Canadians to help avert this famine by sending their donations to Oxfam Canada, the Canadian Red Cross, or Canadian Physicians for Aid and Relief.

# ORAL QUESTION PERIOD

[*Translation*]

## CANADA ELECTIONS ACT

MASSE AFFAIR—PRIME MINISTER'S RESPONSIBILITY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, as far as the Minister of Energy, Mines and Resources is concerned, the Prime Minister maintains that he did not discuss Mr. Gorman's letter nor the matter generally with the Minister.

Yet, Mr. Gorman's letter states that the Minister has taken part in an offence under Section 62.6 of the Canada Elections Act.

How can the Prime Minister still maintain that he does not have the duty to ask the Minister whether the facts mentioned in the letter are true or not, especially as these facts affect the credibility of his Minister as a politician and a member of his Government?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have already replied to this question. The Leader of the Official Opposition refers to a private letter apparently sent by the Commissioner to the Hon. Member for Frontenac. As for me, I referred to a public statement made on November 28, 1985, in which the Federal Elections Commissioner, Mr. Joseph Gorman, said, and I quote: "And I have decided that no charge would be laid against the Hon. Marcel Masse." Following this decision of the investigating Commissioner, I decided to have the Minister rejoin Cabinet.

There has already been some reference to the letter which the Leader of the Official Opposition himself described as ambiguous or remarkable. It is certainly unusual.

As for the official statement dealing with the findings of the investigating Commissioner, it was made public and I quoted it myself and acted accordingly.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, the Prime Minister describes Mr. Gorman's letter as a private letter addressed to a Minister. Such a letter is never private and it concerns the public duties of the Minister.

[*English*]

KNOWLEDGE OF CONTENTS OF LETTER

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, when the Minister of Energy, Mines and Resources resigned in 1985 he did so because there was suspicion that he might have violated the Canada Elections Act. At that time there were mixed signals about who knew what and when they knew it. As the Prime Minister himself has suggested, the Minister remains under suspicion as a result of Mr. Gorman's letter. The Prime Minister stated he did not know of the existence of this letter until he saw it in the press.

Can the Prime Minister assure this House that neither the Secretary to the Cabinet, Mr. Tellier, nor his own principal secretary, Bernard Roy, nor their staff, knew of the contents of this letter during the relevant period? If they were aware, why did they not tell him?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Right Hon. Leader of the Opposition says that the Hon. Minister remains under suspicion because of the ambiguous nature of the letter from Mr. Gorman. I think that is quite accurate. That is why the House has decided to take cognizance of this matter officially at 3.30 this afternoon. I am satisfied that at that time all appropriate questions can and will be asked and answered.

• (1420)

REQUEST THAT OFFICIALS APPEAR BEFORE COMMITTEE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the House has not yet taken a decision on the matter and the committee has not been seized of the matter. The Prime Minister says that it will be referred to the committee. We will wait until that happens.

However, as we have said to him before in this House, that does not absolve the Prime Minister of his duties as Prime Minister to ensure the probity, credibility, and comportment of his Ministers. That is his responsibility and no committee of the House can absolve him of that responsibility.

Since the Prime Minister has refused to deal with these questions on the floor of the House, will he authorize the Secretary to the Cabinet and his own principal secretary to appear before that committee when it sits?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, as I understand it, the committee is master of its own destiny. The committee can take whatever decisions it deems appropriate.

My hon. friend refers to the Prime Minister being responsible for the probity and credibility of Members and said that what transpired does not absolve the Prime Minister. I am not seeking absolution. That which transpired was straightforward.

My hon. friend was advised of the fact that subpoenas might issue in regard to an investigation undertaken under the Elections Act. Immediately upon being apprised of that, the Minister of Energy, Mines and Resources stepped aside in the finest traditions of British parliamentary practice.

During the two months that the investigation and interrogations went on, he was outside the Cabinet. There was then a public statement issued by the gentleman conducting the investigation that no charges pursuant to that investigation would be laid.

It seems to me, in terms of reasonableness and fairness, that surely the hon. gentleman, not being charged, is entitled to all

the presumptions of innocence which exist for all the citizens of Canada.

[*Translation*]

MASSE AFFAIR—QUERY WHETHER MINISTER INTENDS TO GIVE HIS VERSION OF FACTS TO COMMITTEE ON ELECTIONS, PRIVILEGES AND PROCEDURE

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the Deputy Prime Minister said in the House yesterday that the Government supported the proposal for a parliamentary investigation on election expenses. He went even further and said the Government was prepared to co-operate with the investigation. I now want to ask the Minister of Energy, Mines and Resources whether he intends to take advantage of the committee hearings and come and state his opinion, his views and his version of the facts in this case.

**Mr. Speaker:** I think the question is directed to the Minister of Energy, Mines and Resources, and in that case it is out of order.

OPPORTUNITY FOR MINISTER TO PRESENT HIS POINT OF VIEW TO PARLIAMENTARY COMMITTEE—POSITION OF COMMITTEE CHAIRMAN

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, in that case I would like to direct my question to the Chairman of the Committee on Elections, Privileges and Procedure. I want to ask the Chairman of the Committee whether he is prepared to recommend that this afternoon, Committee members give the Minister of Energy, Mines and Resources an opportunity to come and state his point of view before the Committee.

[*English*]

**Mr. John A. MacDougall (Timiskaming):** Mr. Speaker, it has been the practice in this House that negotiating of committee work is done in committee. The Member can certainly bring that information to the committee at 3.30 and we will be pleased to deal with it.

[*Translation*]

PRESENTATION OF REPORT TO HOUSE—PRIME MINISTER'S POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Prime Minister. Last Thursday I asked the Prime Minister about the contradiction, reported in an article in the *Globe and Mail*, between what the Minister of Energy, Mines and Resources said two years ago and what his lawyer said at the time. The Prime Minister answered last Thursday that he intended to look at certain transcripts. He would then present a report to the House of Commons. My question is quite simple: Does the Prime Minister have this report today?

**Right Hon. Brian Mulroney (Prime Minister):** No, Mr. Speaker.

• (1425)

[*English*]

PRIME MINISTER'S POSITION—DISCHARGE OF RESPONSIBILITIES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, it is more than a little disturbing. Since last Thursday the Prime Minister has not taken the time to examine a matter of serious contradiction that goes to the root of the integrity of one of his Ministers. Since then there was another article in the paper yesterday that alludes to an affidavit signed by a member of the RCMP, accusing the Minister of action that, if grounded, constitutes a violation of the Elections Act. When will the Prime Minister start doing the job for which he was elected as Prime Minister of Canada?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Leader of the NDP says that he is referring, in terms of the discussion between the lawyer and the Member, to a serious contradiction that goes to the root of the integrity of the Member. That is clearly the view of the Hon Member. That is not at all a fact. It is simply an opinion and surmise, such as many put forward by the Member, in much the same way as he says the affidavit to which he refers accuses the Minister of dishonesty—

**Mr. Broadbent:** I did not say that.

**Mr. Mulroney:** —or a violation of the law. It does no such thing.

It is my understanding that it is an affidavit that initiates proceedings pursuant to which an investigation took place, and the investigation by the investigating commissioner cleared the Member in terms of charges not being laid.

I just invite my hon. friend, inasmuch as he is dealing with the reputations of people, to give people the presumption of innocence and be very prudent and careful in any accusations he makes without any justification.

**Mr. Broadbent:** Mr. Speaker, I will give the Prime Minister the benefit of the doubt that he did not hear the question.

**Some Hon. Members:** Oh, oh!

REQUEST THAT PRIME MINISTER EXAMINE ALLEGATIONS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I am quite serious. On both contentions about the Minister I did not presume guilt. I said if the contradiction—

**Some Hon. Members:** If!

**Mr. Broadbent:** —that was cited in *The Globe and Mail* turned out to be true, then the integrity of the Minister is on the line. I said if the allegation—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Leader of the New Democratic Party is stating that he has placed a question to the Right Hon. Prime

Minister. In restating it, that question seems to the Chair to be a hypothetical question and may well be out of order. However, perhaps the Hon. Leader of the New Democratic Party would want to phrase his question in such a way that there is no doubt that it can be accepted.

**Mr. Broadbent:** Mr. Speaker, all I wish is that the Prime Minister would not distort the meaning and substance of the question.

**Some Hon. Members:** Order!

**Mr. Speaker:** The Hon. Member knows that it is not appropriate to impugn the motives of any Member. I would ask the Hon. Member to put his question.

**Mr. Broadbent:** The contradictions that were alleged in the press a week ago impinge on the integrity of one of his Ministers and the Prime Minister promised to examine the transcripts and report back to the House. Considering that yesterday there was a report which says there is an affidavit signed by an RCMP corporal, the substance of which, if it turned out to be accurate, would mean the Minister in question violated the law, why is the Prime Minister not concerned about the integrity of his Government and examining these allegations and reporting to the House? That is the issue.

• (1430)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, by raising the decibel tone it does not—

**Mr. Broadbent:** Deal with the truth just for once.

**Mr. Mulroney:** All right, my hon. friend has made a great hobby-horse of saying that he, and presumably he alone, stands for the truth. In his third question he indicates: "No, I didn't say that in my second question, I said if, if there is a contradiction".

I submit that I did not hear my hon. friend use the word "if" at all. He made a flat accusation against the Minister which proves that in the third question the Leader of the NDP was misleading the House. He was not using the subjective at all.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** Let's check the "blues".

**Mr. Mulroney:** He was not using it, and start telling the truth in the House of Commons.

**Some Hon. Members:** Hear, hear!

[*Translation*]

## EXTERNAL AFFAIRS

### DISPATCH OF PARLIAMENTARY MISSION TO HAITI—CONDITIONS

**Hon. André Ouellet (Papineau):** The Secretary of State for External Affairs being absent, Mr. Speaker, my question is directed to his Parliamentary Secretary. A week ago, the Minister announced in the House his willingness to send a mission of Canadian Parliamentarians to Haiti. Is the Parliamentary Secretary now in a position to confirm first, that such a mission of Canadian Parliamentarians would be welcome in Haiti, second, that its security will be assured, and above all that its members will be entirely free to meet the main leaders of the *Comité d'entente démocratique*?

**Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, I am pleased to answer this question. It is clear that, before its departure, the security of the mission will be assured. And as one of the conditions which I listed publicly at the time, the quality of the report will depend on the quality of the people we are able to meet. That is the reason why meetings will take place soon to try and identify, together with Committee members, the people we want to meet, in order to establish advance contact with them in Haiti. Mr. Speaker, everything possible will be done for the Committee to publish its report by March the 31st, in the best interest of all Canadians and the whole community which is watching us.

### QUERY WHETHER ARRANGEMENTS MADE TO HOLD TRULY DEMOCRATIC ELECTIONS IN HAITI

**Hon. André Ouellet (Papineau):** In other words, Mr. Speaker, the Parliamentary Secretary has just confirmed that there has been no contact with the Haitian authorities, with general Namphy, and that there is no certainty as to a visit of Parliamentarians.

I now ask the Parliamentary Secretary whether the Government of Canada, this Tory Government which has refused to recognize the elections of January the 17th, has since demanded from the general or the Haitian authorities to re-establish the former *Conseil électoral provisoire* to hold in Haiti a truly democratic election?

**Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, my honourable friend is presuming much from the work of the Parliamentary Committee. I must advise him that yesterday, we established contacts with the Embassy over there in order to ensure that the Committee will work in the most serene climate.

As to drawing conclusions about the possible recommendation my honourable friend has in mind, we will have to operate within the Comittee and draw our own conclusions.

[*English*]

## FISHERIES

CANADA-FRANCE DISPUTE—ST. PIERRE AND MIQUELON—REQUEST FOR PROTECTION BY FRENCH NAVY

**Mr. Jack Harris (St. John's East):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans. We have a report today of a request from St. Pierre and Miquelon for the Government of France to send the French navy to protect the French in their overfishing off the south coast of Newfoundland. Has the Government warned France that such action would not be tolerated by this country and that it would be a serious act of belligerence in view of France's declared intention to violate Canadian fish quotas?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I think it would be a very serious error for Canada to react in the way the Hon. Member appears to react to reports of statements by local politicians from St. Pierre and Miquelon on the occasion of their visit to France. There is no indication that the sentiments expressed by Mr. Marc Plantegenest and Senator Pen are in any way indicative of the views of the Government of France.

I would conclude by indicating the Government's desire to see France return to the table so that an appropriate and lasting solution might be negotiated to the problems of the boundary of St. Pierre and Miquelon and the ongoing quotas accorded to France as a result therefrom.

REQUEST FOR INTERNATIONAL ARBITRATION OF BOUNDARY DISPUTE

**Mr. Jack Harris (St. John's East):** Mr. Speaker, the last time the same individual asked France to send a warship, which was in 1985, the French sent one and it was there for two months patrolling around St. Pierre and Miquelon.

Why does the Government not show some capacity to act and do something to tell the Government of France that its uncivilized attitude about this boundary dispute will not be tolerated, and that its good relations with this country will be spoiled if it does not do the civilized thing and bring the boundary dispute to international arbitration?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, the Hon. Member refers to uncivilized attitudes. I would suggest that the attitude he brings to this House will in no way enable us to reach in a civilized fashion a solution which will bring lasting benefits to the people of Newfoundland, the people he represents, and the fishermen in particular.

This Government has taken firm but fair and even-handed measures over the past year to attempt to secure a negotiated solution to this problem as we continue to seek such a solution while standing vigilant for the interests of our fishermen, and while ensuring that fishing conducted within Canadian waters is conducted according to our regulations.

## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON ONTARIO HORTICULTURAL INDUSTRY

**Mr. Gus Mitges (Grey—Simcoe):** Mr. Speaker, the Ontario Government just released the Ontario Free Trade Agriculture Study in which it is claimed that free trade with the United States would not be in the interests of the farming communities, and in which special reference is made to the horticultural industry which is of great concern to my riding, the largest apple producing area in Ontario. Has the Minister had a chance to see this report? If he has, what is his reaction to such a statement?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I appreciate the Hon. Member's question and his interest in this subject. I must indicate that I have not had an opportunity to read the report or to study it in detail. However, I have been advised that the Ontario report is a report about which one should not be all that surprised, coming from the Province of Ontario which has always looked negatively upon the Canada-U.S. trade agreement.

Indeed, I am advised that the Ontario report is an overreaction and is extremely negative. It is filled with gloom and doom, and indeed is outdated. We of course will be issuing a report ourselves. It will be up to date, it will be realistic and, naturally, it will reflect the very positive aspects the trade agreement carries to agriculture.

I think what is important is what farmers are saying about the trade agreement. One hundred thousand grain farmers are supportive of the agreement, 80,000 beef farmers are supportive of the agreement, and 60,000 hog farmers are supportive of the agreement. It is important to find out what the producer groups are saying. The bottom line is that they accept this agreement and look upon it very positively.

* * *

[*Translation*]

## UNEMPLOYMENT INSURANCE

OLDER WORKERS—ENTITLEMENT TO BENEFITS—GOVERNMENT POSITION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

In 1987, the Unemployment Insurance Commission recorded a surplus of $1.5 billion, and the Department expects to have a surplus of almost $2 billion in 1988.

The Minister knows perfectly well that a large part of these surpluses is the result of a legislation that discriminates against older workers. In 1986, 42,000 older workers lost the equivalent of $260 million.

Considering the surplus situation, is the Minister willing to eliminate this discriminatory practice by reinstating the right of older workers to receive full unemployment insurance benefits when they are looking for work?

[*English*]

Will the Minister tell the senior workers of Canada why they cannot benefit from unemployment insurance when they are looking for new jobs?

[*Translation*]

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, I think the purpose of Bill C-50 was quite clear: to prohibit the drawing of unemployment insurance benefits when an individual is simultaneously drawing income from a pension fund. I feel the Government's position has been very clear in this respect, and I do not think it would be either useful or necessary to change the legislation again, since it is eminently fair and meets the objectives we were trying to achieve in adopting Bill C-50.

POSSIBILITY OF AMENDING ACT—MINISTER'S POSITION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, older workers in Canada who heard the Minister's reply must be disappointed.

Two weeks ago, 450 workers were laid off at Vickers, 200 at Hygrade, another 200 at Canadian Steel Wheel and CIP, and 1,000 at Firestone. Plants are closing throughout the country. Two hundred workers were laid off this morning at Weston. Fifty per cent are older workers, who are not entitled to full unemployment insurance benefits while they are looking for work.

Considering the principles of social justice, could the Minister inform the House whether he would at least amend the legislation so that all older workers who lose their jobs as a result of a plant shutdown or lay-offs would be entitled to full unemployment insurance benefits? It is not their fault if they lose their jobs. This is not early retirement. The plant has closed down. Does the Minister have enough compassion to help these people?

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, I think the Hon. Member does not understand the principle of unemployment insurance. In his enumeration of a number of lay-offs—just the same, we have a surplus of $1.5 billion—the Hon. Member demonstrated the difference between the Liberal Party and the Conservative Party. Under the Liberal Government, people received unemployment insurance benefits and did not enter the labour market. Under this Government, we have one million jobs and 220,000 more people on the labour market and several hundred thousand fewer people unemployed. That is the difference between the two Governments.

• (1440)

[*English*]

## EXTERNAL AFFAIRS

ISRAEL—OCCUPIED TERRITORIES—PROPOSED INTERNATIONAL PEACE CONFERENCE

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, my question is addressed to the Prime Minister. There have been two more deaths in Israeli-occupied territory and the violence continues to escalate. The situation cries out for a long-term solution. I understand that the Prime Minister has indicated his sympathy for an international peace conference on the Middle East.

My question to the Prime Minister is as follows. Is the Prime Minister willing to use his good offices to expedite the holding of such a peace conference on the Middle East?

**Hon. Pat Carney (Acting Secretary of State for External Affairs):** Mr. Speaker, the Secretary of State for External Affairs indicated to the House on January 22 that the Government is willing to explore ways in which Canada might contribute to some kind of solution acceptable to all parties. The forthcoming visits to the region by the seven members of the Standing Committee on External Affairs and International Trade will have that purpose in mind. I believe that will respond to the concern expressed by the Hon. Member.

MEASURES TO EXPEDITE HOLDING CONFERENCE

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, will the Prime Minister indicate to the House what additional steps have been taken and what additional consultations have been entered into for the purpose of expediting, as I described it earlier, the holding of an international peace conference on the Middle East?

**Hon. Pat Carney (Acting Secretary of State for External Affairs):** Mr. Speaker, I point out to the Hon. Member that we already participate in the region through our peace-keeping forces and through development assistance. So we are already contributing to a climate conducive to peaceful negotiations. That is the type of role that Canada has played in the past and is willing to play in the future.

* * *

## UNEMPLOYMENT INSURANCE ACT

GRANTING OF PARENTAL LEAVE TO FATHERS—MINISTER'S POSITION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, my question is for the Minister of Employment and Immigration. Almost three years ago the all-Party committee on equality determined that it was sexist and discriminatory to have parental leave provisions accessible only to a mother and not to a father. Yesterday in the House we saw the Minister try to

dodge the issue of parental leave by suggesting that it was a single-issue situation that he had to study.

Can the Minister explain why he has failed miserably in his responsibilities as the Minister of Employment? Why did he not remove the discriminatory conditions attached to parental leave when the suggestion came from the all-Party committee?

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, I am not used to waiting for the Hon. Member for Hamilton East to make a decision. She will see today that that is true.

I met Mr. McInnis yesterday. It was a very good meeting. I said yesterday that all the questions referring to parental rights and the Charter of Rights have to be dealt with very carefully. It is my intention to bring to the House some amendments to the legislation to deal with that. I said, and I repeat, it is a very delicate operation.

In the meantime, I looked very carefully at the case of Mr. McInnis. I am delighted to tell all my colleagues here today, and I hope that I will have the collaboration of Members on the other side of the House, that I will soon introduce some amendments to the legislation which will permit Mr. McInnis, and any other person in similar circumstances, to obtain the money he deserves to have.

**Some Hon. Members:** Hear, hear!

**Mr. Bouchard:** Mr. Speaker, I believe that the Hon. Member will agree with me that it is a complex issue. When we had to deal with the issue we dealt with it quickly. We only had the first question yesterday.

AMENDING LEGISLATION

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, as a matter of fact yesterday was not the first time that there was a question on the issue. As a matter of fact I introduced and put into motion a Private Member's Bill. As a matter of fact my Party, when the committee on equality was travelling across the country, made such a recommendation.

**Some Hon. Members:** Oh, oh!

**Mr. Jelinek:** Your Party did nothing.

**Mr. Speaker:** Will the Hon. Member for Hamilton East please put her question?

**Ms. Copps:** I think it is terrific that in fact a truck driver who came to Parliament was able to effect that kind of a change. I think that we should all congratulate Mr. McInnis, specifically when we are dealing with a situation in which a woman dies in childbirth.

I would like to ask the Minister whether at the same time he will commit to change a law that is discriminatory by its very nature. It does not take a woman dying in childbirth to permit both parents to participate in the process of nurturing a child. Is the Minister prepared to move an amendment similar to the Private Member's Bill which I have already drafted which would permit either parent to take advantage of parental—

**Some Hon. Members:** Order, order!

**Mr. Speaker:** In rising to restore order I may have cut off the last part of the Hon. Member's question which, to the Chair certainly seemed to be a serious one. I invite the Minister to reply.

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, it is very interesting to be lectured by the Hon. Member for Hamilton East. I would be very happy if, as the New Democratic Party did yesterday, she would offer the collaboration of her Party to go through the legislation quickly.

**Ms. Copps:** Absolutely.

**Mr. Bouchard:** It is interesting to note that that Party, which was in power for 20 years, did nothing when there were fathers who needed money 20 years ago and 10 years ago.

**Some Hon. Members:** Hear, hear!

* * *

## THE ECONOMY

INTEREST RATE LEVELS

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, my question is for the Minister of Finance who will be well aware that the economy of Metro Toronto is booming but outside Metro Toronto the economy is anything but booming.

**An Hon. Member:** Ask about Oshawa.

**Mr. Riis:** He will also know that on March 16 the Prime Minister said that we are in the process of building two Canadas, one which is rich and promising, and one which is underdeveloped and underemployed.

Knowing that a drop in interest rates would reap a considerable amount of benefits in the regions of the country will the Minister explain why he is following the advice of the central banker who is concerned about inflation and who says that he cannot reduce those interest rates? Why does the Minister of Finance not step in to take steps to reduce those interest rates to bring some prosperity to the regions of Canada?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member must acknowledge the fact that last year the unemployment rate dropped in each and every province of the country.

**Some Hon. Members:** Hear, hear!

• (1450)

**Mr. Wilson (Etobicoke Centre):** While there are parts of the country where the unemployment rate is too high, we have seen a good deal of progress, and that is witnessed by the over-all creation of jobs, in excess of 1.1 million since we have been in office, so we are making good progress. The Hon. Member also has to acknowledge that the over-all record is what is important here. The over-all record of the economic policy of the Government has been a good one.

The point that I would make to the Hon. Member is that regional development is a fiscal measure. It is not a monetary measure. This Government has introduced a number of initiatives in regional development policy, for example, the Western Diversification Initiative, the Atlantic Canada Opportunities Agency, and in northern Ontario. We are in the process of consulting the Province of Quebec. We have maintained the regional investment tax credits. There have been many other initiatives that we have taken to address the very point that he is talking about.

UNEMPLOYMENT STATISTICS

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I wish to remind the Minister of Finance that the latest unemployment figures from Statistics Canada tell us that unemployment has increased in Newfoundland, Prince Edward Island, British Columbia, Quebec, Saskatchewan, and Alberta. That is the reality in the regions of the country. The situation is getting worse in 1988. That is why I repeat my question to the Minister of Finance.

Why is it that he refuses to take a major step, have interest rates reduced, in order that some of the prosperity that we see in Metropolitan Toronto can be experienced in the regions of the country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, it is very easy to use selective statistics. I want to go through not just month over month statistics, which is what the Hon. Member has just used, and look at what has happened since September, 1984.

In Newfoundland the unemployment rate is down 5.8 percentage points; in Nova Scotia, 2.8 per cent; Prince Edward Island, .5 per cent; New Brunswick, 3.7 per cent; Quebec, 3.2 per cent; Ontario, 4.1 per cent; Manitoba, 1.9 per cent; Saskatchewan, 1.5 per cent; Alberta, 3.4 per cent; and in British Columbia, the Hon. Member's own province, 4.6 per cent. That is progress.

**Some Hon. Members:** Hear, hear!

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF LABOUR OF DENMARK

**Mr. Speaker:** I wish to bring to the attention of Hon. Members the presence in the gallery of Mr. Henning Dyremose, Minister of Labour of Denmark.

**Some Hon. Members:** Hear, hear!

* * *

## ENERGY

LOW SULPHUR WESTERN COAL—PROPOSED USE BY ONTARIO HYDRO

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Deputy Prime Minister. The Deputy Prime Minister heads an action committee aimed at increasing the use of low sulphur western coal in eastern Canada.

Will the Deputy Prime Minister advise the House what progress, if any, the action committee has made in convincing Ontario Hydro, which is the greatest source of acid rain in Ontario, and the owner of Ontario Hydro, the Ontario Government itself, to reduce their acid rain emissions by increasing the use of low sulphur Canadian western coal rather than using the American coal with the high sulphur content that Ontario Hydro is presently using?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am very pleased to respond to that intelligent and thoughtful question. Considerable progress has been made. As the Hon. Member has indicated, there is an action force composed of myself, the Premiers of Ontario, British Columbia, Alberta and Saskatchewan, and a secretariat has been formed to look at ways and means in which we might be able to bring western coal into Ontario at a reduced price.

The result of the secretariat's report is that there is a recommendation for some $10 million to $15 million in research and development activities, plus $70 million to $80 million worth of pilot projects which we could undertake to bring down the cost of coal thereby making it more competitive with the supply from the United States.

The Province of Ontario has indicated its willingness to comply with the reduced emission standards, bearing in mind that there would have to be some changes made in the furnaces and in the burning process, and all of these things are very actively under consideration.

*Oral Questions*

## PUBLIC WORKS

CONTRACT RECIPIENTS—ALLEGED APPROACH BY CONSERVATIVE PARTY FUND RAISERS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Prime Minister, and it concerns yet another report in the media of questionable fund raising by Conservative organizers aimed at Public Works contract recipients.

In an article dated December 7, 1987, in the *Edmonton Sun*, one contract recipient stated about these fund raising efforts, "The letters were not too subtle in suggesting that because I had received a government contract I should be contributing to the federal Conservative Party".

**An Hon. Member:** Order.

**Mr. Speaker:** I am having some difficulty understanding how that question is in order. It is clearly not something for which the Ministry is responsible. Perhaps the Hon. Member could rephrase his question.

**Mr. Boudria:** Did the Minister of Public Works inform the Prime Minister of these serious allegations, as he should have? What concrete measures does the Prime Minister intend to take to end this kind of intimidating practice?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I thought it would have been appropriate for the Hon. Member to give notice of this particular question. It is very narrow. I know nothing of it. But I will give my undertaking to report back to him.

REQUEST FOR RCMP INVESTIGATION

**Mr. Don Boudria (Glengarry—Prescott—Russell):** My supplementary question is directed to the Solicitor General. Given that in the past the RCMP have investigated similar situations, will the RCMP launch an investigation into these very serious charges that go right to the integrity of this Government once more?

**Mr. Speaker:** I am having considerable trouble accepting that as being a question which is in order.

The Hon. Member for Vancouver—Kingsway.

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## FISHERIES

CAPSIZED OIL BARGE IN ROSARIO STRAIT

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, my question is directed to the Minister of Fisheries, who must be aware that there has been an oil spill from a capsized barge in Rosario Strait just south of British Columbia.

Is the Minister in a position to tell the House what action, if any, the Government of Canada has taken with respect to this serious spill?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, indeed there has been a sinking of an American owned barge carrying Bunker C fuel, some 12 compartments, and I believe 1.6 million litres of heavy Bunker C oil. This occurred some 50 kilometres east of Victoria, well south of the Canadian boundary.

The Canadian Coast Guard, Fisheries, and Department of the Environment people have been in contact with their U.S. counterparts. The salvage operation is under way.

I can indicate to the Hon. Member that the Environment Canada oil spill tracing model has been applied, and it has determined that any leakage from this barge would not enter Canadian waters nor pose any problem at this time to our Canadian fisheries resource.

POSSIBLE EFFECT ON FISHERY—GOVERNMENT ACTION

**Mr. Ian Waddell (Vancouver—Kingsway):** Would the Minister not agree that even if the oil does not reach the Fraser River that it could get into the food chain, and therefore affect Canadians through fish and shellfish?

Could the Minister indicate to the House what, if anything, the Government is doing with the support of the American Government to stop these types of spills in the future?

**Hon. Thomas Siddon (Minister of Fisheries and Oceans):** Mr. Speaker, I think that the Hon. Member might know that there is a joint Canada-U.S. marine pollution contingency plan involving appropriate agencies of both Governments to deal with any sinking of this type.

I repeat that the sunken barge is located well within U.S. territorial waters. We are working closely with U.S. officials to see that this barge is raised as quickly as possible. The salvage team is on site. At the present time there is no evidence of any potential risk to Canadian fisheries resources. All but one of the compartments on this barge are sealed and the contents are not being released into the environment.

**Mr. Speaker:** This will be the last question in Question Period. A single question from the Hon. Member for Westmorland—Kent.

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[*Translation*]

## AIR SAFETY

MEASURES GOVERNMENT INTENDS TO TAKE TO REDUCE COLLISION RISKS

**Mr. Fernand Robichaud (Westmorland—Kent):** Mr. Speaker, my question is directed to the Minister of State

(Transport). According to a Canadian Aviation Safety Board report released over the weekend, incidents involving loss of separation or near misses increased by 100 per cent in 1987—54 incidents in 1986 against 109 in 1987. Is this increase in collision risks not the result of the Government's cut-backs which led to a considerable reduction in the number of air traffic controllers? So my question is this: What measures does the Government intend to take to reduce such collision risks before it is too late?

**Hon. Monique Vézina (Minister of State (Transport)):** Mr. Speaker, it is a matter of greater awareness of a job well done, and of consciousness to be able to report incidents which may occur en route.

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• (1500)

## GOVERNMENT ORDERS

[*English*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Bouchard in relation to the amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof.

**Mr. Hawkes:** Mr. Speaker, I rise on a point of order. Hon. Members will recall that we disposed of the Liberal amendment to the motion on Bill C-84 just prior to the luncheon break. Some time ago there were discussion among all three Parties about the need for two technical amendments to the Bill.

I know that the procedure would be unusual, but I think Your Honour might find unanimous consent to deal with those two amendments at this point before we return to the main motion. I wonder whether Your Honour would seek such consent.

**Mr. Riis:** Mr. Speaker, to get the ball rolling, or just to clear the air, we will be having a House Leaders' meeting in a matter of minutes. Perhaps this is something we ought to discuss there and come back to it later.

At the moment I will say that we are not prepared to give unanimous consent.

**Mr. Gray (Windsor West):** Mr. Speaker, the Parliamentary Secretary who just raised this matter said that there had been consultations among the Parties. I have yet to be informed of these consultations, and I will have to come back to the Hon. Member on this matter in due course.



[*Translation*]

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, I am pleased to deal today with Bill C-84. First of all, if I may, I should like to repeat what many of my colleagues have already said. We are not debating this Bill simply as a fillibuster to paralyze the Government, but rather to make sure that the Canadian immigration policy is worthy of us.

Unfortunately, instead of educating Canadian men and women on this issue and eliminating the abuses of our immigration system, the Tory Government is going to the extreme. Last summer, the Government got scared and recalled the House to deal with an emergency situation. It was just an excuse, as we very well know, because Bill-84 has never been a priority of this Government. Since then, apparently, it has survived this wave of panic.

Mr. Speaker, the Government seems to be a little more flexible now concerning this Bill since a number of amendments proposed by the Standing Senate Committee on Legal and Constitutional Affairs have been accepted by the Minister.

On the other hand, I should like to congratulate the Standing Committee for an excellent job and the unanimity which its members have demonstrated in their recommendations.

Although a number of amendments from the Senate Committee have been accepted by the Minister, other priority elements have not. Those are the points I should like to deal with today.

The first recommendation which was turned down by the Minister deals with the provisions of the Bill which would make it possible for a Minister or the Government to turn refugee ships around. Mr. Speaker, I feel it would be unfair to treat people arriving by ships differently from those arriving by planes. For one thing, they would receive a better welcome. How could a Government decide the future of people on the basis of their means of transportation? Contrary to the Bill, the Senate proposes to lead the ships into port rather than turning them around. This would make it possible for Canadian authorities to help genuine refugees on board while the captain would be liable to a fine or prison term for his criminal acts. This certainly would be a stronger deterrent. Indeed, I do not believe that simply turning a boat away will prevent traffickers and smugglers from trying their luck later. We therefore believe the Government should accept that recommendation. They could thus penalize the culprits and extend to people on board the legal safeguards provided by the Act, because actually, turning the boat away without looking at and assessing the condition of people on board is utterly inexcusable.

A second recommendation made by the Senate Committee was that we should not make it a new offence to aid or abet genuine refugees who do not hold valid visas. It is unacceptable in my view that we try to punish those who help people in need. Church people, priests or nuns for instance could be

charged with civil disobedience for helping people who are fleeing torture, threat and assassination in their home country. I would never have believed, Mr. Speaker, that this Parliament could enact a clause that is so offensive and backward. Canadians stated publicly they were ready to break the law if necessary to help those people who need such help. Such legislation is unworthy of us Canadians—people in Canada are much too fair and equitable to do that.

There is another problem in the area of security. Although the Minister stated a person is deemed to be innocent until proved guilty in our system of law, the Minister seems to take the opposite view when refugees are involved. The Government want to ensure that anyone who is suspect of being a security risk should be entitled neither to the refugee status determination system nor refugee provisions. I believe Mr. Speaker it is important to base ourselves on something more than mere suspicions under that system. We should not detain or turn back people on that kind of suspicions. Solid evidence is needed.

I would like to address another sensitive aspect of Bill C-84, that of search and seizure. The Minister stated he would like to have search warrants both in daytime and at night. He implies Senators opposed warrants being issued after 4 p.m. on the grounds that it was night time. But the Senate said nothing of the kind. It merely suggested it would be better if search warrants were issued during the day. Therefore the Senate recommendations will not prevent the Government from enforcing a warrant at night if conditions called for it.

Once again, the Government is going too far. Why provide for powers which could lead to abuses when our laws already show moderation, tolerance and intelligence? We do not want to take away from the Government the tools it needs to protect our boundaries. We want to improve existing mechanisms, but we do not want provisions which might violate the rights of Canadians.

It is important for everyone to realize that we really wish to achieve the stated objective which is to reduce abuses. We have never said that all those who claim refugee status are legitimate refugees. There have always been and always will be abuses. However, is that a good enough reason to punish the great majority of refugees who have legitimate claims? Why punish innocent people who have nothing to do with the ones who abuse our system? We have to try to be fair.

Canadians have always been proud of their refugee system, and it has evolved over a long period. Moreoever, our system is admired by many countries, even though there is room for improvement in our legislation. Our welcoming attitude to refugees can be cited as an example internationally. Why should we relax our efforts? Too many people are suffering hardship and need our assistance. Why should we close our doors to them, Mr. Speaker?

We know that Canada accepted over 60,000 Vietnamese some time ago, but that did not provoke a campaign against refugees and immigrants. However, it now seems that a single ship bringing in perhaps 200 refugees created a panic in Canada. I have to ask myself some serious questions about how the Government reacted to this incident.

I am quite willing for us to adjust the existing system, but let us do so logically and fairly. Canadians should be informed about the issue. They should be informed fairly and told how refugees contribute to make this a better country. We all know that most of those who come here as refugees do not take jobs away from Canadians. On the contrary, many of them do the work that most of us refuse to do.

The recommendations of the Senate Committee provide the means to make our system fairer and more equitable. We should consider these recommendations and accept them.

• (1510)

[*English*]

**Mr. Marchi:** Speaker, I listened attentively to the words of my colleague, the Hon. Member for Outrement (Mrs. Pépin) on a subject about which she cares and knows a lot. She pointed out a number of different things, including security, provisions for turning back a boat and the very onerous clause creating a new offence for those Canadians and organizations who wish, as they have in the past, to aid refugees and provide them with assistance.

On the whole question of the constitutional and charter challenge that will probably come from a number of lawyers across the country, one aspect that we in the House and the Senate experienced before our committees was that most legal experts, if not every single one, who appeared before the committee said that a number of provisions are unconstitutional and there will be court challenges based on the Charter as soon as the Bill is proclaimed law.

If the Government is now proposing that this is the answer, that this Bill is a cure for all problems concerning refugee determination, and if the courts will place a judgment on this legislation, what are the thoughts of the Hon. Member on the very likely possibility that this matter will be struck down by the courts, because a number of provisions, for example, the turning back of a boat and the security aspect, will be deemed unconstitutional? If this legislation is struck down by the courts it will, in effect, paralyze the whole policy. Rather than bettering a policy which needs reform, the situation will be even more chaotic. What then will happen to the confidence of Canadians who thought that the Government and Parliament were taking care of this very urgent problem?

[*Translation*]

**Mrs. Pépin:** Mr. Speaker, I think it would be better to improve the Bill at this point. If the legislation is challenged in the courts, it will be up to a judge to decide, and then we often depend on their interpretation of the legislation.

I think we should spend a little more time on improving the legislation here in the House, in order to prevent situations

similar to what happened last June, with the refugees who arrived by ship.

I have more than twenty-three ethnic groups and a number of refugees in my riding and am in touch with them regularly. I can assure you that the way the Government reacted last summer created a panic situation, and it also completely changed Canada's image abroad. People were coming here to a host country, where they knew their rights and freedoms were respected. Now most of them are wondering what kind of country we will have once this legislation is passed.

[*English*]

**Mr. Marchi:** Mr. Speaker, the Hon. Member for Outrement also correctly pointed out and compared the situation of the two past summers, when 300 refugees came by boat to our shores, to a situation only a few short years ago in 1979 when the then Prime Minister of the day, Mr. Clark, followed by the Government of Pierre Elliott Trudeau in 1980, took what was probably the most significant initiative that created the most pride in Canadians, by accepting almost 106,000 Vietnamese boat people. The Member referred to that leadership, integrity and education program under which 50,000 refugees from Vietnam were sponsored by communities, including churches, organizations and individual Canadians, and approximately 50,000 people were sponsored by the Government. That was a classic example of a true partnership that worked.

Given that past governments have reacted in a noble and progressive manner, what are the Member's thoughts about why the Government did react by creating, suggesting and fabricating an emergency situation and a crisis? How does the Member view the situation where you have one government accepting 106,000 people in a two year period and another Government creating a crisis because 300 individuals entered our refugee determination system?

[*Translation*]

**Mrs. Pépin:** Mr. Speaker, the fact that the arrival of a hundred refugees was perceived as an emergency and even created a panic situation is rather difficult to explain when, as my hon. colleague pointed out, we realize that Canada has already received more than 60,000 Vietnamese.

If we take a closer look at the situation and analyse it carefully, the impression we get is that the Conservative Government wants to change its policy and have a big stick like the legislation before the House today.

The perception of our country as a host country and as a compassionate country has changed. As I said earlier, the refugees and immigrants in my riding feel the situation has become most disturbing. Most of them are worried, especially since the Government is playing a game with words. It says there are genuine refugees and phony refugees. The word refugee implies that the person is at risk. There are no genuine refugees and phony refugees.

So all this did the rounds across the country. In many cases, the media tended to make matters worse, so that 200 new arrivals created a true panic in a country that is simply huge. We could have easily taken these people in with a lot less ruckus then we did. And I think this has tarnished Canada's image. The Government must adopt legislation that is far more humanitarian, in order to change the perception of Canada now held by other countries, including Europe, and especially in those countries where human rights are threatened. The Government must change this perception because I must admit, I was not very proud to be a Canadian.

**Mr. Heap:** Mr. Speaker, I would like to ask the Hon. Member for Outremont (Mrs. Pépin) a question concerning those who help refugees.

• (1520)

[*English*]

What I am concerned about are the 23 refugee aid groups that she spoke about in Montreal with whom she is in touch. If a refugee came here from El Salvador, did not try to evade immigration officers but simply reported in as a refugee claimant, and was helped in doing that by a Canadian, there has been great concern that those Canadians would be quite unjustly subject to punishment for doing something that is considered a good thing to do now, and in fact was part of the reason why Nancy Pocock received the Pearson Medal for Peace a few weeks ago. I would like to ask the Hon. Member what those refugee aid groups in Montreal think of the Government's assurances that they will not be prosecuted?

[*Translation*]

**Mrs. Pépin:** Mr. Speaker, they are not very reassured now, I can tell you, since they know that Canadian men and women who would help refugees to come to Canada would be held criminally responsible.

I think that many have said publicly that anyway they are willing to break the law if that piece of legislation is accepted; that would not stop them from helping the refugees. And I think it would certainly be a shame for our country if the Government were to enforce such a legislation.

I believe our refugees feel threatened and are very much concerned and I think that is going to change our image as a friendly and humanitarian country.

**The Acting Speaker (Mr. Paproski):** Questions and comments. Debate. The Hon. Member for Yorkton—Melville (Mr. Nystrom).

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I should like to deal briefly with this very important piece of legislation which is now before the Parliament of Canada, Bill C-84.

Mr. Speaker, you are certainly aware that our Party is against this Bill which was introduced last summer by this Tory Government as a response to a tragic situation.

There was in this Bill a violation of human rights, a violation of the Canadian Charter of Rights and Freedoms. It was also a violation of the United Nations Charter. In fact, it is a very discriminatory and reactionary measure.

M. Speaker, we have before us now a few amendments which have been proposed by the Senate of Canada. I support these amendments because they would make of this Bill something better and more efficient for Canada.

It may seem unusual for NDP members to speak positively of the Senate of Canada. The Senate is certainly not a democratic institution. Its members have been appointed by several Prime Ministers such as Mr. Trudeau, Mr. Pearson, Mr. Clark and the current prime minister (Mr. Mulroney). As I said, this is not a democratic institution. In spite of that, the many senators who are clever and well intentioned have put together a Bill which is better than that of the federal Government.

[*English*]

I think more than any other Member of this House of Commons, the Hon. Member for Spadina (Mr. Heap) has led a campaign against this very regressive and oppressive legislation introduced by the Conservative Government. Starting last August, at a time when I and others were on the special committee studying the Meech Lake Constitutional Accord, the Hon. Member was leading the fight against this repressive piece of legislation. It is very unfair to both legitimate refugees from many undemocratic countries, and to Canadians who help refugees. It violates the Canadian Charter of Rights and the UN convention on refugees.

I have not taken part in this debate before today. I was not part of the committee as I was tied up in other work of this House, like yourself. However, I understand that when the committee held hearings most of the witnesses were opposed to the sweeping nature of this legislation. I also understand that when the Senate held hearings, it heard some 37 different witnesses and all of them except the immigration staff criticized and opposed the Bill. After those hearings, the Senate committee made 13 different recommendations and those recommendations are what we are talking about today.

Like yourself, Mr. Speaker, my family came from other parts of the world to settle in Canada. In my case, my ancestors came from enlightened and very democratic countries; on my father's side, from Sweden, on my mother's side, from Great Britain. They, along with many other people, created this great country. One reason they came here was that Canada was very tolerant of different ways of life, different languages and different

[*Translation*]

Mr. Speaker, we have two official languages in Canada. We have several cultures. On both sides, it is a society which is quite tolerant. It is a true mosaic of people from the four corners of the world. Now, we have a mixture, a truly distinctive Canadian society.

[*English*]

I do not think it is in the traditions of Canada to have this kind of repressive legislation before us today. When the Senate made its recommendations, it talked about a number of changes which should be made and I want to commend those changes to the House.

Amendment No. 1 would clarify the purposes of the Bill as opposing clandestine entry rather than smuggling. This amendment goes in the right direction. It more clearly defines what the purpose of this Bill should be so that fewer legitimate refugees are caught in a trap, through no fault of their own.

Amendment No. 2 and amendment No. 3 restore the right of a person being accused of being a security risk to hear the case against him or her, except where the judge decides that that would endanger national security or the safety of persons. This is a very important amendment with respect to civil rights or civil liberties. A person accused of being a security risk will have the right to hear the case being made against him or her. Without that right we are almost living in a police state. You can be accused of something and you do not have the right to hear what it is of which you are being accused. Innocent people can be caught in that net and be denied refugee status where they would normally qualify as legitimate refugees.

• (1530)

Amendment 4, which talks about the right of claim to refugee status, restores the right of a person accused of being a security risk to have his or her refugee claim determined nevertheless. This would live up to Canada's obligation under the U.N. convention relating to the status of refugees and entitle the person, if deported, to United Nations assistance in finding a safe country other than the one which he or she had fled.

While on this particular topic, I remember stories of a shipload of Jewish people coming to Canada from Germany in the late 1930s before I was born. They were to land in Montreal but were turned back by Canadian officials. That was a different time and perhaps a slightly different issue, but I think it indicates the consequence of lack of tolerance, the consequence of people being unable to explain their case, and the consequence for people who did not have a fair hearing in this country. They were sent back and many of them met their death in Nazi Germany.

It is very important that the legislation before the House today be drafted in such a way as to ensure that people coming to this country as refugees are not sent back to certain death in the countries from which they have come en route to Canada.

Amendment 5 deals with ships which are turned around. It requires that a ship suspected of bringing in illegal refugees be brought to port in Canada and that the occupants be dealt with in accordance with Canadian law. It is very important that they be dealt with in accordance with Canadian law. It is my understanding that amendments to this effect were moved in the committee by the spokesperson for our Party, the

Member for Spadina. There are violations of the Canadian Charter of Rights, of some pretty fundamental justices and liberties, in the Bill presented before the House.

Amendments 6 and 7 deal with aiding and abetting. They restrict these clauses by targeting only those who intentionally encourage false refugee claims or who assist clandestine entry into this country. This ensures compliance with Section 7 of the Canadian Charter of Rights and Freedoms. This is an effort to target more effectively those people who intentionally encourage false refugee claims. This is an effort to target people who intentionally abuse, corrupt, and destroy the system for people who legitimately come to this country because they face persecution in their own country.

Amendments 9, 10, 11, and 12 deal with search and seizure and forfeiture. They ensure that search and seizure and forfeiture are allowed only on reasonable grounds and with reasonable procedures in keeping with Section 8 of the Charter of Rights. This is a very important series of amendments which would harmonize this legislation with the Canadian Charter of Rights and the Canadian Constitution as they affect those who live in this country. I do not think that is asking too much in terms of the amendments which the folks in the other place are suggesting to the House of Commons.

Finally, Amendment 13 would provide for independent review of the detention of persons held for identification or security purposes. This would ensure compliance with Sections 7, 9, and 10 of the Charter of Rights.

That is a very quick summary of the 13 amendments being suggested by the other place. I argue that those amendments are not radical but very reasonable. The ladies and gentlemen of the other place are not usually known as radical or revolutionary people. They are usually considered fairly moderate and sometimes rather conservative. They are noted for their sober second thought. Usually when they recommend something to this House their recommendation is made after a great deal of consideration and usually with tremendous moderation. If the Senate, after hearing witness after witness, church group after church group, and civil libertarian after civil libertarian, can make these kinds of recommendations, then surely to goodness the House of Commons and, in particular, members of the government Party can accept these recommendations from the Senate of Canada to improve Bill C-84 which is before the House today.

I would like to remind us all that this country has a very tolerant past. This country has been very generous and benevolent. This country was built by people of many lands coming to Canada and working together to build a tremendous society and a tremendous country. We have two great languages and many great cultures. These people together have built a great country along with the indigenous aboriginal people who were here before peoples from other parts of the world arrived.

This piece of legislation would turn back the clock. It is the kind of legislation you would expect from President Reagan in the United States or Margaret Thatcher in Great Britain, but it is not the kind of legislation you would expect from the Progressive Conservative Party of Canada with the history which it has had.

Throughout its history of leaders, from Sir John A. Macdonald to John Diefenbaker, the Progressive Conservative Party has been very progressive with regard to refugees, immigrants, or building a society based on tolerance. It is only the most recent Conservative Party members who have tried to turn back the clock on the progressive tradition of that Party which now forms the Government of Canada.

I am sure that if John Diefenbaker were in the House today he would be making speech after speech about how regressive, conservative, reactionary, and restrictive this Bill is. Mr. Diefenbaker was from my home Province of Saskatchewan. He built his reputation on defending the underdog, on standing up and fighting for the rights of ordinary people who were being discriminated against, on fighting for ordinary Indian people and for the right to vote, for decent lives, and decent services. John Diefenbaker would not tolerate for a minute this kind of reactionary Bill.

I also suspect that many in the Cabinet, if they were Prime Minister, would not tolerate such a Bill as is before the House today. I am sure that if the Minister of National Health and Welfare (Mr. Epp) were the Prime Minister of this country or the Minister in charge of immigration he would not be introducing this Bill in the House today. I noted that he is not returning to Manitoba to seek the leadership of that political Party there. Therefore, we will not have to grant refugee status to Mr. Filmon. That aside, I am sure that if the Minister of National Health and Welfare were the Leader of the Party or the Minister in charge we would not have this regressive Bill because he is more in the tradition of John Diefenbaker and progressive prairie populism.

I ask the members of the Conservative Party to join with us, the Liberal Party, the Senators, the people of Canada, and the churches of all faiths, all of whom have said that this Bill is much too regressive. This is not the Canadian tradition, it is not the Canadian heritage. If we had this kind of philosophy many years ago we would not have in Canada many of the Canadians we have today.

I want to conclude by reminding people that over the years we have taken in people from many very regressive regimes.

[*Translation*]

Mr. Speaker, I know there is a great deal of oppression in the world. There is a lot of that going on in Africa, for instance, and one example is the present situation in Zaire, a political dictatorship where human rights are violated. Zaire is the former Belgian Congo. It is one of the great countries of Africa, where there is now a lot of discrimination against a large number of people.

There is also discrimination in Haiti. President Duvalier was a dictator as his father was before him, but now, although he is

no longer in Haiti, the situation is such that human and civil rights are non-existent. There was a phony election in Haiti where the principal candidate was not even part of the process.

There is repression in Haiti and there is also the situation in Central America, where in many countries, people who were strongly in favour of a democratic system and freedom of expression, association and rest, are now confronted with a repressive situation. There is also the situation in South America, in Chile. Several years ago, I remember we had a meeting here in the parliamentary restaurant with Mrs. Allende. Her husband was the President of Chile and had been democratically elected, and after only a few years, he was assassinated. Now we have a repressive regime in Chile, Mr. Speaker. We often meet men and women who want to come to Canada to live under a democratic system and start a new life. We are not the only country with a humanitarian tradition in this respect. There are many others. Nevertheless, I hope Canada will remain open and maintain its traditions and heritage. I hope it will maintain its humanitarian system for all refugees throughout the world.

• (1540)

[*English*]

I urge my friends in the Conservative Party to remain true to the traditions of John Diefenbaker and many other "progressive" Conservatives, to stand up for civil rights and civil liberty and make sure that the Bill that is passed by the House of Commons respects the Charter of Rights in this country and respects the United Nations High Commission for Refugees.

**Mr. Friesen:** Mr. Speaker, first I want to correct a statement made by the Member who just spoke and point out that the United Nations Commission for Refugees has not opposed this legislation.

Second, I want to point out, as reported on page 12001 of *Hansard*, that the Hon. Member's leader said on that day, speaking of the terrorist who had come to Canada:

> Why has no action been taken to ensure that this person is removed from Canada?

I want to tell him that press reports today state that this terrorist has now claimed refugee status in Canada. I remind the Member that when the boat landed in Nova Scotia last summer his leader said that if they are not refugees, send them back. As a matter of fact, the Member for Kamloops—Shuswap (Mr. Riis) said: "If they are not refugees send them back".

This legislation is dealing not with refugees but with fraud artists. I would invite the Member to correct the misstatements he has made in the House so that the Canadian people who have watched this debate will understand that we are dealing with detention and those people who are an affront to the law. I hope he would agree that these people ought to be dealt with in terms that this legislation has outlined. His Party cannot have it both ways. On the one hand they cannot say "send him back" and at the same time deny us the legislation that would allow us to send them back. They cannot have it both ways.

**Mr. Nystrom:** Mr. Speaker, we are not asking to have it both ways. We are saying that we want to respect the great traditions of this country in treating refugees and immigrants fairly. We want to respect the tradition of the Conservative Party of Canada. I mentioned Mr. John Diefenbaker.

The legislation before us today is very repressive. We feel it is a violation of the Charter of Rights and a violation of the United Nations Convention on Refugees.

**Mr. Friesen:** Not true.

**Mr. Nystrom:** The Member says it is not true. I suggest that that is his opinion, not mine. It is not the opinion of most groups that appeared before the committee.

I remind the Hon. Member that most churches in this country that appeared before the committee of the House or the other place opposed this particular legislation as going too far and being too restrictive.

I know that I am dealing with a man who is very active in the Christian community. I am sure he realizes the role of the churches in terms of refugees and the position the churches, including the United Church, the Catholic Church and many others have taken in promoting the amendments to this legislation.

Many of them also took the position that Bill C-84 is a violation of the U.N. Convention on Refugees. I think we should be reflecting in the legislation the position of the churches and many of the civil libertarians as well as the position that has been basically the tradition of all three Parties in this country.

**Mr. Heap:** Mr. Speaker, I have a question further to the question that was asked by the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen). I have heard him make that very misleading statement many times in which he very carefully—and he is skillful—isolates the fact that the United Nations representative for the High Commission for Refugees in fact did not say that Canada was violating the convention.

What the Hon. Member for Surrey—White Rock—North Delta knows, of course, is that the UNHCR always has to deal in a friendly way with every Government because it has no power to enforce that convention. Therefore, it never uses such blunt language as to say, "You are violating it". But what the Hon. Member knows is that the U.N. did ask the Government to allow refugee status hearings even for somebody accused of crimes such as war crimes, subversion and so on, so that if the person were found to be a refugee he could be given time to find a third country rather than be deported to the one that persecuted him.

What I want to ask the Hon. Member for Yorkton—Melville (Mr. Nystrom) is, does he consider that in the case of somebody who perhaps in fact has committed some crime in his previous country but asks for refugee status in Canada, that person should be allowed to have his refugee status examined? If he is found not to be a refugee, then of course the action proceeds on the charges against him, and if he is found to be a refugee does the Hon. Member for Yorkton—Melville consider that it would be fair that the charges against him would be tried, whether he is a criminal or subversive, but that if he is found to be criminal or subversive he should be allowed a reasonable chance with the help of the United Nations High Commission for Refugees to find a third country to which he could go rather than the country that persecuted him? That is what the UNHCR asked. I would like to know whether the Hon. Member for Yorkton—Melville thinks that that would be fair.

**Mr. Nystrom:** Mr. Speaker, I certainly believe it would be fair. I agree with what the United Nations is saying.

While I am on my feet, I want to finish my answer to the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen). My seat mate from Winnipeg just handed me a letter from the Anglican Church of Canada. It is a letter written to all Members of Parliament from Archbishop Michael Peers who is Primate of the Anglican Church of Canada. He is recommending a resolution to the Parliament of Canada, which I want to read in response to a question put to me a few minutes ago. It says:

• (1550)

"That this National Executive Council requests the Primate to express to the Government and the people of Canada its deep concern that significant sections of Bills C-55 and C-84 as presently drafted:

a) do not satisfy our international obligations to protect refugees and uphold procedural safeguards;

b) violate sections of the Canadian Charter of Rights and Freedoms;

c) do not meet the stated objectives of our immigration policy 'to fulfill Canada's international legal obligations with respect to refugees and to uphold its humanitarian tradition with respect to the displaced and persecuted'."

This letter is from the Primate of the Anglican Church of Canada to all Members of Parliament. It lobbies for the amendment suggested by the Senate of Canada and it lobbies in a very diplomatic way against the regressive and reactionary Bill presented by the Conservative Government, a Bill that violates the Canadian Charter of Rights and the UN convention.

I recommend this letter to the House. I am sure that is why you are jumping to your feet now, Mr. Speaker. It is to say: "Yes, this is a good letter and we should accept it".

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board):** Mr. Speaker, I rise on a point of order and I will be very brief. There have been discussions among the Parties, and I appreciate the co-operation of my colleagues. We propose to move two further amendments to the Bill amending Clauses 11 and 16. I would seek your consent to move and have the House vote immediately on the following motion: I move, seconded by the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen):

That clause 11 of Bill C-84 be amended by striking out line 2 on page 13 and substituting the following:

"exigent circumstances" *mean* circum-"

I also move, seconded by the Hon. Member for Surrey—White Rock—North Delta:

That clause 16 of Bill C-84 be amended by striking out line 16 on page 24 and substituting the following:

"82.1(2), 83(1) and *91.1(1)*, and any such power,"

And that a message be sent to the Senate to acquaint their Honours thereof.

**The Acting Speaker (Mr. Paproski):** Hon. Members have heard the suggestion of the Minister of State (Mr. Lewis). Is there such unanimous consent?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Mr. Marchi:** Mr. Speaker, we might want to clarify this for the House. It is my understanding that we have given unanimous consent to the introduction of those two amendments which will perhaps be debated by Members if they so desire. Is that the ruling of the Chair?

**Mr. Gray (Windsor West):** Mr. Speaker, I thought we agreed to a motion to add these two amendments to the motion moved by the Government with respect to Bill C-84 so that the two amendments the Minister of State has just offered would be dealt with in the same way as the other amendments contained in the Government's motion which we are currently debating. In other words, it is as if the two amendments the Minister just moved were a part of the motion of the Government in the first place.

**Mr. Lewis:** Mr. Speaker, we are content to add those two amendments to the message if the Table finds that to be in order, yes.

**Mr. Riis:** Mr. Speaker, I agree that consultations have taken place and in the spirit of co-operation and in an effort to advance the processing of this Bill, we have agreed to introduce these. I would like to think that the Government would show its appreciation by not moving the previous question.

**Mr. Marchi:** Mr. Speaker, I rise on a further point of order. I do not want to be difficult, I am just interested in the procedure. The Hon. Member for Davenport (Mr. Caccia) will soon be taking the floor. Is it the case that the Hon. Member

for Davenport will be speaking to the main motion and that after that debate is completed, we will then be able, if Hon. Members so desire, to speak to the two new amendments?

**Mr. Friesen:** Mr. Speaker, I just want to point out to the Hon. Member for York West (Mr. Marchi) that one of these amendments for which we have asked unanimous consent was an amendment the Senate had wanted to be included. Through some oversight, it got lost in the message that was sent to us in the House. We are accommodating the Members of the other place by including it. The other amendment restricts the Bill even further, something which I think has the approval of Members opposite. I take the words of the Hon. Member for Windsor West (Mr. Gray) to mean that this is part of the main motion and it will not be debated separately.

**The Acting Speaker (Mr. Paproski):** Is it so agreed then? Is it part of the same package that the message be sent to the Senate to acquaint their Honours thereof?

**Mr. Gray (Windsor West):** Mr. Speaker, I had proposed a way of treating these amendments, but I was just informed by my hon. colleague, our critic on this issue, that he has already spoken on the main motion and he therefore would not otherwise have the opportunity to speak briefly on why he thinks these amendments are worthwhile. I wonder if there would be unanimous consent to allow the Hon. Member from our Party as well as the New Democratic Party critic a few minutes to explain why they are willing to accept these amendments. We do not want to take away the turn of the Hon. Member for Davenport. He is next, but I wonder if the House would agree to allow the two critics for the opposition Parties a few minutes to explain their acceptance of these amendments.

**The Acting Speaker (Mr. Paproski):** Is that so agreed?

**Some Hon. Members:** Agreed.

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, what you have just witnessed is an interesting exercise on the part of the Government to improve this piece of legislation six months after it was introduced as an absolutely urgent matter which required the recall of Parliament on August 11. We are now dealing with what would seem to be the final stages of the debate on this Bill in the fourth year of the Government.

Six months after the Bill was introduced, the Government still finds it necessary to rush in on a Tuesday afternoon to present amendments that it deems to be necessary through a delayed acceptance of suggestions that had been made to the Government both by the Hon. Member for York West (Mr. Marchi) on behalf of the Official Opposition and by the Senate. Perhaps this is an indication that at this rate, in another six months, we might have a piece of legislation that will be acceptable to Canada and in accordance with the the basic principles contained in our Charter of Rights and Freedoms.

It is a sign of immense incompetence on the part of the Government that we are here, six months later, struggling along with a piece of legislation which could have been passed in a matter of weeks if it had been introduced with measures that would not be, in most legal opinions and in the judgment of refugee communities, repugnant or could not be eventually challenged in the higher courts. That would have made this whole exercise unnecessary and even a farce. That is the basic point.

• (1600)

I imagine it really upsets most Canadians to hear back-benchers of the Tory Party rising during the period preceding Question Period to lament the fact that this Bill is still being debated in the House. That is the highest level of hypocrisy accompanied by incompetence that has been witnessed in the House for a long, long time.

A few minutes ago the Minister of State rushed into the House to introduce two technical amendments, at least what he thinks are two technical amendments. But he admitted in his own words that they are in part a reply to the suggestions made by the Senate. That is an admission that the Bill is still far from being the type of Bill that ought to be leaving the House in order to command the respect of the Canadian people and the respect of our courts.

What we have here is an exercise in incompetence for which only the Government can be held responsible, not the members of the Opposition for debating it. We are not compulsory speakers in the House of Commons. We do not come here just to speak in order to see our name in print the next day in *Hansard*. We come here when we are hot under the collar, as we were in August of 1987 and as we are six months later today because we still find that some measures in this Bill are offensive.

The Senate has performed an outstanding role in examining Bill C-84 in its traditional and thorough manner. It has come to the conclusion to which Senators of all Parties, which in this case means Liberals and Conservatives, have agreed upon. Not one Conservative Senator disagreed on the package that has been sent to us here today for debate—not one. That is the reality.

The Senate is unanimous in saying that this Bill still needs to be amended. Yet some back-benchers of the Government, which is so-called Progressive Conservative, have the nerve to get up to complain that we are still debating it. We have to debate it because of its contents. What the Senate is saying is that this law must be improved on a number of fronts. Other speakers before me have already outlined them. I am not able to say something that is new on how the recommendations of the Senate run. They cover a wide range of clauses, and others have done better than I have done. The fact remains that there is here a principle to make laws that are good and that cannot and should not be challenged in higher courts. The Hon.

Member for York West made this point, as have others. It is an important point.

We want to make a contribution to the debate on this Bill in a manner that will achieve two things. One principle is that we want to ensure that our immigration laws are not abused. There is unanimous consent to that. The second principle is that we want to pass a law that will not be challenged in the higher courts and that will not therefore slow down, almost impede or bring to a grinding halt the whole legislative implementation of the laws that the House is debating right now. We are trying to improve the quality of it now so that it will work later on. That is the point.

The nature of the amendments is quite clear in the submission of the Senate. In his intervention a few days ago the Hon. Member for York West dealt with them in a very clear manner. He put on the record his thoughts with respect to turning back a boat, something which the Government wants in the present legislation as proposed.

The alternative we are advancing is that, instead, the law be such that it permit the Minister to escort these boats into port. That is a sound and convincing argument. I recommend that Hon. Members read page 12303 of *Hansard* for January 26. At that page Hon. Members will find the intervention of the Hon. Member for York West who said that the Senate articulated the recommendation that rather than turning back a boat it be escorted into port. We think that there are some very basic good and solid reasons for doing that.

If we want to punish the smugglers of human misery, as the Hon. Member for York West pointed out, then we should bring the boat into Canadian harbours and confiscate it, sell it and punish the captain by imposing a fine upon him or by placing him in prison. Why does he say that? Because this is a lesson which will not be forgotten for a long, long time. That is the reason. In doing so the word will spread on the international circuits among potential captains and boat owners that when one comes close to Canadian waters or touches them then they are in for a rough time and that one may lose one's shirt. Is that not the point? Is that not the reason we want to do it?

For the life of us it is very hard to understand why the Minister of Immigration cannot see the merits of this measure that was proposed, expounded and advanced by the Opposition back in August and again put forward and advanced by the Senate as a whole. It is extremely difficult to understand why this is not being accepted.

On January 26 the Hon. Member for York West concluded with this observation. He said that the discouragement is greater if we bring the boat in and then punish the culprits. He pointed out that we would be more wise since we would be able to question the captains. He also pointed out that we could try to break down the rings and the networks that are operating throughout the world. These are three solid and good reasons which the Hon. Member put forward. Why turn back the boat? This is something that escapes our ability to understand.

Another point made by the Senators, which deserves our attention, has to do with the question of punishment of those who aid and abet refugees. You have heard it I suppose, Mr. Speaker, more than you would like to, and I do not envy you. It is your task to hear at times things over and over again. Your Honour has heard some pretty solid arguments in the House and in the Senate about the notion that the law should not punish organizations and individuals who help refugees.

It is more than individuals and organizations with whom we have to be concerned. I say that because in the offices of Members of Parliament in many cities in the exercise of our daily duties we inevitably come into contact with people who are here as potential refugees. They come to our offices seeking advice. If we were to deal with them, we could be in breach of the law as proposed now. There must be a dozen Members of Parliament in the House now who, over the years, have spoken or been spoken to by individuals who would like to be considered and accepted as refugees and who have been helped with information and advice. All of a sudden when this law is implemented anyone who in the future comes in touch with and offers advice or answers to a person who would like to declare himself or herself as a refugee in Canada might be in trouble with respect to the law.

• (1610)

That is not a fair measure, and it is not a measure that can be considered lightly. I notice that on the same day the Hon. Member for York West made a reference to Nancy Pocock from the Inter-Church Committee for Refugees in dealing with this issue. The present Minister of Employment and Immigration (Mr. Bouchard) says that he has to reject the notion that this particular clause be deleted from the Bill, and in his release he states that this amendment would constitute a reversal of the policy upon which the Immigration Act of 1976 was based. That is incorrect. It is not so. The Immigration Act of 1976 does not advance the notion in this forceful and authoritative manner that it does now that anyone who is involved in assisting and in dealing with refugees is in breach of the law. Otherwise, I think many of us would have been in trouble a long time ago.

Instead, what we do support on this side of the House is the amendment by the Senate which would limit criminal prosecution to those who intentionally encourage false claims, and to those people who assist clandestine entry. That is a line that has been drawn by the Senate, which is a very fine line and a very important one. It deals with false claims, and it deals with the matter of clandestine entry. I think that that would be safe ground and also fairer ground on which to base the spirit and the operative part of the proposed legislation.

On those two grounds alone there is reason enough to rise in the House and to speak out. There is still time for the Government to accept these interventions on our part. At the rate that the Government is doing so, it may be some time before this will happen. Until then, Mr. Speaker, all I can say to you is that it is not right for the Government to blame us for the fact

that a Bill introduced in August is still here. There are Bills which travel through the House fairly quickly and with a lot of co-operation. If this Bill is still here after six months the only one that can be blamed and ought to be blamed is the Government and those who propose it.

**Mr. Marchi:** I would like to commend the Hon. Member for Davenport (Mr. Caccia) for his reassuring words, words that we heard from him only a few short months ago when this debate was present before this very Chamber in the hot days of summer. His interest perhaps was not only derived from the two boatloads that arrived on our shores, but certainly that interest and passion emanates from long and hard work during the 1970s and early 1980s when he was a very active member of the standing committee on immigration at that time.

The Hon. Member for Davenport correctly pointed out that there is a certain amount of hypocrisy when members of the Government rise during Statements Pursuant to S.O. 21 prior to Question Period and suggest that somehow the Opposition is delaying and filibustering this legislation, and that this emergency Bill is still very much alive in our Chamber as of February, 1988.

As was pointed out in part by the Member, the truth is that this question and the report from the other place that we are debating today did not come exclusively from Liberal Senators, but it was endorsed unanimously by all Senators. In fact, some of the Senators from the government side were more passionate and emotional in the disdain in which they held this piece of legislation, and that triggered a number of discussions, perhaps behind the scenes as well as in front of the committee with the Minister, that helped this report and allowed the Government to recognize that it did go too far.

At no time did the Government push the Senate committee to deal with it more quickly. At no time did the Government ask its Senators on the government side to expedite matters, as they did in the committee. Therefore, there was not the political will or the political necessity for that to happen. Now that we have had the time to reflect over the several months that have elapsed since the summer, I think the Government got the message that it had erred, that this Bill was overkill, and that Canadians were looking at this in a progressive and moderate manner, something that the Government was not doing.

In addition, Members of Parliament from the government side have also been debating this Bill. Government Members have also been standing up and asking questions. This is a debate. It is a discussion. If we are not to discuss and debate in this Chamber, and if it is not for the Opposition together with members of the Senate, including government Senators, to try to push this Government a little more close to some degree of progressivity, then who should do so?

On that note, I wish to ask the Member for Davenport what are his thoughts, in terms of the whole question of leadership and being at the leading edge of educating and coming to grips with this very emotional yet significant issue, rather than simply waving hands and calling those people illegal migrants and suggesting that somehow Parliament has to come together because there is an emergency and impending crisis. The Hon. Member was a member of this Chamber and a member of a preceding Government that had the example of the Vietnamese boat people and partnership between community and Government at its best, but in addition to that there were other programs that complemented that particular exercise. What does the Hon. Member think of a Government that can and is able and wishes to lead and create a country in a direction that is better for humankind and for the international phenomenon of refugees, as opposed to a Government that runs from the issue, looks at the polls, and has the knee-jerk reaction that we saw in the summer months?

**Mr. Caccia:** The example of the boat people is a very good one. On the over-all question of leadership, this afternoon, February 2, six months after the introduction of this Bill, we were treated to the spectacle of the Government rushing in and asking that this Bill be given two additional amendments. After this Bill had been introduced in August of last year, debated on second reading, sent to committee, having heard all the witnesses, having heard the views of the Opposition, having it reported back to the House of Commons, having debated additional amendments, having a debate on third reading, a discussion in the Senate, hearings in committee of the Senate, receiving it back from the Senate, the Government is still thinking over and wondering what to do to improve this Bill after six months.

• (1620)

Can you imagine that, Mr. Speaker? What an immense sign of incompetence. It is not even a question of leadership. It is a question of not knowing how to run the business of the nation. That is what it tells me, if on February 2 the Government has to rush into the House with two amendments to a Bill which was introduced six months before and after all the phases of hearings and debates on the amendments.

It would be nice to be able to discuss leadership. The Government does not have the faintest idea. We find incompetence in the way it managed the trade negotiations with the United States. We find incompetence in the way that it dealt with the United States on acid rain. It is an empty cupboard. We also find incompetence with regard to toxic chemicals in the Niagara River. The Government is in the fourth year of its mandate. If its Members were to think back to 1983, they would find that if they managed to do anything in this Parliament it was because we prepared the ground for action in a number of fields.

**Some Hon. Members:** Oh, oh!

**Mr. Caccia:** Otherwise, they would not even know how to move the wheel ahead. However, when it comes to new measures or new programs, what do they do? They rush into the House of Commons, as they did today, saying: "Just a

moment. Please allow us a few minutes to introduce two further amendments".

Is that a sign of competence in the Government? The Hon. Member for York West was trying to tell the Government something about leadership. For heaven's sake, there is no question that if the Government is leading us anywhere, it is leading us to disaster. It is leading us to economic union with the United States. It is leading us to a weaker federal Government so that eventually we will have 10 republics trying to rule the country. It is leading to devolution whereby Ottawa will have less and less power than the provinces, and we will have in a way a checkerboard Canada as we see already in the environmental protection legislation.

**Mr. Epp (Provencher):** Which you were not able to get through Cabinet.

**Mr. Caccia:** For weeks the Hon. Minister of National Health and Welfare (Mr. Epp) has postponed his appearance before our committee. I want to tell him that what we are witnessing there is the emergence of the Meech Lake virus whereby each province will have different standards of environmental protection. We will see the same situation with other measures.

If you ask me, Mr. Speaker, what kind of leadership the Government is giving or where it is trying to lead us, I would say that it is leading us in the wrong direction, and that is why we want to call an election pretty soon.

**The Acting Speaker (Mr. Paproski):** I regret to indicate that the period provided for questions and comments has now terminated.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Hazardous substances—Dioxin in paper products—Chlorine bleaching process; the Hon. Member for St. John's East (Mr. Harris)—Fisheries—Canada-France dispute—Position of Newfoundland Government/Request that Government halt talks/Statement made by Minister of fisheries; the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Cape Breton Development Corporation—Industrial development division/Query concerning consultations.



## GOVERNMENT ORDERS

[*English*]

### IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Bouchard in relation to the amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, and the motion of Mr. Lewis:

That Bill C-84 be further amended in Clause 11 by striking out line 2 at page 13 and substituting the following therefor:

""exigent circumstances" mean circum-"

And

That the Bill be further amended in Clause 16 by striking out line 16 at page 24 and substituting the following therefor:

"82.1(2), 83(11) and 91.1(1), and any such power,"

**The Acting Speaker (Mr. Paproski):** Resuming debate with the Hon. Member for Surrey-White Rock—North Delta.

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia) has said a number of times this afternoon that if the Government wanted it could have passed this legislation. Therefore I move, seconded by the Hon. Minister of National Health and Welfare (Mr. Epp):

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of considering the motion of the Minister of Employment and Immigration in relation to the amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, and the motion of Mr. Lewis, seconded by Mr. Friesen, in relation to further amendments proposed to the said Bill.

**The Acting Speaker (Mr. Paproski):** Will those Members who object to the motion please rise in their places?

*And fewer than 15 Members having risen:*

**The Acting Speaker (Mr. Paproski):** Fewer than 15 Members having risen, the motion is adopted.

Motion (Mr. Friesen) agreed to.

**The Acting Speaker (Mr. Paproski):** On debate, the Hon. Member for Regina East.

**Mr. Simon de Jong (Regina East):** Mr. Speaker, I wish to participate in the debate on the government motion in relation to Bill C-84.

As all Hon. Members surely remember, in the middle of our summer break we were summoned back to Parliament to deal with a national emergency. The national emergency at that time was that a boatload of people were entering Canadian waters and in fact had arrived at our shores seeking refugee status. This became quite a topic during the summer months, and the Government immediately called Parliament back to deal with the matter. It stated at that time that a real national

emergency existed and that it required proper legislation right away to deal with the perceived threat of waves of would-be refugees coming to Canada.

Here we are well into the new year, 1988, and we are still debating a Bill dealing with that so-called grave national emergency.

Part of the reason we are still dealing with the debate at this stage, and why the Opposition has been so concerned about it, is that the legislation the Government introduced at that time was so seriously flawed that every group in the country which dealt with questions regarding refugees was opposed to what the Government was doing. Amnesty International, the Canadian Bar Association, church groups, and humanitarian groups from coast to coast were raising serious concerns about the legislation. The Canadian Bar Association raised legal concerns. It felt—and it still feels it today—that despite some of the amendments which the Government has now allowed to its original legislation, the legislation is so seriously flawed that the courts will have to throw it out. It contravenes our Constitution and its Charter of Rights.

• (1630)

The Canadian Bar Association claims that in numerous instances in this piece of legislation proper due process will not be provided to people who come to our shores and attempt to land as refugees. The church groups also point out that what this legislation does is to destroy the tradition we have been trying to build as a haven for those who seek to escape political, religious and racial persecution in their home countries. While we as Canadians take some pride in our image of being decent, caring people, it is certainly true that in the past we have committed what I would call acts that besmirch that image. Members, particularly colleagues of mine in the New Democratic Party, have raised during this debate the case of the group of Indian refugees who came to Canada around 1914 and who were sent back to India. Some died at the hands of the Government of India of the day. We all know of the case of the ship *St. Louis* which, with around 900 European Jews trying to escape what they knew was coming in Europe, set forth to find a safe haven across the Atlantic. They were turned back by numerous countries, including Canada. They returned to Europe and very few of those 900 European Jews survived. They were caught in the Holocaust and died in Nazi concentration camps. That situation was something that we as Canadians could have prevented, except that our political prejudices and fears at the time entered into the picture and we denied people access to Canada.

It is not with total pride that we as Canadians can look at our record. We have to recognize that we have made mistakes in the past, mistakes that have cost people's lives, people who otherwise would have made a tremendous contribution to our country and the well-being of it. Instead, our own prejudices at the time made them face certain death. Let history ensure that we do not make the same mistakes again, that people who seek entrance to our land, many of whom are not white Anglo-Saxons but Hindus, Pakistanis, blacks from Africa or people trying to escape from the insanity of the Middle East, are welcomed into our country. Let us make certain of that because history will also judge us as we judged the Liberal Government of the day which turned back the boatload of European Jews.

The Government called us back last summer in order to deal with Bill C-84 and this great national emergency as the Government described the situation. The Bill has too many overtones of what the Government did in 1938 when it turned back the boatload of European Jews. There are too many overtones of racial and political prejudices here.

What we are debating today is the Government's response to the Senate. I know you are aware, Mr. Speaker, that I have no great love for that institution called the Senate. I think a non-elected body of essentially politically motivated people, a body consisting of political appointees, should not have the power to prevent legislation from passing. Unelected people, while they definitely play a role in a legislative process, should not have the final say in things. They do have a role to play and I think the Senate has played its role in its report on Bill C-84. I would never stand here in my place and describe the other place as being filled with men and women who are wild-eyed radicals seeking to undermine the security and the well-being of the Canadian state. I do not think I would ever describe hon. Senators in those terms. That is why I think the recommendations which the Senators have made through amendments to the Bill surely must be seriously considered. These are recommendations made by men and women in the other place who are concerned about the security and well-being of the Canadian state but who are also concerned that proper due process is followed, that we maintain our international commitments signed with the United Nations, and above all, that we live up to our commitments found in The Charter of Rights and Freedoms.

Hon. Senators have pointed out, as members of the Canadian Bar Association and various other legal experts have, that Bill C-84 is seriously flawed. It contravenes our commitments to the Charter of Rights. It contravenes our commitment as a society to due process of law, and it contravenes our international commitment to the treatment of refugees. As such, it is sad indeed that the Government on the whole has rejected these well thought out amendments which the Senate in a unanimous report has passed back to this House. Not even Conservative Senators in the other place rose and objected, argued or voted against these recommendations, not one Conservative Senator.

We come back to the questions of where is the crisis, where are the solutions. This Bill is certainly not an acceptable solution. Most probably the courts will strike down the Bill. What are we doing here debating this Bill? Is it the concern of the Government to push this Bill through? I suspect that first and foremost the decision made last summer was for political reasons. The Government now would just like to pass this Bill,

make it into law and have the courts overturn it, and that some future government can set about enacting a law that is workable, reasonable and compassionate. The Bill we have today will not do that. I suspect the Government is not very much interested in this matter anymore. Hopefully, in its own thinking, the Government has fulfilled its political objectives last summer when it tried to appear tough. A political knee-jerk reaction existed last summer. I do not think that speaks well of the Government. The Government lost faith and credibility at that point, and today we are cleaning up the mess.

I can stand here and read into the record various quotes from individuals. I could put on the record the words of the executive secretary of the Council of Christian Reformed Churches. I am certain that the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) would be aware of that gentleman because many of his constituents belong to the Christian Reformed Church. In a telegram dated January 27, 1988, that gentleman said this:

• (1640)

> Government motion on C-84 inadequate and unacceptable relative to Canadian Charter and UN Convention. Senate amendments apply. Please enact these.

We see the limitations of this legislation. We see the incompetence with which the Government has handled the situation. We saw the political knee-jerk reaction last summer which brought us back here, and seven or eight months later we are still debating the issue. We will end up with a mess which I suspect will make us a laughing-stock the world over.

It is not that Members of Parliament have failed to point this out to the Government. The Standing Committee on Labour, Employment and Immigration, the majority of which is made up of Conservative Members, reported to the Government, but that report has not been acted on. In fact, the Government has done the unprecedented and refused to respond to the report. Government Members themselves are not happy with this legislation and recognize its faults. Yet the Government is still insistent on continuing with it.

The Senate made several important amendments and I wish to touch on those briefly in the few remaining moments of my time. One of the important amendments in essence ensures that in the process to determine who is a security risk, those who are found to be a security risk cannot be precluded from making a refugee claim. This is important because the original legislation does just that. Without that opportunity, many of these people will be sent back to their place of origin where they could very well lose their lives.

Another important amendment deals with turning ships around. Under this legislation when the Government and its agents suspect there is a boatload of would-be refugees in international waters, it can send the Navy out there and turn that boat around and prevent them from landing. That notion has some serious flaws. First, there might be some genuine refugees on board. Their only means of getting to this country is through this kind of exercise.

Second, if we are concerned about trying to stop the unscrupulous from exploiting immigrants, let us say in Europe or other places, by selling them tickets on an old boat to come to Canada illegally and sneak into the country, you want to get them into port so you can seize the ship and arrest the crew. That is how you stop those illegal enterprises which exploit immigrants and would-be refugees. You do not just turn them around somewhere on the high seas. That does not make sense.

Third, most illegal immigrants come here not via boat but via air. Certainly we are not going to turn airplanes around in mid-air.

Another amendment which I think we should support deals with the question of aiding and abetting refugees. This is a silly part of the legislation. The Government is making it a criminal offence for anyone to help a refugee who does not possess proper papers, a visa, and so forth. For heaven's sake, in most cases people who are genuine refugees are escaping from their countries because they face physical threats from the established authority. They are not going to get exit visas. Yet we would make church and other humanitarian groups liable to criminal prosecution if they aid refugees. Surely that is crazy. There are many other parts of Bill C-84 that just do not make sense, and I suspect the courts will strike them down.

You are indicating that my time has expired, Mr. Speaker. I hope I have been able to enunciate some of the areas of concern I have about C-84, and I certainly wish to entertain questions at this time.

**Mr. Marchi:** Mr. Speaker, the Hon. Member finished his well thought out speech with a prediction which matches the evidence that both the House and Senate committees studying the Bill received from expert legal testimony, that this Bill will be struck down by the courts. We are not talking about one clause which is more or less controversial. We are talking about a variety of clauses which are very questionable from a constitutional standpoint and that of the Charter of Rights.

I would like to ask the Hon. Member what he predicts will be the response from the Canadian public to this situation. We have to keep in mind that the Government is trying to promote this legislation as a cure-all, the answer to the problems in the refugee determination system. However, if it is struck down by our courts, not only will we be unable to see a resolution of the problems, the situation will become worse than it is now. We will have a paralysis of policy. What does the Member see as the problem for the Government, which basically will have misled Canadians and ushered Parliament to pass legislation which contravenes the number one law in this country—our Constitution?

• (1650)

**Mr. de Jong:** Exactly, Mr. Speaker. I think the reaction of the Canadian people will be plain, downright anger that they

have seen the Government bungle it again, that it said it had the answer to hold back the waves of would-be immigrants who would invade the country and swamp us all.

The first time this piece of legislation comes before the courts the courts will shoot it down. Our whole immigration and refugee determination system will be thrown into more massive confusion. There will be more bungling, more uncertainty, and there will be more anger expressed by the Canadian public. I think Canadians will learn that the Government cannot organize itself out of a wet paper bag.

Certainly the Government's performance on Bill C-84 strongly suggests that the incompetence which led to this piece of legislation and the pig-headedness of the Government in insisting on going through with it despite the best legal warnings in this country show that the Government does not know what it is doing and the Canadian people will hold it accountable for that.

**Mr. Orlikow:** Mr. Speaker, I was not surprised when the Member put on the record the fact that not a single Conservative Senator spoke in support of the Government's position because had three Conservative Senators from Manitoba whom I know very well, Senators Roblin, Nurgitz and Spivak, supported the Government's proposal I would have believed that they had deserted the principles for which they stood for many years.

The Member for Surrey—White Rock—North Delta (Mr. Friesen) has suggested on a number of occasions that the churches which have expressed their opposition to this Bill did so before they understood all the details of it and that some of them have changed their minds. I would like to ask the Hon. Member for his views on a letter which every Member of Parliament received from the Primate of the Anglican Church, Archbishop Michael Peers, dated January 15, 1988, in which he said in part:

> I am writing to you and every Member of Parliament to urge your support of the amendments to Bill C-84 which have been put forward in December, 1987 by the Senate of Canada. As the Primate of the Anglican Church of Canada I ask your serious consideration in light of policy positions and special resolutions of the National Executive Council of the Anglican Church of Canada that have urged corrections to the hastily drafted "emergency" legislation.

He goes on:

> Many other church and humanitarian organizations have also urged corrections.

I point out that among the many churches is the Mennonite Central Committee.

**Mr. Epp (Provencher):** That's not a church.

**Mr. Orlikow:** The Minister says that the Mennonite Central Committee is not a church. I am sure he is right, but I am also certain that it has a very close association with many of the Mennonite churches.

The Archbishop attaches to his letter, which went to every Member of Parliament, a resolution passed by the National Executive Council of the Anglican Church in October, 1987, which says in part:

> That this National Executive Council requests the Primate to express to the Government and the people of Canada its deep concern that significant sections of Bill C-55 and C-84 as presently drafted:
>
> a) do not satisfy our international obligations to protect refugees and uphold procedural safeguards;
>
> b) violate sections of the Canadian Charter of Rights and Freedoms;
>
> c) do not meet the stated objectives of our immigration policy to fulfill Canada's international legal obligations with respect to refugees . . . .

Would the Hon. Member care to comment on that very clear statement by the Primate of the Anglican Church?

**The Acting Speaker (Mr. Paproski):** The Hon. Member has a minute and a half to answer that question.

**Mr. de Jong:** Mr. Speaker, I wish to thank my colleague for that question. First, I am not surprised that the Primate, Archbishop Peers, made that statement. I knew the Archbishop when he was a constituent in Regina East before being named Primate. I have had numerous discussions with him and know him to be a very decent human being who is genuinely concerned about the well-being of the community as a whole. It is not surprising to me that the Christian churches, through the Inter-Church Committee, have expressed themselves so strongly and publicly on this issue.

The Inter-Church Committee and many other Christian organizations attempt to create in this country a Christian society that has compassion, a society which opens its arms to those who are persecuted throughout the world. They strive to see the very basic and strong Christian principles embedded in our society. They view this piece of legislation as going against the image of the type of society which they would like to see Canada become. They look with horror at the attempts to destroy the basic principles found in our Constitution, our Charter of Rights, and our international commitments. That is why I am not surprised that the comments of the Primate are strong.

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated. Is the House ready for the question? The Hon. Member for York East (Mr. Redway) will have the floor.

**Mr. Marchi:** Mr. Speaker, the Member for York East (Mr. Redway) is sitting down there.

**The Acting Speaker (Mr. Paproski):** I am sorry, the Hon. Member for York West (Mr. Marchi).

**Mr. Marchi:** However, the Hon. Member for York East has been agitating and dying to ask a question. I will yield the floor to the Member for York East to give him the opportunity to pose his question if so instructed by the Speaker. If there are no other Members who wish to speak on the main motion, I would like to have a few minutes in order to address the motion which the Government brought before the Chamber.

**The Acting Speaker (Mr. Paproski):** Would Members rather that I not see the clock and go ahead with comments by the Member for York West and the Member for Spadina (Mr. Heap) who will have equal time?

**Mr. Marchi:** I do not want to undermine Private Members' Hour between five o'clock and six o'clock. I would be pleased to make my comments on the two new government amendments following the debate in Private Members' Hour.

**Mr. Heap:** Mr. Speaker, I think it would be better to do this after Private Members' Hour.

**Mr. Friesen:** Mr. Speaker, just to correct the record, these are not government amendments. I want the Member for York West (Mr. Marchi) to understand that. These are amendments that were brought forward from the Senate which they inadvertently left out of the message which they sent to the House of Commons. We are accommodating the Members from the other place and I want the Member for York West to understand that.

**The Acting Speaker (Mr. Paproski):** I being five o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

## PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

### FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

The House resumed from Monday, December 14, consideration of the motion of Mr. Nickerson that Bill C-211, an Act to amend the Freshwater Fish Marketing Act, be read the second time and referred to a legislative committee.

• (1700)

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, in rising to speak on this Private Members' Bill, I understand that it is an issue in which my northern colleague has had some interest for a number of years. Having read all the background debate and considering what the Hon. Member is proposing, I must say first that while I appreciate that the Freshwater Fish Marketing Corporation may not serve the interests of some northern fisheries as well as he would like, I find it difficult to support this particular Private Members' Bill. Let me explain why.

One of the problems is that this corporation deals with a vast geographic area including Ontario, Saskatchewan, Alberta and the Northwest Territories. Therefore, there it probably has some difficulty in working as effectively for all regions as it might. However, I cannot agree that a Bill which would do away with the essence of that corporation would indeed solve the problem. That opinion was obviously shared by the Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Binns) who also felt that while there might be some serious issues that could be redressed by the corporation, this Bill would not serve to do so. He felt that eliminating the mandate of the corporation would not serve the interests of any of the regions with which it dealt.

Unless there has been a change since the beginning of 1988, neither the provinces involved nor the Governments of the Territories have requested a change to this Act. Therefore, support for this Bill would be unilateral, without having the concurrence or involvement of the other jurisdictions in drafting changes they would like.

As someone from the northern territories, it seems we are always raising the issue about being consulted and playing a part in the drafting of legislation which affects us. Therefore, certainly the consultative procedure that should take place in any changes to this corporation is very important.

While the Bill attempts to address certain problems, I am not sure they concern the corporation. In my view, the problems relate more to such issues as the distances from markets in many cases, which result in great difficulty in selling products that originate a long way from the market. I suggest that changing the corporation process does not mean it will change the price that buyers will pay for the product. Since the markets now utilized by the corporation would be exactly the same as those of the independent fisheries, I fail to see how changing that will necessarily make for a better system for the fishers. The primary concern is how we can sustain the industry and make it better.

A very interesting edition of *Northern Perspectives* of November, 1987, dedicates an entire issue to Arctic fisheries and the need for some new approaches to Arctic fisheries. I want to mention a couple of points made in some of the articles. For example, one article informs us that in the northern territories particularly there is a large supply of fish which are underutilized in the inland fishery and that it is the high cost of production relative to the market-place that limits the development potential. I know from my own region that there are many production problems. More processing on site would effectively increase the marketing potential. A fishmarketing corporation does not necessarily impinge on that.

Another article which addresses Arctic fisheries points out that many of the limitations on the development of Arctic fisheries has not been with respect to supply or the availability of markets, but on the investors' estimates of profitability. In other words, if the investors do not think it will make money they will not invest, which is understandable. We want to develop those markets and we believe that there is a potential for them, but we suggest that this will not be accomplished by doing away with the essence of the Freshwater Fish Marketing Corporation.

Several recommendations have been made by the Senate committee. Indeed, I believe that one major initiative is now taking place, which will hopefully address some of the problems at least for the northern and Arctic areas. These are problems which the Member for Western Arctic (Mr.

Nickerson) knows firsthand, some of which he knows better than I.

The draft fisheries policy now being prepared by the Department of Fisheries and Oceans and the Arctic marine conservation strategy which is being disseminated now by the Government for discussion, really provide the kind of framework for the study of this issue and for the utilization of fisheries products in consort with development, conservation issues and economic development aspects.

I believe this would be one of the most effective ways to address some of the issues of northern fisheries in particular, without taking the more heavy handed method, as I see it, of attempting to change the Freshwater Fish Marketing Act which may have a negative effect for those other sectors that the corporation serves under that Act.

I believe there are consultative processes now in place that may very effectively address some of the problems which the Member has attempted to address with this Bill. For that reason, I do not support the Bill. I believe there are many more effective ways to address the problems in this area.

**The Acting Speaker (Mr. Paproski):** I will recognize the Hon. Member for Western Arctic (Mr. Nickerson). Before doing so, however, it is incumbent upon the Chair, pursuant to Standing Order 61(3), to inform the House that the reply of the mover of the original motion closes the debate.

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, during this debate I have been accused many times of persistency. Some people have even gone so far as to describe that as obstinacy. For that I make no apology because it has been my observation over many years in this place that persistency pays off, especially when you have right on your side, and know that what you are doing is right and will benefit the people of Canada. In those circumstances I have found that persistency pays off in the end. I am sure it will in this case.

Since this Bill has been under debate we have heard the voices of reaction raise up. We just heard one from the other side. The Hon. Member who just spoke did not let her lack of knowledge of the fishing business interfere with her ideology.

The Freshwater Fish Marketing Board has been doing quite a lobbying job because it has a lot to fare in this issue. It has a rather cushy deal going for itself. The fishermen must sell to the FFMC at its prices. It has no competition and is beholden to no one. It has been trying to protect that rather cushy deal and has been doing much lobbying. It has even got some fishermen to sign papers saying that they are not in favour of this Bill, can you believe that? The people who did that were on the fishermen's advisory committee. They are put there by FFMC people themselves. We know what side their bread is buttered on.

• (1710)

I have not heard any real argument against this Bill. Everyone on the other side of the House has said that if this goes through, it will gut the FFMC. It will not. The FFMC will still continue to exist, but this will make it competitive.

If we can agree with a Crown corporation like Petro-Canada, and some of us do and some of us do not, we can agree with having a Crown corporation in competition with other companies in the petroleum business. There is nothing really wrong with that. It keeps Petro-Canada relatively honest—not entirely honest but relatively honest. In this case, though, there is no competition whatsoever. There is nothing by which to judge the FFMC in this area. There is in the other part of Canada that is not under government monopolistic control, the Great Lakes area where there is free enterprise and business is just a-boomin'.

I would like to say a few things that are of special interest to fishermen in the Northwest Territories. First, I would like to read into the record a telex sent by Mr. D. R. Stewart, the President of the Northwest Territories Federation of Fishermen. It was addressed to the Minister of Fisheries and Oceans (Mr. Siddon) here in Ottawa. The text reads as follows:

> This is to inform you that our N.W.T. Federation of Fishermen strongly support Dave Nickerson, our M.P., concerning his Bill C-211.

There, Sir, you can see that the fishermen of the Northwest Territories support this issue in its entirety.

In the Northwest Territories, there are special concerns. there is no inter-territorial market to speak of. We cannot sell fish locally in any quantity. It has to be exported.

There is a speciality product in the Northwest Territories. The quality of the fish, especially for smokers, is far superior to that found in southern lakes, and it should be marketed as such. It should be marketed at the premium prices that premium quality fish should command.

We have to get our fish directly to market. The way it is now, it is first caught on the lake, hauled in fresh to the plant, frozen, shipped to Winnipeg and kept in a warehouse in Winnipeg for six months or a year. Then we try to sell it to someone, but no one wants to buy that kind of fish. That fish ought to be on a table in a restaurant in Los Angeles, Chicago or New York the day after it is caught. The Freshwater Fish Marketing Corporation cannot see that. However, there are people who are willing to make the investment in this business so that that can happen, but they cannot do so because the FFMC is blocking their way.

We suspect that northern fish is used to subsidize southern fish. The argument goes like this: The FFMC says, "You want some of that good quality northern fish? Before you get that, you will have to take some of the inferior stuff". I have every suspicion that that accusation is correct.

To give credit where credit is due, some of these things have been recognized by the Minister of Fisheries and Oceans. He has promised to consider the possibility of exempting the Northwest Territories from the monopoly. It only provides about 10 per cent of over-all sales of FFMC, so when this Bill

gets into committee after second reading, that is something that can be looked at.

I would like to look at the principles involved in this matter. The principle contained in the present Act is that the freedoms of individuals, whether they be fishermen, dealers in fish or retail or wholesale merchants, are restricted. We should not do that, but we have in the case of these people. Their freedom and liberty has been restricted by an Act of Parliament.

I know that in the North and in many provinces, we can have a viable fishery. It is something that can be commercially operated at a profit and everyone can do well from it, just as they do on the Great Lakes. However, there is the Government's view that it is some kind of social scheme. People are administering grants, but we do not need to give grants or subsidies. We need to open up the markets and let the fishermen sell the fish to those new markets for the high prices it will command.

In this country, people should be free to take up the profession of fish dealing if that is what they want to do. It is unthinkable to me that we should restrict anyone from going into that profession.

Finally, I want to bring to your attention, Sir, the great debate that is occurring throughout Canada on liberalizing trade. There is a big debate about the elimination of unnecessary restrictions to interprovincial trade, whether it be in beer, wine or any other commodity. We have entered into a free trade agreement with the United States. We are looking at removing restrictions under the GATT. Let us do the same thing for freshwater fish. Let us have liberalized trade in fish. Let a fisherman have the opportunity to sell his fish to whomever he wants. Let us pass this Bill at second reading stage so that it may have the further consideration in committee that it deserves.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

I do not see five Members rising. Therefore, the motion is negatived on division.

Motion (Mr. Nickerson) negatived.

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# GOVERNMENT ORDERS

[*English*]

## IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of the motion of Mr. Bouchard in relation to the amendments made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, and on the motion of Mr. Lewis:

**Mr. Sergio Marchi (York West):** Mr. Speaker, I am pleased to enter this debate again on the basis of the motion the Government tabled earlier this afternoon. The first part of the motion deals with the technical definition of the term "exigent" when a warrant does not have to be obtained by immigration officials in their search of any records, documents or premises.

The Government has now amended the clause so that the word "include" reads "mean". That obviously makes more precise the definition of the word "exigent" so that it clearly means circumstances in which the delay necessary to obtain a warrant under subsection (1) would result in danger to human life, safety or the loss or destruction of anything liable to seizure.

I think it should be pointed out that our Party's position has been to suggest that warrants ought to be obtained in the same way they are obtained under other aspects of Canadian law. As we stated during the debate, we believe that the Government tried to go too far. It has tried to make Immigration officers into Rambo-like creatures who would go across the country and on mere hunches and suspicions enter and ransack any premise to confiscate any document without good cause. It was our position therefore to try to bring some moderation and some clarity to the situation and to have the Government recognize that the provisions by which individuals obtain the necessary search warrants is a system that is working and working effectively. At the same time it protects those rights and privileges that we have as citizens.

• (1720)

We accept this part of the motion in so far as it defines more precisely the circumstances under which a warrant would not be authorized or asked for, that is to say, in the case of life and death and perhaps lots of important materials. This part of the motion grew from discussions in the other place when it was deliberating this Bill in committee. It began as a point raised by Liberal and government Senators alike. Perhaps it is the

fruition of the sober second thought which some Members of the Government have called into question. This is a clear example, as is the report of the Senate, from which we will derive benefit. It is a by-product of democracy at work.

The second part of the motion introduced by the Government only a few short hours ago is the more important of the two. Under the legislation which is before us a Minister would have not only the power to turn back the boat, something with which we disagree vehemently, but he would have this power as well as being able to delegate it to his officials and other immigration officers. Our position throughout the debate has been that to turn back the boat is incorrect. It is incorrect on a number of grounds.

The Government must recognize that any boat coming in would not have on board a cargo of wheat or a cargo of steel. We are talking about boats coming into our waters carrying human cargo. There are human beings on board these boats. Obviously and logically there should be some procedure by which we can ascertain who is on board and how many people there are. We should be able to ascertain what are the ages of the people on board and the condition of their health. We should know from where they are coming and if they want to make an application in the process that is offered.

One of the reasons we have argued that the boat should be brought into port is that it is a human response to human beings who deserve at the very least our attention and due process. In this way there will not be a double standard by which people coming in by boat will be refused access into the refugee system and those arriving through our airports will have full access to that system. What we have suggested is that turning back the boat would not only disallow due process to human beings but it would also create the unfortunate situation whereby the mode of transportation will dictate the treatment which a potential refugee will receive.

That is simply unacceptable. If we have one way of proceeding with one refugee application, then the response to all applications should be consistent. It should be uniform. We cannot allow a piece of legislation to say, in effect, to one applicant, "You came in by plane. You are allowed to make a refugee application. Here is the paper and there is the office". We cannot then say to another would-be applicant in the same breath, "You have come in by boat, therefore you do not have the opportunity to make an application". However, it is most likely that that person will not even see the Canadian shores. Thus it is wrong from a human perspective. It is wrong from a procedural perspective as well. It is also wrong from the point of view maintained by this Party that such a provision will not realize the premise or the objective of the legislation which, in the Government's words, is to discourage abuse and to stop manipulators trafficking in human flesh.

We have argued that if we really want to discourage these traffickers then one does not do so by very weakly turning back the boat. Any captain smuggling human beings would obviously have cash on delivery. He would have the money even before his passengers were on board. Therefore, any captain will say to himself, "Well, I have a 50/50 chance. There is a 50 per cent chance that I will get into the country and a 50 per cent chance that I will not. Therefore I will simply go out a little further, dump my cargo overboard or bring it to another part of the Canadian coastline, perhaps undetected, or even deposit these human beings on someone else's shore in another country". It really does not make any difference to the captain because he will have collected his profit already.

We have suggested, as has every single witness who came before the legislative committee of the House of Commons as well as those who appeared before the Senate committee, that if we want to discourage these kinds of traffickers, then for goodness' sakes let us escort them into port. Let the Coast Guard officials bring them into a port of our country. Let us discourage any would-be smuggler from ever coming into Canada again by making a clear example of the captain and the crew that we have under supervision. Once we have them in port we will be able to prosecute such individuals under the law. If they are found guilty, then they can be fined or imprisoned. We can also confiscate the boat and sell it if the individual is found guilty.

We have said that that would send the clearest and strongest message to any other captain who might be loading a boat to make a similar run. If the news were to get back to a port that a captain was fined or he and his crew were imprisoned, that his ship was confiscated, then I believe that that would discourage others from leaving for Canada. Yet if the captain of a second boat heard that the worst thing that happened to the first crew was that they were simply turned around, then I think that that captain would proceed.

We have suggested that if the Government wants to convince Canadians that it wants to stop abuse, then it must follow up with procedures that will allow one to realize that goal rather than playing and indulging in public relations gimmickry which does nothing to discourage people. It somehow satisfies the appetite of the Prime Minister (Mr. Mulroney) who can say to Canadians, "We are turning back a boat," as if that would really buy him the popularity which he seeks.

• (1730)

On the strength of the testimony received in committee, we in the Liberal Party believe that Canadians are much wiser than the Government gives them credit for Canadians will understand, as I have understood, that there are ways of discouraging abuse and further trafficking, and that turning back a boat does not in fact do that.

By having the crew and the captain in our port, we will be able to interrogate those people. We will ask them, "How much money did you charge? How was it organized? Who else is involved? How extensive is the ring? Where else does the network plan to hit? When? How many people?"

Therefore, as a country we would be much wiser and have at our fingertips more information with which to combat and stop the disgusting network of human beings taking advantage of serious situations in the world, and trying to strangle the individual into coughing up their last dollar saved in order to give them misleading information about the promised land.

If we were able to bring the boat in, as a country we would be one step closer to breaking down this illegal, immoral human trade. Yet the Government wants to wash its hands of the whole matter and turn the boat around, as if that would allow us as a country to protect ourselves better. If the boat is turned around, who is to know that the next day another boat will not dock in Vancouver, or the day after in Toronto?

If we send a concerted message that we will deal with those people in the harshest manner possible under due process of the law, and if we send a message that we want to break down this network and get at the epicentre and paralyze it in order that this business would come to an end, then we will be respected. People will say that Canada is taking serious action to stop this type of business. They will be looking for other markets but not Canada.

This would also send a message to other countries and our allies that this is the answer. If Canada imposed this type of tough response, and if that was complemented by other countries doing likewise, then we would be able to overcome this problem on a world-wide basis, rather than having countries turning back boats only to see different boats landing at different times in their country.

How many times can the Government recall Parliament in the middle of the summer and get away with it? How many times can the Government create a crisis? How many times can a progressive and important policy such as the immigration policy afford to be undermined by a Government that is not serious about stopping the problem that it talks about?

Therefore, we are saying that now is our window of opportunity. Now, when the public has focused its attention, because there are many competing issues, is the time for Parliament to deal with it swiftly and correctly rather than in a number of years having Canadians say, "I thought you took care of that. Parliament was recalled on an emergency. You passed legislation that you told us would solve the problem". What is the Government going to tell those Canadians, and why it did not pass the legislation that it should have? In a sense, we are trying to avoid a problem that I envision if this legislation goes through.

The specific motion before us again came from deliberations in the other place. It came from discussions with the Minister and with his staff at committee and after committee. In the report, Senators, including Senators from the government side, vehemently opposed the concept of turning back the boat. But they said that if the Government is to persist with this clause, if the Minister is inflexible, as he was during the summer months, at the very least the power of turning back a boat should be vested solely in the Minister and/or his Deputy Minister.

As the legislation presently stands, it would allow the Minister to delegate this very regressive power to various deputies and officials of the Immigration Department. In its wisdom, the Senate decided that, if this clause is not removed from the Bill, which it hoped the Government would do, then at least the authority under which this can happen should be restricted.

I believe that that amendment proposed by the Senate and introduced today is the lesser of two evils. We hope that in the dying days of discussion here in the forum of the House of Commons before this Bill gets sent back to the Senate, the Minister and the Government can reach out for the consensus that exists in the House and across the country to change this clause. I am hopeful still that the Minister will extend the flexibility that he has shown in recognition that they have erred in a number of important clauses, in order that when it goes to the other place they will have one less thing to worry about.

In the likelihood that they do not, I believe that the House should approve the idea suggested by the Senate that the power to turn back a boat only be vested in the Minister and his Deputy Minister. First, because it is a power that should not be taken lightly. We should not have an immigration official in Nova Scotia, Victoria, or Toronto making that decision. The Minister might not be there. He might be in Cabinet or have other pressing matters to deal with. Immigration officials should not be allowed to make a decision that can affect human beings.

We are suggesting that, if anyone, the Minister should at least be the one to say yes or no to turning back a boat, not only because he is the most important official of the entire Department, but also because he would be politically accountable for what would be a very important decision. Any official out there could be lost in the woodwork, could state that he or she is not politically responsible to the House of Commons, they were doing their job, or there was a communication breakdown. We do not want those excuses when we might have human blood on our hands. At least let us make this decision politically accountable to the electors of this country, as it should be.

From the vantage point that the decision would be very important, we believe that this amendment would be worthy of the support of this Chamber. In closing, I hope that this will not be made necessary if we change the clause regarding turning back the boat, as suggested by the Senate report.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I too would like to explain what has not been dealt with until now by the Government's motion and by the comments of the Hon. Member for York West (Mr. Marchi). I fully agree with the comments made by the Hon. Member. I would like to add a couple of comments of my own on each point.

The first part of the motion is:

That of Bill C-84 be further amended in Clause II by striking out line 2 at page 13 and substituting the following therefor:

""exigent circumstances" mean circum-"

• (1740)

In other words, on page 13 we have this section: "For the purposes of subsection (5)", which is the one going before, "'exigent circumstances' include circumstances in which the delay necessary to obtain a warrant under subsection (1) would result in danger to human life or safety or the loss or destruction of anything liable to seizure". What they are talking about is subsection (5) in Section 103.02. This is a general section which allows officers to seize a boat or to seize anything, and subsection (5) says that an immigration officer or a peace office may exercise any of the powers referred to in subsection (1) without a warrant, if the conditions for obtaining the warrant exist but by reason of exigent circumstances it would not be practical to obtain the warrant.

My Party and I do not agree with this section. We think it is excessive, and therefore we do not agree with this subsection. However, since our objections have been overridden by the Government and Parliament, and the objections of the other place have been overridden by the Government, there is this one very small change to which the Government has agreed and with which my Party and I agree. In other words, it is a question of limiting the scope of this subsection which says that they can take the action without a warrant if there are exigent circumstances that would not make it practical to get a warrant.

The way they had written it first was broad enough to drive a herd of elephants through. They said that exigent circumstances include circumstances in which the delay necessary to obtain a warrant would result in danger to life or safety or destruction of anything liable to seizure. Now they limit it to say that exigent circumstances mean those circumstances. They cannot use any other circumstances. If they cannot prove that delay to get a warrant would result in danger to human life, or that it would result in danger to human safety, or that it would result in the loss or destruction of anything liable to seizure, anything that they have a right to seize; if they cannot prove one of those three points, then of course they cannot act without that warrant.

It seems like a very reasonable point, and I am glad that the other place pointed out the utter folly of opening it wide open by saying: "Well, it just includes those reasons, but of course a judge would have to say, if the question came up, that it could go far beyond those reasons". This is a small improvement on an otherwise bad clause, but the clause is going through, so I am glad to have the damage limited a little bit in that sense.

The other part of the motion is more important. It reads:

That the Bill be further amended in Clause 16 by striking out line 16 at page 24 and substituting the following therefor:

"82.1(2), 83(1) and 91.1(1), and any such power,".

Standing by itself of course that does not mean anything to anybody. However, when we look at page 24, we find that this is the section which gives the Minister or the Deputy Minister the authority to delegate their power to officials of the Department and, in the middle of a long paragraph that delegates that power, there are certain exceptions made, certain actions for which the Minister or Deputy Minister are not permitted to delegate their power. Only the Minister or the Deputy Minister may do the things listed here. There is a number of them, but in the line we are dealing with it is 82.1(2), 83(1), and now they are adding 91.1(1). In other words, this limits the authority of the Minister to leave an important decision to a lower official.

When we turn to 91.1 we find that it is in fact a very important decision. This decision, 91.1, is the decision to turn back the ship. I think all the people who have spoken against this Bill, either when it was in the House or when it was in the other place, would agree that this is a good amendment.

The clause itself is an outrageous one, as has been said by everybody who has spoken to this during the past-half year and more, except of course for the Minister and his officials. They are the only ones who defended it. The clause says that the Minister has the power to turn back a ship at sea.

I won't repeat what I have said in the House, what many others have said in the House, or what the Hon. Member for York West (Mr. Marchi) has just said. I won't repeat how bad that clause is, but bad as it is to have the danger to the passengers, bad as it is to have the failure to punish the captain, this amendment can limit the damage that would be done because only the Minister or his Deputy can do it.

Pardon me, I have been mistaken. It is not the Minister's Deputy. Only the Minister can do it. If the Minister believes on reasonable grounds that a vehicle within our territorial waters is bringing any person into Canada in contravention of the Act, and so on, he may, after having regard to the safety of the vehicle and the convention and the vehicle's contents, direct the vehicle to leave, and so on.

If that were left as it had been and any minor official could have that power delegated to him, and if there were disaster because of it, or if the law were made ineffective because people were turned away and slipped back again the next night, and if that were done by a minor official, the Minister could escape responsibility; perhaps fire the official but the Minister would escape responsibility and the public would have no real recourse, legal or political.

However, with this amendment nobody in the land except the Minister will be able to order a ship to be turned back. If the Minister does that, he knows that he will be subject to very close public scrutiny for what he has done. He knows that if the law is mocked because the captain just goes away and tries again, or he knows that if there is evidence that passengers have been harmed as a result of that turning away of the ship, then he pays the political price for it as a Minister. He is

publicly accountable for what he has done either to the passengers or to the law in that case.

Therefore, I am sure that the Minister will be very careful about what he does. It is even quite possible that he may not use that power. Unfortunately, that still does not deal with the point that we have been making, that it will be better to arrest the ship or whatever is the naval term, or seize the ship at sea by the power of our Coast Guard or whatever we need, and the captain and the passengers, and bring them into port. If the captain is believed to have done wrong, charge him and try him according to the law, and the passengers should be dealt with according to our law as those who have come to the country. Perhaps some of them will have come without proper visas and so on. Perhaps some will claim refugee status.

• (1750)

That would have been a much better way of dealing with it, but the Government has consistently refused to carry out effectively what it said last summer was absolutely urgent and necessary. It could have had that law passed through both Houses and proclaimed law last August if the Government had seriously carried out what it said it intended to do so, which was to enact a measure to discourage this kind of dishonest action by a captain. It did not seriously intend to do that. The public begged and urged the Government to do that, but it would not. That chance is now being lost by the action of the Government. Nevertheless, the folly and the potential active harm is limited because the Minister will know that he and no one else is answerable to the public.

There is one further piece of harm though, which even this amendment will not prevent. This law has already sent a contrary signal to many other countries and Governments in the world. There were Governments, especially in the southwestern Pacific, which had been turning ships away. The Vietnamese boat people ships, in particular, were turned away, let go adrift at sea, and they were pushed off the beach. Canada was in the lead of the western countries which rebuked them for that and said the action was inhuman. Civilized people do not treat boat people like that. We urged them to stop the practice. We even offered at that time to take the burden of some of those refugees. The United Nations High Commission for Refugees was very thankful for Canada's strong voice saying it is wrong to turn ships away at sea.

Now Canada has said, according to the Government, that it has changed its mind. Canadian people, to whom the Nansen Medal was awarded, have not said that. Every public delegation and every non-departmental delegation which spoke on this spoke against turning away the ships. But the action of the Canadian Government now sends a message, whether to the Philippines, Thailand, Malaysia, to Singapore, on to whoever it is in the southwestern Pacific, saying that Canada has reversed its position. It is now decided that civilized nations like Canada can and will turn ships away at sea.

The misfortune is that even if the Minister, or perhaps another Minister who follows him or has more sense than this Minister, never applies that clause and never turns a ship away at sea, the example is set by that clause, by its adoption in this House last year and by the motion that the Government wishes to have adopted now. It is a very destructive one and will seriously damage the whole work of refugee protection throughout the world, not just in Canada.

I regret very much that the Government has been so hard-hearted and willing to contradict the stand that Canada took as recently as two years ago over the wrongness of turning away ships. But at least, as I say, the potential damage is now to be restricted by this amendment. I would assume that the House will be adopting the last motion unanimously.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some Hon. Members:** Agreed.

**An Hon. Member:** No.

**Mr. Benjamin:** Mr. Speaker, I rise on a point of order.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Regina West (Mr. Benjamin).

**Mr. Benjamin:** Mr. Speaker, both the Hon. Member for the Yukon (Ms. McLaughlin) and I were trying to get the floor.

**The Acting Speaker (Mr. Paproski):** I already asked whether the House was ready for the question. The Hon. Member for Regina West—

**Mr. Benjamin:** Mr. Speaker, maybe it is easy to miss me, but the Hon. Member for the Yukon was on her feet.

**An Hon. Member:** She was not.

**An Hon. Member:** The question was called several times.

**The Acting Speaker (Mr. Paproski):** I believe that there was some sort of agreement among House Leaders prior to the Hon. Member coming into the Chamber that both the Hon. Member for York West (Mr. Marchi) and the Hon. Member for Spadina (Mr. Heap) would be heard on the motion of the Minister of State and that we would then put the question. If there is unanimous consent to hear the Hon. Member, fine. We have all evening.

**Mr. Benjamin:** I was on my House Leader's list.

**Mr. Lewis:** Mr. Speaker, I rise on a point of order. The Government does very much want to proceed with this legislation and we would like to see a vote right now. But I was not in my place to hear the suggestion that there had been an agreement. To the best of my knowledge I must tell the Chair there has been no agreement that the list would be finished.

There was general agreement that the list was petering out, but by no means was there an agreement that the number of speakers would be curtailed. We have to so advise the Chair.

**Mr. Gray (Windsor West):** Mr. Speaker, I am sorry there appears to be some misunderstanding with respect to the agreement we reached earlier this afternoon. That agreement was simply to allow the critics for the two opposition Parties to speak on the last motion, which we did not have to allow but we did. If we had not made that agreement, the critics would not have been able to speak on that motion since they had already spoken on the main motion. We agreed to treat the motion as if it had been part of the main motion in the first place.

**Mr. Lewis:** That is correct.

**Mr. Gray (Windsor West):** I must say that we did not have to deal with this motion, and one would have thought that there would have been some forbearance on the part of the Government with respect to a motion to extend the hours of sitting. If that was not the case, we will remember it for another occasion.

I do want to say that there has been some misunderstanding with respect to the agreement reached earlier. I respectfully say to you that if your reason for not recognizing the Hon. Member from Saskatchewan, who is seeking the floor, was that there was an agreement to stop the debate after the two opposition critics have spoken, then I respectfully submit that the grounds for your decision are not accurate. I ask you to take my comments into account.

**The Acting Speaker (Mr. Paproski):** I have no problem with that.

**Mr. Angus:** Mr. Speaker, I want to confirm what my two colleagues have indicated. The agreement was to allow the two critics to have an opportunity to make some remarks on the main motion and that we would then follow the normal procedures of this House in terms of Members speaking.

**Mr. Lewis:** That is right.

**The Acting Speaker (Mr. Paproski):** The House will recognize the Hon. Member for Regina West (Mr. Benjamin).

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I do not believe I have spoken yet on the main motion. I do have some matters that I want to raise as a result of my own experience and what I have learned from Canadian history on this issue.

A little study of Canadian history shows that Canadians for about the last 200 years have aided and abetted people on numerous occasions getting into this country who claim to be and turn out to be refugees. There were a few—there will always be some who get through the net for a while—who turned out not to be refugees. Our history tells us that Canadians without or in spite of the federal authorities' approval have helped refugees. That has occurred on countless occasions in our history even before Confederation.

• (1800)

People who came to this country in its earliest days were escaping from dictatorship, privation, starvation, imprisonment, and constant fear for their lives. I suppose what we call a refugee today would not be the same in the terminology used then. However, they were refugees of some kind from regimes under which they could not live in peace and with some degree of security and opportunity. Over the years hundreds of thousands of Canadians have gone to extraordinary lengths to help those people without the support or approval of federal authorities. I think about the underground railroad from about 1850 to the middle 1860s when churches and individuals aided and abetted the smuggling into this country of blacks from anywhere and everywhere in the U.S. It was smuggling, in many instances, at great peril to both the smuggler and the person being smuggled. In those days they did not suffer the approbation of the federal authority or what passed for any kind of immigration appeal board. No one in this House would now denigrate or decry the efforts made by those people in that operation.

Let us come to later years. I remember as a youngster in what was then and is still called today a white Anglo-Saxon Protestant family, hearing the grown-ups talk about all those bohunks who got into this country during and following World War I right up to the beginning of World War II. Those people came here from many parts of Europe in the 1920s and 1930s. Thank goodness! Some of the children and grandchildren of those so-called bohunks occupy this Chamber. Had we a law in place such as is proposed by the Government, they would not have made it.

We were called back here on August 18 for a so-called national emergency. Some 157 people showed up in a boat off the coast of Nova Scotia. Did the people of that province rise up in arms and say "You cannot let these people in"? No, they welcomed them, made them peanut butter sandwiches and tea and coffee and gave them shelter. That seems to me to be the state of mind and attitude of the people of this country. Yet the Government reacted with the typical 19th century mindless, inconsiderate attitude which has existed among many previous federal Governments in this country going back well over 100 years, to our everlasting shame. I suppose it is because of that everlasting shame that so many Canadians remember and do not want to repeat the same errors of omission and commission.

A boatload of Sikhs arrived off the shores of this country about 80 years ago. It caused an uproar. Our national authorities said those people could not be admitted. They had been escaping oppression, some of it under British colonial rule, and of course some 80 years ago we were still something of a British colony. There was much official approbation about allowing these Sikh refugees in, and refugees are what they would be under today's terms given the conditions under which

they were living 80 years ago. About 30 years later a boat carrying over 900 Jewish refugees arrived off Canada's shores. We turned them away.

There are some very old teachings in Christianity about sanctuary. It applies even to our actual physical church buildings in which one can seek sanctuary. Sanctuary can take a variety of forms for a variety of reasons. I think this country was victimized by what could at best be called panic button pushing last August because 157 Tamils arrived off our shores from Sri Lanka, via West Germany, or anywhere else. The response of the Government with this legislation flies in the face of the activities of hundreds of thousands of Canadians for something over 150 years, the provision of sanctuary. They provided succour in aiding and abetting those people to enter Canada. Three or four generations later many of their great grandchildren and great great grandchildren are honoured citizens of this nation. To bring in a law in this day and age that makes people who are active in helping refugees from many nations guilty of aiding and abetting the entry of those poor souls into our nation flies in the face of our history and I strongly and profoundly believe flies in the face of how most Canadians sincerely and strongly feel about this matter.

Of course, there will be a few, a very small few, who will abuse and misuse our generosity, our humanitarian instincts, our traditions, and our history. There will be some, no doubt about it, but I would rather take a chance on the few who would abuse our hospitality and sanctuary and err than penalize the vast majority who are entitled, under all the international agreements to which we are party and under our own history and activities as Canadians for over a century and a half, to the fullest consideration under our law.

• (1810)

Our law has gradually become more generous as time has passed. For many years we have been generally in concert with the United Nations Declaration on Refugees and Human Rights. We have been ahead of most countries, even with some, and behind a few others. However, generally speaking we have a reasonably good record. I think that is mainly because the overwhelming majority of Canadians do not want to repeat the terrible acts of omission and commission carried out by governments of the day in previous times in our country.

I do not think any Hon. Member of this House wants to be a party to retrogressing to the attitudes and states of mind which prevailed on earlier occasions. Surely we can do no less than to extend the fullest process to anyone and everyone who comes to our shores claiming refugee status. Our laws must provide to the fullest extent for complete hearings, even when there is doubt, just as we treat our veterans of four wars.

If there is any doubt, the benefit of the doubt goes to the veteran. If there is any doubt with regard to those who want sanctuary in our nation but we cannot prove differently under the rule of law, the benefit of doubt must go to the person to whom we are giving sanctuary until they themselves, by their actions and deeds, prove otherwise. Surely that is the least we can do in a society which claims to be civilized and humanitarian, which claims to adhere to international agreements and treaties.

I am endeavouring to be non-partisan because I think there are many people of all political stripes in this nation who feel as do you and I, Sir, about the people who seek sanctuary, who are escaping from things about which our forefathers knew but which we do not comprehend. Our forefathers were able to get here by one means or another, and I like to think that the generations in this Chamber and the generations out there younger than us will remember that because they learned of it from their parents, grandparents, and great-grandparents.

Everyone who came to this country since 1982 could, I suppose, in the vernacular of the day when I was a child, be called bohunks regardless of from which country they came. My grandfather came out of the pits and mines in Wales. He was poor and ended up working on the CPR tracks in the interior of British Columbia in 1902. I suppose you could call him a white Anglo-Saxon bohunk, the terminology which we used in reference to people who came from central and eastern Europe in the twenties and thirties and the fifties and sixties. It is interesting to study history and consider who the people are who make up this nation, from where they came, and what they contributed.

In the name of humanity, in the name of Christian ethics, in the name of mankind, even if we err and let some slip through the net who could be terrorists, I would rather err on that side than take a chance of excluding 156 of 157 Tamils who are not terrorists and do not have a criminal record. I would rather take a chance on a handful slipping through and taking advantage of our system than condemn thousands and thousands by withholding from them a Christian, civilized, and democratic right to sanctuary, decent treatment, and the fullest benefit of our laws and society.

The Government has risen to temporary and so-called public opinion against people who would abuse our system to get ahead in the line-up. There are ways of correcting getting ahead in the line-up. You do not stop the whole darn line-up just to satisfy a small minority in this nation who have some ancient, archaic, and out-moded idea about the purity of the Canadian system. If it were not for the contribution to this country by people of every race and religion known to mankind, our nation would not be as good as it is.

I ask that the Government go back to the drawing board and reconsider what it is doing. I am the last one in this Chamber to express any sympathy for the other place. I have been one of those, since I was much younger, who believe it should be abolished, that it is an anachronism of the 19th century. However, I will give members of that place credit, along with many Members in this Chamber, for standing up against a bad piece of legislation and for trying to make a bad piece of

legislation better. I hope the Government will accept that and accept many of these amendments.

**The Acting Speaker (Mr. Paproski):** Before I recognize Members for questions and comments or further debate I would like to recognize the Hon. Minister of State (Mr. Lewis) on a point of order.

• (1820)

**Mr. Lewis:** Mr. Speaker, I rise on a point of order. There have been discussions among the House Leaders and I think you will find general agreement to the following proposition:

That the vote on the business before the House be deferred until 6 p.m. Wednesday, tomorrow;

That it has been agreed that there will be no quorum calls by Members of the House during the process of the rest of debate;

That there will be no need to force a recorded division;

That it has been understood that that recorded division will be at 6 p.m., Wednesday, and;

That when no other speaker seeks the floor the House will be adjourned until 2 p.m. Wednesday next.

**Mr. Gray (Windsor West):** Mr. Speaker, what the Deputy Government House Leader said does reflect the understanding we reached in the discussions a few minutes ago. However, I want to add one suggestion. If the business before the House tomorrow afternoon, that is report stage of Bill C-60, concludes before six o'clock, such that there is a vote on that report stage before six o'clock, then the vote on this measure be taken immediately after the vote or votes on report stage of Bill C-60 so that there will be no hiatus between the end of report stage of Bill C-60 and six o'clock.

**Mr. Lewis:** Mr. Speaker, I am amenable to that suggestion. In order that we do not keep anyone else on tenter hooks during that period, I suggest that if there is a time gap the Government would not intend to call any more business other than Bill C-60 and we could agree to postpone that vote until six o'clock as well.

**Mr. Riis:** Mr. Speaker, I am prepared to lend our support for this request for unanimous consent to enable the vote to be deferred. However, I feel moved to indicate that earlier today we also agreed to provide unanimous consent for the Government to introduce two motions that it felt appropriate. We all agreed to do that.

I want to say that it is unfortunate that we are debating this tonight as a result of a Government initiative, going against the traditions of this House as we normally do business. It is unfortunate that the Government decided to move in this way, in terms of encouraging more co-operation from the Opposition in the future.

**The Acting Speaker (Mr. Paproski):** Is it so agreed?

**Some Hon. Members:** Agreed.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, this is my first opportunity to debate the main import of the motion that has been proposed by the Government. I want to support the comments made by the Hon. Member for Kamloops—Shuswap (Mr. Riis) in expressing regret at the fact the Government has decided to prolong the sitting of the House tonight rather than carry on as normal.

I am concerned about that because I think this is bad legislation. Rather than listening to what the Senate and people from this Party and the Official Opposition have been trying to tell the Government, it is determined to barrel through. While I do not know its agenda, it seems to want to barrel through with a proposal that will prove unworkable, unconstitutional, that will ultimately sour relations with many countries in the world and certainly offend many well-meaning Canadians who are concerned about Canada's role as a safe haven for victims of oppression in different parts of the world.

Let me remind the House that the kind of efforts that have been made to scare Canadians and make them paranoid about refugees coming to this country are entirely unjustified. There has been absolutely no evidence that people who have claimed refugee status to come into Canada have turned out to be threats to the national security of this country. In fact, it is remarkable the degree to which refugees who, having found a safe haven, have settled down to become productive members of our society, often under difficult circumstances because of the difference between their homeland from which they were forced to flee and this country.

This legislation is reprehensible because of the degree to which it will make Canadians criminals. Even if the Deputy Attorney General is required to sign a process against people who are deemed to have been assisting in the illegal entry into Canada of people claiming to be refugees, most refugees apart from those who are well heeled financially are probably breaking some law. They arrive here without papers from their home country because of an oppressive Government that will not give them travel documents or permit them to leave the country legally. If they do not have travel documents they cannot get a Canadian visa.

If they went to a Canadian high commission or embassy in their home country they would immediately be marked by the secret police of a dictatorial government in their homeland as someone trying to buck the regime by leaving. We saw the example of a person in El Salvador who sought a visa and was subsequently killed by the death squads before she was able to leave and come to Canada with the Canadian permit she was able to get. The act of seeking the paper was enough for her to become a marked woman and, as a consequence, she was killed.

Canadians who respond to that kind of situation will be subject to prosecution. Whether or not that prosecution takes place, nevertheless it will have a chilling effect on those Canadians who may wish to reach out and seek to give sanctuary to people coming in.

[*Translation*]

Mr. Speaker, I have had some experience in these matters, because during the sixties I was directly involved in a program to help Americans who were refugees because they were dodging the draft in their country during the war in Vietnam.

Mr. Speaker, some of these Americans were risking very severe penalties, because they were already enrolled in the Armed Forces and subsequently deserted to come to Canada. Fortunately, the Secretary of State for External Affairs at the time, Mr. Mitchell Sharp—in fact, I discussed the matter with him recently—had established at the beginning of the two World Wars, when Canada was at war with Germany and the United States had not yet entered the war . . . What did the Americans do about Canadians who left Canada to go to the United States, after breaking the law in this country and deserting from the Canadian Army? The United Stares took them in. Mr. Sharp decided that in this case the Government would do likewise.

Nevertheless, when I was helping these people who challenged U.S. policy, I was uneasy, even if I was not breaking the law. When I went to the border to help someone cross the Canadian border to enter Canada legally, after they had first entered Canada illegally as visitors intending to stay in Canada, I was worried. It was a scary experience.

Now suppose we tell priests and members of religious communities and all those people who want to help: You will be subject to severe penalties. You will be committing a crime by helping refugees. In that case, the safe haven now afforded by Canada will disappear.

Mr. Speaker, I would like to quote the Senate Committee's report where it says, in summarizing the testimony given by the vast majority of witnesses who appeared before the Committee, and I quote:

> All of the witnesses before the Committee agreed that abuse of our immigration laws must stop. However, they pointed out that the drastic measures in this bill will not affect only those who would come to abuse our refugee system. For example, any person approaching our borders without proper documents—whether, engaged in a fraudulent scheme or fleeing from persecution and danger—would be subject to the same measures.

So here is the problem, Mr. Speaker. A Canadian who helps and provides a safe haven for one of these refugees may incur sanctions under the Criminal Code of Canada, no matter whether the individual has gained fraudulent entry into Canada or whether he will simply not flee from persecution and danger.

> This individual might be detained for a month without his case being the object of impartial review . . .

Now it would be seven days.

> If he was engaged in resistance against the government of the country from which he fled, he might be detained longer and described as being a security threat.

No change, Mr. Speaker, and the Canadian Security Intelligence Service might decide that this individual who claims refugee status is indeed a threat against the security of a government. Then one of the reasons why this individual fled from his native country is that his security was threatened and the government of his country treated him as if he was a threat to the security of the country. Had the individual been engaged in resistance against the government of the country from which he escaped, he could be detained much longer and considered as being a security threat here in Canada, never mind the fact that there is no proof that these refugees—as a class—who came to Canada, and we did welcome hundreds of thousands of refugees over the past forty years, are a threat to Canadian security.

Again I quote the Senate committee:

> Canadians who assist people arriving in Canada without the necessary documents would be subject to prosecution, including those doing humanitarian work by looking after refugees, the very field of activity where Canada has gained international recognition.

Mr. Speaker, our international reputation will be tarnished as a result of Bill C-84.

• (1830)

[*English*]

As well, I am worried that a lot of what we are talking about is not necessary. Earlier today, I pointed out that there was a consensus that had emerged about how Canada's refugee determination process could be tightened up and accelerated so that false refugee claimants would very quickly find themselves sent back to their homelands at great cost. They would have paid refugee or immigration counsellors, they would have paid for their flights, they might have sold their farms or businesses but then found themselves a month or two later on their way back to their homelands, much the poorer for the experience of having tried to enter Canada by declaring themselves refugees and having their claims determined to be unfounded.

Word gets out pretty quickly. There would be articles in the press and electronic media in those counties indicating that 200 or so refugee claimants were returned from Canada. The message would pass through the village market-places, the cities and towns, the clubs and sporting events, "Do not try to come to Canada if you do not have a case". We would very quickly see that particular source of refugee claimants dry up. People would no longer try to avoid the rules or jump the queue in that way.

In addition, I think we need to be talking quite seriously about the whole question of immigration levels. We know that Canada is one of the most desirable countries in the world. In many ways, it is even more desirable than the United States because Canada has a much better network of social security and because people see that this country does not have the negative downside which is the underside of the American dream.

Could I ask for order, Mr. Speaker, from my hon. colleagues?

**The Acting Speaker (Mr. Paproski):** Order, please. If Hon. Members wish to have conversations, could they please have them behind the curtain? I am referring to both the Hon. Member's colleague and the other colleague. The Hon. Member for Ottawa Centre (Mr. Cassidy) has the floor for debate and cannot seem to hear himself speak in the Chamber. If the Hon. Member does have something to say, could he say it behind the curtain?

**Mr. Lesick:** Mr. Speaker, I rise on a point of order. Of course, I always respect opposition Members whenever they do speak, but whenever one of their Members comes to speak to me regarding an important matter, I would hope that he would remove his earplugs so that he could hear himself better than he hears us.

**The Acting Speaker (Mr. Paproski):** I would appreciate some decorum. The Hon. Member for Ottawa Centre (Mr. Cassidy) has the floor.

**Mr. Cassidy:** Mr. Speaker, I was saying that I am very concerned about the whole question of levels of immigration. One of the reasons people have tried to use the refugee process rather than normal immigration channels is because those normal immigration channels have been plugged. Levels of immigration are far below the targets set every year. The targets themselves are inadequate. Net immigration for Canada is far below what we need for the potential we have in this country. Frankly, with the potential Canada offers, I believe that we ourselves are in danger of giving offence by not bearing our share of those persons who wish to come here.

The immigration policy is now putting so much emphasis and person power on encouraging entrepreneurial immigrants that the brothers, sisters and friends of the people who live in my constituency who do not happen to have those advantages cannot get into Canada. Some of them wind up saying they are refugees because that is a way they have found to get into Canada when they cannot come in the front door. I am afraid that that is one of the realities of the situation now.

If we could just take some of the resources that go into the refugee process and use them to encourage, in a way that is fair and open, the necessary increases in immigration and in services to immigrants once they have arrived here, we might be in a healthier situation than the one we are in right now. Unfortunately, the Government has not been prepared to do that. As a consequence, we have instead Bill C-84.

I must ask myself what in fact is the agenda the Government is pursuing. It is trying to make Canadians believe that there is an absolute fleet of boats waiting to come to Canada, so they will cut it off. The total number of boatloads of people seeking to come to Canada in the life of this Government has been two.

Whether it is Sikhs from India or Tamils from Sri Lanka, there certainly is a case for considering that those persons may in fact have some legitimate claims as refugees. Those claims can and should be determined quickly so that if people are eligible to stay, they may stay, and if they are not eligible to stay, they will be sent back to their homelands.

It is worth noting that Punjab in India which I visited last March is in a state of governor's rule, rule by the central government, and there are some dreadful atrocities taking place there. It is a very unhappy place. We know that the Indian Army has been involved in Sri Lanka and as well there have been acts in Sri Lanka which appear to be violations of human rights directed against the Tamil population. There is a war-like state in portions of that country because of the situation between the Tamils and the majority population. It is not necessarily easy for any of us to reach a snap judgment and say, "Well, anybody who is a Tamil coming into Canada is obviously not a refugee, or anybody who is a Sikh coming into Canada is obviously not a refugee". To some extent that depends on the rules and on their interpretation which is why we have a refugee determination process.

• (1840)

It is clear that situations change over time. For example, a Palestinian who sought to come into Canada as a refugee six months ago might not have been acceptable at that time. It might be that under the refugee determination rules which are in force now Palestinians seeking to enter Canada today would be considered eligible since conditions have changed in a regrettable way in the West Bank and in the Gaza Strip. I do not know. I think we need to have some kind of flexibility about all of this. If it is felt that the level of refugees coming into the country is totally excessive, then I believe we have to consider that. But that is not the case now. We are talking about perhaps 10 per cent at the most of the total number of immigrants coming into Canada. I believe that is a tolerable level for a country which has been as open hearted as Canada has been.

I just had some new cards printed up for use in my constituency. They state, "Member of Parliament, *député*, *deputato*", which represents three of the linguistic groups in my riding. They are also in Vietnamese, Chinese and Arabic. We know the situation in Lebanon which is from where most of the population of Arab origin in my riding come. We know the situation in Vietnam and that so many people fled that country to come to Canada as refugees. It is worth noting that a significant number of the Chinese who are now here in Canada were also refugees either from Vietnam or in certain cases from the People's Republic. This is the ethnic mix in just one central city constituency.

My forebear back in the 1820s was subject to oppression by the British who brought Protestants into Ireland to take the best land. They sucked the country dry at the time of the Great Famine. In the 1840s Ireland was actually a net exporter of food. Yet the people were starving to the point where the population fell by 1 million or more in the course of 10 or 15 years. Eventually, my ancestor had a fight with his landlord and came to Canada the next day. The rest of the family followed. They made a great contribution to Canada.

When I was a young boy growing up in Toronto in the 1940s there was talk that I deplore about what were called displaced persons, DPs, refugees. The Reichmanns might have been considered DPs or refugees. Frank Stronach, the owner of Magna International, might have been considered that as well. I asked myself if someone had helped Frank Stronach into the country, would he or she now be subject to the penalties that are to be found in Bill C-84? The answer is quite probably yes.

If someone like Frank Stronach came today from Africa or from Asia and could not obtain direct transit to come into the country or could not afford it, then could he come into Canada as a refugee under this Bill? The answer is no. That is why when the vote is taken tomorrow my colleagues and I will oppose the Government's rejection of the Senate amendments on Bill C-84. I plead with the Government to review the situation to try to make a decision on the basis of consensus rather than on the basis of confrontation.

**Mr. Heap:** Mr. Speaker, I listened with interest to the Hon. Member for Ottawa Centre (Mr. Cassidy), who has a great deal of experience in his constituency and in some of his previous work in the matter of immigration. I think his comments are quite relevant to the basic problem that is before us.

One of the points that he made is that this Bill is likely to offend many other nations. I can think of various ways that it might offend either the nation from which refugees come, the nation to which a ship is returned, the nation owning the ship or other nations which are concerned with helping refugees.

I am wondering if the Hon. Member will explain a little further. I know that he is actively concerned with matters concerning the external affairs of Canada. He has been on parliamentary delegations and visited places such as India. Can he tell us what he thinks will be the offensive impact of Bill C-84 on some of the other nations with which we have to deal, whether they are nations in the western hemisphere, Europe, Africa or Asia?

**Mr. Cassidy:** Mr. Speaker, I thank the Hon. Member for Spadina (Mr. Heap) for his question. I would say that we are talking about two groups of nations. One group will be delighted at this legislation, or will at least tend to support it. The other group will be offended.

Which are the countries which will be delighted by this legislation? I think that General Pinochet will be delighted by it. I think that General Mobutu will be delighted that Canada will not serve as a haven for refugees from his oppressive regime in Zaire. I think that President Botha of South Africa will be pleased with the legislation which, among other things, may make it harder for members of the African National Congress to come to Canada. I could go on and on in terms of citing repressive and oppressive regimes around the world which, if they notice what Canada is doing, will note that for once Canada is lining up with their views of the world and not with the view that has been traditionally taken by Canada.

Who will be offended by this legislation? I think that groups such as the Red Cross in Geneva and world-wide will be offended by it. I think that Amnesty International, which has been fighting for human liberties and rights around the world, will be offended by it. I think that the various Helsinki watch groups, remnants of which still survive in parts of the Soviet Union and some of the eastern European countries, will be offended by it. I think that those countries at the United Nations which have looked to Canada to provide leadership in the field of international human rights will be deeply offended by this legislation. They will see that far from adding to the solution of human rights problems that Canada is in a small way becoming a part of the problem.

One of the most dangerous features of this legislation is the following. Canada, through Bill C-84, is setting a precedent which will reinforce certain countries in western Europe which have been unduly tightening their refugee legislation and which may encourage other countries that have not done so to do so in the future. In other words, legislation such as this feeds on itself. In other countries there are immigration bureaucrats who will say to their ministers or legislators, "Look, Canada saw that it had to bring in Draconian legislation, we had better do the same thing. Canada is turning people away. If we do not do something then all of the people that Canada turns away will come to us". We will feed paranoia rather than aid generosity.

There are a great many countries around the world which traditionally have been generous and looked to Canada for leadership. They will be offended by this Bill.

**Mr. Friesen:** Mr. Speaker, there are 102 countries that are signators to the United Nations Charter on Human Rights. Since the Hon. Member feels that the Canadian legislation is so terrible, can he tell us what other countries in the world are more generous in their refugee policies than is Canada?

**Mr. Cassidy:** Mr. Speaker, the Hon. Member might have asked his question of one of the specialists in this particular area, such as my colleague from Spadina. I do not pretend to know the answer to that question. What I do know is this. If the Hon. Member is suggesting that his adherence and allegiance to the Canadian Charter of Rights and Freedoms somehow stops at the ocean's edge and does not apply to persons who come here seeking the protection of Canada as refugees and does not receive the protection of Canadian laws and of our Constitution because one happens to be the wrong colour, comes from the wrong place or does not have enough money to take a direct flight into Canada, then I find that a very reprehensible kind of situation. I believe that Canada has to make laws concerning refugees open and generous. We can afford to do that.

Traditionally, we have provided leadership in this area to other countries. We should continue to do so. I believe that our Charter of Rights should be respected in legislation. We should not leave it to the Supreme Court to tell Parliament

that we erred on Bill C-84 against rights and liberties that are guaranteed in the Constitution.

• (1850)

**Mr. Lesick:** I have listened to the Hon. Member for Ottawa Centre (Mr. Cassidy) and he has mentioned many things that I question. He stated that the western European nations are listening to their bureaucrats. He has not offered any proof of that, he has offered only a comment. I ask him to offer proof that the bureaucrats of western European nations are throwing true refugees out of their countries, and that the members of their Parliaments are listening to the bureaucrats.

I am wondering what all Canadians are feeling, not what the world is thinking about Canada, and about how the countries of the world are asking if Canadians are doing the best for true refugees. Of course, we are. We are known for that. But we have to put a stop to those who are coming in here illegally, and those who are sneaking into this country. They have to bear the price of their follies, whether it is the fact that they paid too much money to get someone to sneak them into this country illegally, or whether it is the fact that they were stopped and asked, "Do we know if you are a criminal? Do we know if you are a person of good moral stature who should be living in this country?" We are a sovereign nation.

I would like to ask the Member for Ottawa Centre to comment on this, not from his point of view, but to sit back and answer truthfully as to whether he feels that the majority of the people of Canada are willing to let everyone in and hopefully no one will be a criminal, and hopefully no one will kill or do any harm to anyone in this country, but let us accept all of them, and hopefully we will eventually eliminate those who should not have been here in the first place.

**Mr. Cassidy:** I remind the Hon. Member that in my comments I pointed out that there is absolutely no evidence that people who have come into Canada as refugees and stayed here are security risks or criminals. There is absolutely no evidence of that at all. I would point out to the Hon. Member that the question of coming in as false refugees is a question on which there was agreement on all sides of the House. We do not think that thousands of people should come in from Portugal or Brazil because immigration counsellors have led them on and told them that there is a way that they can get into Canada.

We have suggested, together with the Standing Committee on Labour, Employment and Immigration, and Rabbi Plaut in his report, means by which those people could be quickly turned around and discouraged. The word would get back and very quickly that flow would be choked off. I do not believe there was a problem with that, except that the Government refused to listen to those particular questions.

When the Hon. Member asks whether I think that people who come illegally into this country should be turned back, he does not realize how far he is going over the line. It is impossible for a person who is oppressed in Central America or in Chile to come to Canada with a visa and with all of the legal requirements. The bulk of legitimate refugees who are in transit around the world are guilty of some illegality or another because they could not move if they sought to act legally.

Therefore, the Hon. Member is saying, and with Bill C-84 the Government is saying, that all of those legitimate refugees will effectively be forced to endure oppression in their homeland because they will not be able to come to Canada.

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated. The Hon. Member for Montreal—Sainte-Marie.

• (1900)

[*Translation*]

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I am pleased to rise in the debate on Bill C-84 and the amendments put forward by the Senate. The Minister of Employment and Immigration (Mr. Bouchard) had an opportunity to correct some inequities in Bill C-84. For the benefit of those who are following the debate, Bill C-84 is the refugee legislation.

Mr. Speaker, the Bill now before us reflects the hard-nosed attitude of the Minister of Employment and Immigration who put it forward—it reflects his heartless character. And I will tell you how the legislation led to a couple of further actions by the Minister of Employment and Immigration that clearly prove his lack of understanding and his lack of a humane approach to problems.

It will be remembered that the same Minister of Employment and Immigration put a tragic end to the Katimavik program for the young. The Minister could have said: I am curtailing the program, but I am replacing it by something just as significant. But with his obstinacy, his whip-wielding, headmaster attitude, he turned a deaf ear on representations made by the young, Members in this House, even senators, and Canadians generally—he refused to do anything, with the definite purpose of showing who was the headmaster. He clearly showed that although he has an angel face and the outward look of St. Peter, he actually has a heart of stone.

The second remark deals with the second legislation and the Minister's behaviour toward workers, middle-aged workers hurt by unemployment insurance cuts. And no later than noon today, Mr. Speaker, in answer to my questions the Minister said he did not mind if a middle-aged worker that lost his job, for example with Weston and Hygrade, was not entitled to UI benefits because he was getting a pension—that it was all the same to him, there was nothing he could do. His mind is set, he gives nothing.

And today, on the refugee legislation he has the same attitude, the same rigid approach, a basic lack of humane approach to and understanding of individuals.

Mr. Speaker, it must be mentioned that we have been recalled in August by the Minister. The Government recalled Parliament in August because it believed a boat load of refugees was coming. It requested guns, planes, F-18's that went hunting over the sea for a ship that would be coming with ten people aboard. All they found was a way to spend taxpayers' money, to have us sit here in August, but he is no better off than before he put the legislation foward. This is nothing but a scenario for prodding the people so they would oppose and fear refugees.

Mr. Speaker, the people in Quebec and Canada are humane people. People in Quebec and Canada are generous. They proved it in the past, and they still are proving it today. Just as the Canadian and Quebec people, Members of the Opposition feel that we should try to stop the illegitimate refugees who are abusing the system. But we should make sure we deal with the real culprit. I suggest that the amendments proposed by the Senate made that possible. The approach of the Minister is, whenever he believes a ship has illegitimate refugees on board, he should order the ship to leave or not enter Canadian waters; according to the Senate's proposal, which is similar to that put forward by my colleague, the Hon. Member for York West (Mr. Marchi), who is doing a fantastic job on this issue, the Minister should say simply: Well, let us take this ship into port. Let us arrest and punish the culprit who has exploited these people. But because of his attitude, the Minister is jeopardizing the lives of the passenger by turning the ships around; the Government is waiting for someone to die in Canada or abroad to become sensible and change the legislation, as it did in the case of paternity leaves.

Mr. Speaker, it seemed to me that this logical, sensible and humane approach sought to discourage those who were taking advantage of people's kindness. Concerning the bill as introduced, my colleague, the Hon. Member for York Centre (Mr. Kaplan) was right to mention Nelson Mandela, a South African individual who is fighting to promote equality, eradicate Apartheid, a sort of racism based on colour . . . As recently as this morning, during Jean Cournoyer's radio program heard in Quebec, someone mentioned that a person was treated like an animal because of the black colour of his skin. This individual would like to flee his homeland to come to Canada because his life is at risk. Well, the Minister of Employment and Immigration—not with the support, I am sure, of a great many Conservative Members who are people of conscience—would return this individual who does not meet the criteria. As a terrorist, he is unacceptable. Yet, it is only someone who wants to fight for his rights. If the Minister of Employment and Immigration had been faced with such a situation, he might have reacted more violently than Mr. Mandela did in his own country. Mr. Speaker, the problem with this Bill is that it does not make any distinctions in dealing with those who abuse the system and illegitimate refugees. It is like taking a canon to kill a fly in a room where there are 100 people. Everyone will be killed because of one fly, because of one little problem.

There is another aspect. I believe that the Minister is determined to show that he is a proud man who does not give in to pressure, but in fact, he is gaining nothing. In real life, there is nothing to gain by thinking that you are right and everyone else is wrong, because the Official Opposition is not alone in denouncing the Bill introduced by the Conservative Government, and the Senate is not alone either. I believe that everyone knows that I do not hold the Senate in such a high esteem, but the Senators have played an important role in this issue and they are earning their pay. They are paid to study the Bills passed by the House of Commons and to return them to us. The Minister has to recognize that the Senators have done a good job because he was forced to accept amendments on points he had not noticed before. This shows that the Senate did a good job. Then, there are all the groups concerned, all the church groups, whether they are Catholic, Protestant or Orthodox, all the pressure groups, all the people who work closely with refugees, because a refugee is not someone who has just won $100,000 in a lottery. He does not behave the same way as other people. He is fleeing his country because he is being threatened. He might have suffered for years. He might have seen his father and mother getting killed, he might have children, brothers and sisters, but he was able to escape.

We are not talking about someone who happens to teach the children of the Prime Minister. If someone else than Mulroney had been elected, that teacher would not be here. But as he teaches the Prime Minister's children, he has his papers. However, he was not being threatened in France. A refugee is someone who has to use desperate means and rely on other people who want to help him. I read in the speech made by my colleague that if such people succeed in escaping by boat, they will be refused and returned to their country of origin. However, if they succeed in finding a plane, it is a different matter and their claim will be considered. Have you ever seen such stupidity or such a double standard? "If you are a good refugee, you will come by plane, but if you are a bad refugee, you will come by boat."

Before pushing this Bill through, I believe that the Minister of Employment and Immigration should reconsider in view of the three major blunders he has already made, first, as concerns young people by cancelling the Katimavik program, then in the case of older workers by cutting back unemployment insurance benefits, and now in the case of refugees. With respect to immigration and refugees, I think that he should heed to the advice and listen to the suggestions and comments of my colleague for York West (Mr. Marchi). I think that in his comments, recommendations and claims my colleague is advocating control measures. Of course, he is suggesting an approval, but also some assistance and more humane measures instead of shooting or striking the first ones to arrive on the spot. The Senate has proposed or recommended that those who are really guilty should be punished and those who deserve help should obtain it.

Mr. Speaker, before concluding, I hope that some Tory members are compassionate and not merely interested in financial matters. I know that the Minister of Finance (Mr. Wilson) is only interested in financial matters, that the dollar and not the human being is essential for him. I call on the Minister of Employment and Immigration (Mr. Bouchard) who is the member for Roberval and was a school principal. Perhaps as a school principal he had to be tough. He belongs to a generation where the strap was still in use. Nowadays, things have changed. We now communicate and exchange. The most brilliant children in school are perhaps the most boisterous ones. They used to be those who worked hardest, but things have changed.

Today, some people will make their mark, will innovate, because they wanted to do so and went ahead. They did not fall in line and stick to the rules. And I think that if we consider history, there were many refugees in Canada who were troublemakers. The past is a warrant for the future. Something happens all of a sudden because the Minister of Employment and Immigration thinks all refugees coming to Canada are bad people. That is false. If the Minister is heartless, insensitive, I dare hope that some of the 210 Conservative Members will prove to be humane. I am sure Conservative Members have one or two refugees in their ridings; we all have some. Before voting against the amendments and passing the Bill, they should sit down with those refugees and ask them: "Now, tell me how it was. What did you go through in your country and why did you not stay there? Why did you choose to come in as refugees and not follow the normal immigration procedures?"

After hearing the story of those people, perhaps Conservative Members will see things differently and ask the Minister to change his position and accept my colleague's amendments. Mr. Speaker, I hope this will happen in the next few days.

**Mr. Marchi:** Mr. Speaker, I have listened to what my colleague the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) had to say. He gave a very capable and emotional speech on the refugee Bill. In the course of that speech, he stated the case very clearly and he based his argumentation on proposals which have not only been made by numerous groups across the country but which also meet the recommendations of our party as well as those of Liberal and Conservative senators alike who have urged the Minister to change the Bill, to make those changes which the Senate has recommended in order that the Bill comply with the Canadian tradition, the Canadian Constitution and the Charter.

[*English*]

On that note, quite a number of significant and outstanding legal experts have suggested that this piece of legislation is seriously flawed from the point of view of the Constitution and the Charter. They have advanced the notion that if this were to go ahead on the day of proclamation, there would be a number of court challenges the very next day. They even went so far as to predict that certain clauses of Bill C-84 would be struck down by the courts. One can just imagine the situation that that will create for a Government which is proposing this as the answer to all the ills of our refugee determination system. Paralysis will take place and our refugee policy will be thrown into chaos.

• (1910)

Perhaps the Hon. Member for Montreal—Saint-Marie (Mr. Malépart) could share his thoughts not on the here and now, but what this law will do, if it is struck down by the courts, to the confidence of Canadians in the system. Does the Hon. Member not believe that there is also an international component that Canada, rather than being the leader in this field, will now be a follower and an instigator for other countries to pass the same law? Does the Hon. Member not agree by pushing this Bill through that he will be undermining the international strength and resolve needed to try to have an international solution to what is essentially an international problem?

[*Translation*]

**Mr. Malépart:** Mr. Speaker, my colleague is absolutely right about the consequences of this Bill not only on boat people but also on Canadian men and women and on the officers who will have to enforce this Act with such harshness and distrust. We see more and more examples of that in Quebec. Hon. Members know that in my province, ordinary citizens are now suing police officers who show brutality or treat people too harshly. The officers who will enforce this Act will have to abide by what the Minister is telling them: "All the people who pretend to be refugees are suspect. You don't need any warrant, you don't have to see any judge, just arrest them now, interrogate them, use force to intimidate them and make them talk."

One day, it will be too much and we will have to change things. The Government does not understand this message.

On the international scene, Canada is recognized everywhere. In every place we go, as members of parliamentary groups, we are welcomed as peace-loving, generous and open people. They know in other countries that despite differences of opinion between Canadians who speak French, English or other languages, people here love to live together, whatever their origin or their race and whether they were born in Canada or come from other places.

I think that the Winter Games and the sharing of the flame all over Canada by people of all origins and all provinces are proof of our pride and our sense of belonging. And that represents an asset the world over where other countries, perhaps owing to their history, are inclined to act more harshly with one another. Perhaps such a behaviour, such an attitude on the part of Canada might encourage certain individuals who are like our Minister of Employment and Immigration, a man who is wont to take a hard position with respect to these people. We will end up by pushing them back, we will force human beings throughout the world to suffer in their own

country instead of letting some of them come here, not to mention others who have managed to make changes.

I should think that the two questions asked by my colleague . . . but I have hope and I have confidence in Quebecers and in Canadians. At the next election they will know what to do with these people. Because at first blush, the way the Minister of Employment and Immigration brought in his Bill he had Canadians and Quebecers believe that those people were coming here to steal their jobs. Well, you can fool Quebecers only once. Lie to them once and it is over! But they could see right from the outset that the Conservatives were taking a false approach. They will have their say at the next election. Once a Liberal Government is back in office I am sure we will restore justice with respect to these pieces of legislation, we will eliminate that aspect, and Canadians will again be known as generous, warm-hearted and peace-loving people.

[*English*]

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated. The Hon. Member for St. John's East (Mr. Harris).

**Mr. Jack Harris (St. John's East):** Mr. Speaker, I very much regret that I have to speak on this Bill today because it is the first Bill that was brought before the House of Commons since my election on July 20, 1987.

This Bill was brought before the House as a result of the calling together of the House in an emergency session last summer. Unfortunately for me it was my first experience with the parliamentary process. I found it to be a most cynical approach and attitude by the Government toward a situation which occurred involving people coming ashore in the Province of Nova Scotia. The Government thought that it had on its plate an issue through which it could fan some flames in favour of itself and its own purported attempt to take action on what the Government said was a very serious problem.

We were called back and presented with this legislation. The Prime Minister (Mr. Mulroney) spent a fair amount of time during that period trying to convince the people of Canada that this was a most serious problem and in his greatest attempt at sincerity he talked about how his Government would take action in this national emergency. It is now almost six months later and we are still debating this so-called emergency legislation.

It is of great sadness to me as a Canadian to have a Government with the kind of majority which this one has abusing that majority in the face of widespread, virtually unanimous, disagreement and opposition to the kinds of measures that it has taken under this legislation.

Within a matter of days after the legislation had been tabled in the House groups and individuals in Canada who understand international affairs and understand the situation in which people from other countries flee to Canada spoke out against it. There are also groups which support international citizens in their efforts to seek refuge from countries, regimes and governments which do not respect human rights.

Soon after the introduction of this legislation we saw a remarkable thing in this House and I was proud to be a part of it in this respect. I saw principled men and women in this House, men like the Hon. Member for Spadina (Mr. Heap) who took it upon himself the challenge of fighting against the Government, of meeting with groups and individuals who were interested and concerned with what the Government was doing. He spoke out fearlessly on this issue and has tried, unfortunately, without success to convince the Government that it had done the wrong thing. We have seen since then a Government determined in its cynicism to bluff its way to the bitter end on this debate.

• (1920)

We have seen committees of this House and the other place listen to witnesses for many long days on this issue. If there was some sort of national debate about it, if it was a matter of controversy on which men and women of conscience disagreed, we would have had a very different debate and a very different set of hearings than we had.

What did we have? Almost unanimous opposition to the measures taken by the Government and its willingness to ignore the human rights of international citizens. I say almost unanimous because there were some people who spoke at these hearings in support of the legislation. They were the very senior civil servants in the Department of Employment and Immigration. They were doing what their political masters on the other side of the House told them to do. Not one citizen of this country came forward in support of this legislation. Not one, except those who were forced to do so because of the political opportunism of the Government last summer.

As a Canadian I am ashamed to see that the Government has chosen to ignore those citizens and organizations of this country who seek to hold out their hand to these international citizens seeking refuge. My riding does not have very many immigrants, certainly not very many refugees, but I have not had one phone call or letter urging me to support the Government's position on Bill C-84. I have not had a group or individual visiting me on Parliament Hill to suggest that I should support this legislation. Even though there are not pressure groups composed of immigrants or former refugees who are urging me to oppose it, we do have in my riding citizens and organizations who are concerned about what the Government is doing and have urged me to speak out against the legislation and in support of the Senate amendments.

These groups consist of the Roman Catholic Office of Social Action, the Newfoundland and Labrador Human Rights Association, the St. John's Oxfam Committee, the Latin American Support Group, the Institute of Social and Economic Research, Amnesty International Group Sixty and others. You will find those groups repeated in every city across this country, not to mention the towns and villages where such

groups exist who are concerned about human rights and about Canada's reputation in the world for recognition of the international human rights of refugees.

I have also received from the Primate of the Anglican Church of Canada a representation on the measures proposed by the Senate to amend Bill C-84. That church has a history of involving itself in refugee and other international issues. The concerns expressed by the national Executive Council of the Anglican Church of Canada are that the Bill does not satisfy the international obligations of Canada to protect refugees and uphold procedural safeguards. They are concerned that this legislation violates sections of the Canadian Charter of Rights and Freedoms. They are concerned that it does not meet the stated objectives of our immigration policy, which is to fulfil Canada's international legal obligations with respect to refugees and uphold its humanitarian traditions with respect to the displaced and persecuted.

Why is it that the United Church of Canada and the other organizations I mentioned have spoken out with one voice against the Government's action, but the Government has not listened? It persists in putting to this House legislation unacceptable to the people of Canada who have studied and understand the issue, who have a concern for Canada's role in international affairs and its obligations to those seeking refuge. The Government persists in its desire to have the power to turn ships around at sea. The Government persists in denying those who claim refugee status the opportunity of a hearing if it has decided that they may be or are accused of being a security risk.

Many people can be abused in very strange circumstances involving international intrigue. Governments of other countries can very easily put forward evidence for the purpose of attempting to get another Government to deny someone entrance or even a hearing to determine whether or not the status of refugee ought to be considered. The Government has insisted on maintaining its stance that criminal prosecutions be maintained for those who encourage or assist people who are attempting entry into this country without the right kind of papers.

The Government's response to the Senate amendments is totally unacceptable. It fails to take into account the concerns raised by the witnesses before the hearings and in this place on many occasions, and is sending us down a road which can only lead to the deterioration of our regard for human rights.

I will end where I started by saying that it is a very sad occasion for me to have to speak on this legislation. It is the first Bill I encountered in this Parliament, brought in in a very cynical way, and it will go out in the same way. The Government will persist in the face of reasoned, impassioned and caring opposition and concern for the human rights of Canadians and those seeking refuge from other countries.

• (1930)

**Mr. Heap:** Mr. Speaker, I wish to commend the Hon. Member for St. John's East (Mr. Harris) for his compassionate comments on this subject. I am glad that he has taken note of the response of the people in his riding. Last summer we heard some rather excited comments from across the way about how people were insisting that we should do something quickly, get rid of those people quickly and so on. They claimed they were acting for the strong expression of the will of the people in putting forward this Bill.

When the committee held its hearings on this Bill in August, and when the other place held its hearings in the fall, those great crowds of people demanding harsh action did not show up at the hearings. The Hon. Member has said that no one in his constituency has asked him to support the Bill but people have asked him to oppose it.

He mentioned that there are not many immigrants in Newfoundland. However, can he tell us whether any of the people of Newfoundland have had experience in helping refugees, whether they came by ship or plane, whether they came by direct and official means or unofficially? I know there was the case of the boatload of Tamils a year ago last summer, but I am wondering whether his fellow residents in St. John's East have actually met refugees and helped them and whether their experience has been favourable or unfavourable.

**Mr. Harris:** Mr. Speaker, I thank the Hon. Member for his question. Other than the aboriginal people of Newfoundland, the Innu and the Inuit, we have all been immigrants to Newfoundland over the centuries. In the last number of years we have received a large number of refugees coming off airplanes in Gander. These are individuals from the East Bloc countries, some Cubans, some Poles, Rumanians, and East Germans who, with increasing frequency, deplane in Gander and seek refugee status. As the Hon. Member mentioned, we also had the experience of the Tamils who were found floating in Placenta Bay two years ago.

There are also some people who sought refugee status in Canada and ended up in Newfoundland. I met a young man several months ago who had been in a refugee camp in China. He came from Vietnam many years ago and was doing very well in St. John's. He had learned to speak English very quickly. He was a young boy of 17 or 18.

I have a constituent who is working very hard to bring other refugees to Canada because of his conviction about the need for Canadians to share with others some of the wealth that they have obtained from our standard of living and to help individuals from other parts of the world seek refuge in this country.

Although my experience in this area has been limited, it has been very positive. People who are here seeking refuge expect that Canada will recognize their rights, and I hope that the Government will not discourage individuals who look to Canada for leadership. I hope the Government will not

indicate to these people that Canada and Canadians are not able to recognize their international obligations. However, to conclude, my experience in this has been positive.

**Mr. Friesen:** Mr. Speaker, the Hon. Member has just quoted from the letter which the Anglican Primate has sent out. Other members of his caucus have quoted from the same letter, expressing concerns about the provisions in this legislation which would empower the Minister to turn ships away.

The fact is that nine years ago when the crisis with the boat people from Vietnam existed, which crisis lasted a year or a year and a half, the Anglican Church did nothing to help. As a matter of fact, it opposed sponsorship during that period of time and did nothing to help in a tangible way in that large movement of refugees which turned out to be a very legitimate cause for concern by the people of Canada. As a matter of fact, last year the Anglican Church sponsored only 300 refugees in spite of what the Primate said in his letter expressing great concern.

How does the Member account for the fact that when the Vietnamese crisis existed, the Anglican Church did nothing to help tangibly and last year sponsored only 300 refugees, and is now all of a sudden expressing great concern about this particular legislation? Can he tell me how he accounts for that?

**Mr. Harris:** Mr. Speaker, I do not wish to defend the Anglican Church as an institution. However, if the Hon. Member is right, and I have to assume for the moment that he is, then it must be obvious to him that the Anglican Church has listened to its people and is now doing what its people wanted to do as opposed to the Government which has had an opportunity in the last six months to learn what the people of Canada think about this legislation and is still persisting in doing what it is doing now. If the Anglican Church has listened to the cry of humanity and learned, why does the Government not do the same?

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I, too, am disappointed to have to participate in this debate in this way. By "this way" of course I mean that this is the last speech I will be able to make on this legislation. The Government has decided once again to use the strength of its majority to curtail the voice of parliamentarians on this issue. It has used its strength to muzzle Parliament on this issue.

I believe that that is unfortunate for us all because this legislation with regard to immigration and refugees is fundamentally flawed, fundamentally unfair, and fundamentally unjust. I believe that this issue should be taken to the people of Canada in the form of a referendum or plebiscite to learn how they feel about this legislation. I suspect that the reaction in my constituency is similar to that in every constituency across the country. It is overwhelmingly against this legislation.

One might legitimately ask why I say that, what evidence I have to make those comments. I read the transcripts and studied the reports of witnesses who appeared before both the House of Commons committee and the Senate regarding this Bill on immigrants and refugees. I noted an interesting theme. All of those individuals or organizations with considerable experience and expertise on immigration and refugee matters advised the Government not to proceed with the Bill in its present form. The only exception was the witnesses who came on behalf of the Government.

• (1940)

Dozens of individuals and groups, representing hundreds of thousands of Canadians, spoke against this legislation but the Government chose to ignore their suggestions and pleas.

Some of these groups include the Bar Association of Canada, which represents the entire legal profession, the Inter-Church Committee on Refugees, which is made up of some nine major denominations of Canada's largest churches, the Canadian Congress of Catholic Bishops, the Canadian Ethnocultural Council, the Civil Liberties Association of Canada, the famous Rabbi Gunther Plaut, the Canadian Jewish Congress, the B'Nai Brith group, the Coalition for a Just Refugee and Immigration Policy. They included the Primate of the Anglican Church of Canada.

It is also interesting to point out that among these groups was the employment and immigration union representing those men and women who worked for the immigration office. They spoke against this Bill in many cases, saying that as practitioners in the field who would have to administer this Act, they are against some of its major clauses.

One must ask who favours this legislation. As I look about the country, other than a handful of members of the Conservative Party who are represented by Members in the House, I have not found anyone who supports the legislation. That in itself is condemnation of the Bill, without going into the specifics, as we have.

It is important that we as parliamentarians recognize that the Bill in its present form violates the Charter of Rights and Freedoms in Canada's Constitution. To make matters worse, the Bill violates the United Nations convention on the treatment of refugees. Why would parliamentarians pass legislation that violates our own Constitution and a convention of the United Nations? I have yet to hear why the Government would be encouraged to do that.

I recall a number of occasions when you, Mr. Speaker, spoke of your origins, and, I suspect, reminded me that at the turn of the century when Canada was settled by hundreds of thousands of people from western and central Europe, many of them were fleeing persecution of one kind or another. That is a theme that western Canadians in particular know very well. We know the history of the Mennonites, Hutterites and Doukhobors. We know the more recent history of the Hungarians, Czechoslovakians, Iranians, Afghans, the boat people and Chileans.

What would have happened if the native people of Canada had a similar immigration policy as this after they came to North America via the land bridge tens of thousands of years ago? I suspect that many of us would not be here today.

I vividly recall two events in our recent past. In 1939, Jewish refugees fleeing Nazi persecution in Europe came to Montreal on the ship *St. Louis*, where the immigration authorities of the day, with the support of the Government of the day, turned the ship back to Europe. Evidence indicates that most of those people on that ship died at the hands of the Nazis. That was a black day in our history which we never want to repeat.

The House will know the story of the *Kamagata Maru* in 1914. At that time we had a very racist immigration policy which was not entirely above board.

At that time the Government used subtle ways to have a racist immigration policy. The Government of the day did not want East Indians to come to Canada as settlers and therefore had a policy which only allowed people to come to Canada on a steamship that sailed directly from one port to Canada. The Government knew that no steamships came from India.

However, an enterprising individual from Hong Kong obtained a Japanese freighter in 1914, and 376 Punjabs, mostly Sikhs, sailed aboard that ship for Canada and entered the Port of Vancouver. Their entry was essentially legal, which frustrated the immigration authorities. Rather than allow those Sikhs to enter Canada to become citizens, the ship was held in the harbour for two months. The Royal Canadian Navy cruiser *Rainbow* was brought into the harbour on July 20 and encouraged the *Kamagata Maru* to sail back to India where many of those people were killed because of rumours about their political and religious beliefs. Again, it was one of the darkest days in our history.

This Bill contains a clause that provides that someone who believes that a ship may contain illegal refugees can order that ship to be turned about. How does one determine whether the people on board such a ship are legal or illegal refugees, whether they are fleeing persecution, or people with no homeland? Yet we are being asked to pass legislation that contains such a vague clause giving that kind of authority to immigration officials.

That is why the men and women of the Employment and Immigration Union came to the committee. They wanted to know whether they will be expected to carry arms on board a ship where someone may have the impression that refugees are on board, to seize the ship, search it and turn it about? They did not receive an acceptable response to those legitimate questions. My colleagues and I want no part of legislation that will do what we did to the *Kamagata Maru* and the *St. Louis*. We want no part of legislation that has tinges of racism attached to it. I do not think there is any overt racism, but many people in my constituency have wondered about it.

• (1950)

When I last visited the immigrant centre in my constituency, a number of people wondered if the same concern on the part of the federal Government would have been there if the Tamils who arrived on our East Coast unexpectedly had not been of a visible minority, if they had been people from Poland, from the Soviet Union or from other countries—

**Mr. Friesen:** How about Portugal?

**Mr. Riis:** My hon. friend asks about Portugal. I have heard him say that we should deport those people, that they are here illegally and that thousands of them should be deported back to Portugal because they are Jehovah's Witnesses. I resent that type of intervention. Quite frankly, I believe—

**Mr. Friesen:** Mr. Speaker, I rise on a point of order just to keep the record accurate. The Hon. Member has never heard me say that the Portuguese should be deported, but he has been quoted in the Vancouver media as saying that if the people who came last summer were not refugees, we should send them back.

**The Acting Speaker (Mr. Paproski):** That is not a point of order, that is debate. If the Hon. Member would like to be recognized during the question and comment period after the Hon. Member for Kamloops—Shuswap (Mr. Riis) has finished his remarks, I would be delighted to recognize him.

**Mr. Riis:** Mr. Speaker, thank you for your wise, as usual, intervention. It was not a point of order, but as my hon. friend has indicated, the case has been made by many of his colleagues that all of these thousands of refugees who are in Canada illegally should be deported. He himself may not have stated that, and if that is the case, I take it back.

I do not think that there is any question that if a person who claims to be a refugee with no homeland enters Canada and is found not to be a refugee, that person should not be permitted to stay. However we want to give people a fair hearing. We want to treat people fairly. This Bill does not do that.

Under this Bill, if a ship were seen approaching the shores of Canada, someone would determine that that ship has illegal refugees on board and then presumably naval gunboats would force that ship to turn back. That is not the kind of country Canada has become.

When one looks at our history as a nation, one finds that our tradition has always been one of welcoming people who experience persecution in their homelands. Many various groups have made up the Canadian mosaic. In fact, many of those groups originally fled their countries of origin because of religious, political or ethnic persecution. I, along with most if not all Members of Parliament, are proud of that tradition. We want to maintain it.

We want to send a very clear signal to people around the world that if they are legal refugees and face persecution at home, whether they are from the Punjab or from Iran, they are

welcome in Canada. It is for that reason that all of these knowledgeable organizations have opposed this legislation. That is why I am proud to be associated with the New Democratic Party, a Party that also opposes this legislation.

**Mr. Friesen:** Mr. Speaker, as usual, the Hon. Member from the New Democratic Party has raised the spectre of racism. We are accustomed to that here since his colleagues do that periodically, particularly the Hon. Member for Spadina (Mr. Heap).

I must admit that when my constituents call me on the subject of refugees, it is sometimes worrying that those calls might be inspired by racism. However, I am glad to say that I think there is some very empirical evidence to show that they were not.

The Hon. Member for Kamloops—Shuswap (Mr. Riis) will know that one of the concerns on the West Coast has been the influx of visitors from Fiji who are of the same racial origin as the people who have come to British Columbia from other parts of the Third World and are good citizens of British Columbia. However, I do not think that I received one single call to my office complaining about the influx of so-called visitors from Fiji. Why was that? It was because there had been a military coup in Fiji. The people of B.C. understood that when a coup takes place, there are refugees.

The Hon. Member wants to imply that racism is behind the legislation. I hope he would give serious thought to the fact that it has nothing to do with racism. It has everything to do with maintaining the integrity of the system.

As the Hon. Member's colleague from Ottawa Centre said just an hour ago, there are people who have used the refugee system to bypass the immigration system. The Hon. Member for Ottawa Centre alleged that this was because the immigration system was plugged up. I believe that was the word he used. In effect, he gave credence to the term "jumping the queue".

I hope my friend from Kamloops—Shuswap would think very carefully before he imputes motives of racism to this legislation or to any other legislation this Government puts before the House.

**Mr. Riis:** Mr. Speaker, I do not want to respond at any length to this intervention, but I am not particularly pleased to have to say that I too received many phone calls during the time of the emergency recall of Parliament to deal with these Tamils. I spoke with one of my constituency assistants who was on the receiving end of those calls, a young woman of the Sikh faith. I am afraid that what that young woman heard from a variety of people was not the most pleasant of experiences.

My friend says that there is not a certain element of racism attached to the views that are being expressed in the House by certain Hon. Members. I do not think he is right. I noticed that he used the phrase "influx of Asians". I believe that is what he said. He said that we on the West Coast are faced with an influx of visitors of Asian origin.

That reminds me of the reports we heard when those people landed on the East Coast of Canada. The reports indicated that they were herded into buses. We do not herd people into anything, we herd cattle into cars, trains and trucks.

**Mr. Friesen:** With respect, I did not use any of those inflexions, Mr. Speaker.

**Mr. Riis:** Let me finish, Mr. Speaker. With our choice of words, we often betray what we are really saying. Journalists do not use the word "herd" to talk about other people getting into buses.

I do not want to suggest any motives on the part of my hon. friend, but I think we must be careful in the way we use words. When we talk about the influx of visitors from Asia, we could talk about the entry of visitors from Asia or the immigration of visitors from Asia. I think we have to be very careful that the use of certain terminology does not suggest to sensitive people something that we do not intend. That is the only point I wanted to make.

This is a very, very serious matter. I do not think we want to discuss whether or not this legislation is racist. I simply want to say that our past immigration policies have been racist. Our past policies in terms of refugees have been racist. Let us hope that we have erased that type of legislation from our books now and forever.

• (2000)

**Mr. Friesen:** Mr. Speaker, there was a large influx of people at Expo 86. I suppose that had overtones, too.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Spadina (Mr. Heap) has a question or comment.

**Mr. Heap:** Mr. Speaker, the Hon. Member for Kamloops—Shuswap (Mr. Riis) has talked about some of the immediate encounters within his constituency relating to some of the refugees. I am wondering whether he has any general comment on how people of his constituency receive refugees. Do they have refugees in his constituency? How do they respond to them? Are they friendly to the refugees or unfriendly? Do they find that the refugees are good people or undesirable people?

I heard comments from many other places in the country, almost always favourable, about refugees, by people who had done a great deal for them. These were in places such as Fort Erie in southern Ontario, the towns of southern Quebec, places in Alberta, Winnipeg and even nearer to the American border than Winnipeg. I am wondering if the Hon. Member can tell me about his constituency, having in mind particularly that part of the Bill that we are opposing that makes it a crime to help a person come into Canada even as a refugee without a visa.

**Mr. Riis:** Mr. Speaker, I appreciate the opportunity to reply to that question. I am pleased to say that the generosity expressed by individuals and groups, associations and agencies from the area of Kamloops—Shuswap welcoming refugees has been quite outstanding. The community welcomed large numbers of refugees, particularly during the period when the boat people were welcomed to Canada.

I am particularly thankful for the role that the churches have played. Most of the churches played a significant role and went to great lengths not only to welcome the refugees but to ensure that their lives in Canada, particularly in the beginning years, were meaningful and positive.

I am pleased to say that with very few exceptions all of the people that were welcomed as refugees over the last eight years that I am familiar with, and since I have been a Member of Parliament for that length of time, have all become integral and very positive citizens of the community.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** Questions and comments are over.

Pursuant to order made earlier this day, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 8.04 p.m.

# HOUSE OF COMMONS

**Wednesday, February 3, 1988**

The House met at 2 p.m.

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*Prayers*

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[*English*]

## HOUSE OF COMMONS

ANNIVERSARY OF 1916 FIRE—SIGNIFICANCE OF MACE—UNVEILING OF PLAQUE COMMEMORATING VICTIMS OF FIRE

**Mr. Speaker:** Prior to calling Statements by Members, may I make the traditional announcement to the House that, in recognition of the seventy-second anniversary of the fire which destroyed the Centre Block on this date in 1916, the wooden replica of the mace has been placed on the Clerk's table. This mace was used for many years as a replacement for the original one destroyed by fire.

[*Translation*]

I should also mention that a few minutes ago, a plaque commemorating those individuals who lost their lives in the fire was unveiled in the Hall of Honour.

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## STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

## PARLIAMENT

1916 FIRE

**Mr. Don Boudria (Glengarry—Prescott—Russell):** On this February 3, Mr. Speaker, all Canadians will recall the fire which destroyed the Centre Block of Parliament in 1916.

Not only did the blaze destroy a beautiful architectural structure, but seven Canadians also lost their lives, including a Member of Parliament. A new building was erected a few years later in which there was a plaque to honour the late Bowman Brown Law, the Hon. Member for Yarmouth. Regrettably there was no reference to the six other individuals who lost their lives in this fire.

This anomaly of history has lasted for 72 years. Earlier today, thanks to you, Mr. Speaker, the omission was finally corrected and a fitting tribute was paid to the six Parliament employees who died in the 1916 blaze.

* * *

[*English*]

## LABOUR RELATIONS

ARBITRATION OF RAILWAY DISPUTE—CALL FOR PROMPT SETTLEMENT

**Mr. Sid Fraleigh (Lambton—Middlesex):** Mr. Speaker, on behalf of 400 railway employees in my riding and the Sarnia area I would like to appeal to the Minister of Labour (Mr. Cadieux) not to extend the time limit allowed to the arbitrator in the labour dispute between the railway companies and the unions.

Although we commend the arbitrator for the interim wage increases granted today, these workers have been without a contract for over 18 months and are getting increasingly impatient with the process. The arbitration has already gone far beyond the 60 days originally intended and still the workers have received no indication of when a final settlement will be reached.

• (1405)

All the relevant information has been in the hands of the arbitrator for some time now, and the workers feel that any further delays will result in renegotiation, not arbitration. The railway workers want a settlement to be reached so that they can return to being concerned about railway services rather than contract disputes.

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## ENVIRONMENTAL AFFAIRS

NEW BRUNSWICK DOMTAR PLANT—PRESENCE OF DIOXINS IN NEIGHBOURING SEDIMENT

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, dioxins are probably the most toxic substance ever unleashed on our planet. Thus it is extremely troubling to learn of the 20 years of complacency of federal authorities and New Brunswick provincial authorities with respect to dioxins found in the waters and sediment around the Domtar plant in the Miramichi Basin.

*S. O. 21*

Fact: In 1970, the Fisheries and Forest Department wrote to Domtar to say that the waters affected were exceedingly toxic.

Fact: In 1981, Environment Canada published a report based on years of tests on dioxins in the sediment.

Fact: In 1987, Environment Canada wrote the province with further test results showing particularly dangerous toxins at 650 times the level of background concentrations.

Fact: Fisheries Canada considered charges but never followed through.

Fact: Agriculture Canada has never conducted a study on the effects on cattle which graze in the area and on the meat which is used locally.

Fact: The Domtar plant now wants to reopen although there is stored wood on the premises yet unprotected.

When will the federal Government take its responsibility for human health, agriculture, and fisheries seriously? When will it stop ignoring its own studies, and act?

* * *

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

ALLOWANCES AVAILABLE TO INHABITANTS OF ISOLATED REGIONS

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, as of December 17, the community of Joutel has been designated according to the rules for deductions applying to residents of isolated areas. The residents of Joutel will be eligible for special deductions with respect to housing and travel benefits.

It took team work to get a fair deal for the community of Joutel, and I would like to draw your attention to the energy and enthusiasm shown by the Mayor of Joutel, Jean-Jacques Bouillon, by Robert C. Bryce of Selbaie Mines, Gilles Forgues of Agnico Eagle Mines, Bernard Le Régent of the Commission scolaire du Nouveau-Québec, Angèle Pelletier, Paul Poudrier and Gilles Joly of the United Metal Workers of America, France Langlois, representing the Labour Relations Committee of Selbaie Mines, the economic development community of Matagami-Joutel and Jacques Tremblay, President of the Lions Club.

Mr. Speaker, on behalf of the working people of Joutel, I wish to thank the officials and Ministers of this Government and our Prime Minister, Brian Mulroney, who responded so favourably to the demands of this community.

[*English*]

## INDUSTRY

FUTURE OF HAWKER-SIDDELEY PLANT AT TRENTON, N.S.

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, last March Hawker-Siddeley, the British owned multinational, announced it was going to sell or close its Trenton plant in central Nova Scotia. Closing this plant would virtually shut down the town and throw hundreds of workers onto the unemployment lines.

Shortly thereafter, Lavalin, the large multinational company from Montreal, came forward with a proposal to take over the plant. At that time federal officials gave the Lavalin proposal top marks. That was in mid 1987. Last fall the Minister of National Revenue (Mr. MacKay) and the then President of the Treasury Board went to Trenton to announce that no buyer could be found and Ottawa would take on the job of finding one. They signed a contract with Hawker-Siddeley agreeing to act as the company's agent and sell the plant by April 2.

Over that period the plant would be kept open with Ottawa paying for any losses the company occurred. As part of the deal for Ottawa acting as a middleman, Hawker—Siddeley insisted and Ottawa agreed that any new owner not be allowed for a period of three years to lease railcars that it produces. According to the union officials, if the plant is only allowed to make railcars for sales, it would almost certainly fail again.

There is a glut of railcars on the market at the present time due to overproduction in the United States. Why has the Government agreed to such a deal? Why is it agreeing to the eventual shut-down of the Trenton industry?

Last November the Prime Minister (Mr. Mulroney) visited Trenton and Pictou County. He told the workers his Government was working hard to find a buyer. Where is the action by this Government?

* * *

• (1410)

## EXTERNAL AFFAIRS

AFGHANISTAN—CALL FOR WITHDRAWAL OF SOVIET TROOPS

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, Afghans throughout the world have been horrified and appalled to see their homeland torn apart, their families and friends killed, and their children maimed, in the course of eight years of brutal occupation of Afghanistan by Soviet troops. There are estimates that over 163,000 children between the ages of eight and 14 years have been kidnapped and sent to the Soviet Union for indoctrination. Despite all this, the Afghanistan fighting spirit has survived and will ultimately result in victory.

The Afghanistan Association of Ontario has demanded an immediate withdrawal of all Soviet troops in Afghanistan and the return of the kidnapped children to their grieving mothers. They ask the Government of Canada to officially recognize the Afghan Mujahadeen, to send humanitarian aid to the liberated areas of Afghanistan, and to apply effective political and economic pressures on the Soviet Union.

I call upon the Secretary of State for External Affairs (Mr. Clark) to use these and all other means available to him to obtain an immediate withdrawal of Soviet troops from Afghanistan.

* * *

## ABORIGINAL PEOPLES

NATIVE LANGUAGE PROGRAMS—FEDERAL FUNDING ADVOCATED

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, native people and native organizations across Canada are struggling to develop their cultural identities and achieve self-reliance and self-determination. A crucial component of this process is the ability to communicate effectively in their own languages.

Native language programs are being developed by bands across Canada as a major step towards native cultural development, yet the federal Government refuses to support such programs in a satisfactory way and to a sufficient degree.

I therefore urge the Government to fund fully language and cultural programs such as that of the Shuswap Nation Tribal Council which includes the bands of Kamloops, Little Shuswap, Neskainlith, North Thompson, Pavilion, Shuswap, Spallumcheen and Skeetchestn, Adams Lake and Bonaparte, and other native groups as well, so that native people both young and old can achieve the cultural goals they have set to meet their desire for self-determination and self-government.

* * *

## POLITICAL PARTIES

UNEMPLOYMENT FORECASTS MADE BY MEMBERS OF NEW DEMOCRATIC PARTY

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, for the past number of months various polls have told us that the Opposition has followed the strategy of questioning the Government's credibility rather than its record or policies.

With the next budget statement one week away, it might be worth while to recall what some opposition Members said after the Economic Statement of November, 1984. The Leader of the New Democratic Party (Mr. Broadbent) said: "They will destroy thousands of jobs. The effect of this program would be a net increase in unemployment". The Hon. Member for Yorkton—Melville (Mr. Nystrom) said: "As many as 100,000 people could lose their jobs". The former Member for Hamilton Mountain said: "Fifty thousand will become unemployed". The Hon. Member for Vancouver East (Ms. Mitchell) said after the May, 1985, Budget: "There is a lack of job creation".

Here are the facts, Mr. Speaker. Over a million jobs have been created since that first statement. It is the credibility of the Opposition that Canadians should question.

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[*Translation*]

## PUBLIC SERVICE

LANGUAGE TEACHERS—DEMAND THAT GOVERNMENT RETURN TO BARGAINING TABLE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, language teachers working for the Department of National Defence put up picket lines yesterday to protest against the federal Government's refusal to negotiate. To summarize the situation, here are a few passages from a letter I received from a language teacher in Saint-Jean, Quebec, and I quote:

> The Government's refusal to negotiate is a clear indication of bad faith, is unacceptable in a democracy like ours and reflects the government's negative and cavalier attitude to bilingualism in the Public Service and at the Department of National Defence. For three years we have seen our teaching environment deteriorate. At the Department of National Defence, bilingualism has been put on the back burner. The last report of the Commissioner for Official Languages pointed out that the Department of National Defence was lagging far behind in its implemention of the Official Languages Act.

Mr. Speaker, in light of this statement, I hope the Hon. Member from Saint-Jean will find time to represent his constituents and put pressure on the Government in order to obtain justice, so that the union's demand that Treasury Board return to the bargaining table can be met—that would seem to be entirely elementary—and government policy on official languages observed at the Department of National Defence.

* * *

[*English*]

## ABORTION

SUPREME COURT DECISION—RIGHTS OF UNBORN CHILDREN

**Mr. John Gormley (The Battlefords—Meadow Lake):** Mr. Speaker, public opinion on the issue of abortion is often emotionally charged, strongly held, and divisive. The recent Supreme Court of Canada decision striking down Section 251 of the Criminal Code is disappointing to those of us who have spoken in support of the unborn.

The court has ruled that the procedures in the law which prevent abortions violate a constitutional guarantee of life, liberty and security of the person. This court decision has left

many health care and legal concerns about abortion in limbo. Clearly the Justices of the court have now defined a woman's right of liberty and security. While doing this the court has indicated that Parliament has a legitimate role in defining and protecting the rights of the unborn child. It is clearly reasonable that there must exist a mutual balance of rights between individuals, the mother and the unborn child.

We should have in place a law to protect the rights of the unborn. The Parliament of Canada must face this issue. I urge we do it quickly.

## ORAL QUESTION PERIOD

[*Translation*]

### THE CABINET

GOVERNMENT'S INTEGRITY—DISMISSAL OF MINISTER—PRIME MINISTER'S POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the Prime Minister heads the most dishonest government in human memory. Scandal after scandal—

• (1415)

[*English*]

**Mr. Speaker:** I would ask all Hon. Members when they are putting their questions to lay the facts that are necessary for a preamble and not to use unnecessarily provocative language.

[*Translation*]

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I am talking about scandal after scandal, resignation after resignation. There is something rotten here, Mr. Speaker.

The Prime Minister intervenes to restore order, but not until he has his back against the wall.

How can the Prime Minister justify his Government's incredible lack of integrity and what are the full circumstances . . .

**Mr. Speaker:** I am sorry, but I would ask the Leader of the Official Opposition to use the kind of language that is appropriate to a preamble.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, your advice is always well taken, but this is a sad day for Canada, and I have the right to ask the question.

What are the full circumstances of the Minister's firing? What actually happened? Are there other facts that have not been revealed? And why was this Minister fired, while for some strange reason, another Minister who behaved in a reprehensible fashion is still sitting in Cabinet? What made the Prime Minister decide he could dispense with this Minister? And why only him?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Leader of the Official Opposition said that the Prime Minister acts, and I quote: "only when he has his back against the wall." As far as I know, no reports on these events had been published yesterday afternoon. Once I received the information, brief though it was, I gave the necessary instructions. An investigation was carried out, and upon confirmation of these facts, I communicated with the Minister and immediately asked him for his resignation.

It seems to me that this is how a Prime Minister should act, with the severity and celerity dictated by the circumstances.

* * *

[*English*]

### CANADA ELECTIONS ACT

MINISTER OF ENERGY, MINES AND RESOURCES—REQUEST FOR EXAMINATION BY COMMITTEE

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I listened through the media to the Prime Minister's remarks this morning before and after his caucus. I want to say to him that no one will be fooled by his election year commitment to ethics. A leopard does not change its spots.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** Why does one Minister who may have violated the conflict of interest guidelines get the boot and yet another Minister who violated the Canada Elections Act, and who covered up that fact and covered up that letter—

**Mr. Masse:** Not true!

**Mr. Turner (Vancouver Quadra):** —for two years is still in Cabinet?

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Right Hon. Leader of the Opposition knows that language which impugns the honour of another Member is not appropriate in a preamble. If one wants to lay a charge then there are other places to do it.

I would ask the right hon. gentleman to co-operate with the Chair and to put his question.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I cite the letter which has been publicly discussed on the floor of this House from the Electoral Officer that, in light of that letter, this Minister violated or participated in an infraction of the Elections Act. That is in the letter.

I say to the Prime Minister that he has run out of scapegoats for failure to do his job. The Government he leads has no moral tone.

• (1420)

Day after day the Prime Minister has promised the House that a parliamentary committee will have the opportunity to question the Minister of Energy. Yet a Conservative majority on that committee has blocked an inquiry.

I ask the Prime Minister, if that committee is not relevant, will he authorize his House Leader to set up a committee in order that we can examine the Minister of Energy? Does he think that acting on one scandal allows him to cover up another?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the conflict of interest guidelines are, as I have acknowledged many times, the responsibility of the Prime Minister; and the integrity of the Government and all of its Members is also the responsibility of the Prime Minister.

I am as saddened, as I am sure any Member of the House is, or any Leader of any political Party, when any Member of his political Party, or any Member of the House, fails to comply, not only with the conflict of interest guidelines, but with any rules and regulations that govern our conduct. It is a serious problem in the 1980s, particularly conflict of interest, not only in this jurisdiction but in all jurisdictions.

I said this morning, and I have said in other circumstances, that I view the conflict of interest guidelines with the utmost of importance, and their enforcement will be with the utmost of severity.

I deeply regret, obviously, any breach, inadvertent or otherwise, of the guidelines, because the Canadian people are entitled to the observance of the highest standards. When those standards are lessened in any way, clearly this is unacceptable to me, and unacceptable to all Members of the House.

With regard to the conflict of interest guidelines, therefore, which are under my direct responsibility, when I was apprised, not of a violation, but of the possibility of a violation, which was not public knowledge in any way, I immediately instructed the officials of the Government to seek confirmation, and if confirmation was forthcoming, to provide it to me. When that was done, I immediately acted to seek the resignation of a Minister. It seems to me that that is in keeping with the most genuine spirit of parliamentary accountability and responsibility.

In regard to a separate matter, the administration of which law does not come under me but comes under an independent officer of Parliament, a parliamentary committee is presently considering this. The Minister of Energy has publicly stated that it would be his intention, at an appropriate time, to go before that committee and provide whatever testimony is required.

**Some Hon. Members:** Hear, hear!

REQUEST FOR REFERRAL BY HOUSE TO COMMITTEE

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, it is now clear that the Elections, Privileges and Procedure Committee will not be able to summon the Minister to appear, will not be able to ask questions about specific violations of the Canada Elections Act, yet the Prime Minister had made a commitment in the House of Commons on January 28 that the Minister would appear when he stated:

> The suggestion is that it be considered by a parliamentary committee. When the Minister returns the Hon. Member may want to interrogate him—

In answering the Leader of the NDP, who stated that he would not be able to question the Minister in committee, the Prime Minister stated:

> The Member says that he cannot under the rules. He can in the committee. If the matter is referred to a committee—

I wish to ask the Prime Minister if he will live up to his commitment and cause a motion to pass this House that will define the terms of reference that would allow the committee to inquire fully into the election expenses violations, that would give the committee the power to summon the Minister and other relevant witnesses, and to obtain relevant documents.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, perhaps my hon. friend was not listening to the answer that I just gave to his Leader in respect of summoning the Minister. I have already indicated that the Minister will voluntarily appear before the committee and respond to whatever questions the Hon. Member cares to ask him.

**Mr. Turner (Vancouver Quadra):** The committee says it can't hear him.

**Mr. Mulroney:** The Minister will be there. If the committee want to hear him, they will hear him, and I suppose they will.

[*Translation*]

DEFINITION OF MANDATE PERMITTING COMMITTEE TO MAKE COMPLETE INVESTIGATION—GOVERNMENT POSITION

**Mr. Jacques Guilbault (Saint-Jacques):** It is obvious that the Prime Minister was not informed about the terms of reference which have been established for the committee as they will not allow the members of the committee to request the presence of the Minister, nor to ask questions about specific infractions committed by specific individuals. The House must therefore adopt a motion that will clearly define the terms of reference and will allow a full investigation. I want to ask the Prime Minister whether he would undertake, on behalf of his party, to support such a motion which will give the committee sufficiently wide terms of reference to allow the Committee to fully inquire into this affair rather than this travesty we are witnessing now.

• (1425)

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury**

**Board):** Mr. Speaker, the Hon. Member is acting like a bit of a cry-baby. He was sitting on that committee and he was involved in establishing the terms of reference.

**Mr. Turner (Vancouver Quadra):** Oh, come on!

**Mr. Mazankowski:** I have the terms of reference—

**Mr. Gauthier:** One vote.

**Mr. Mazankowski:** I have the terms of reference in my hand. They state as follows: "That the committee request Mr. Gorman and Mr. Hamel to appear before this committee at the soonest possible time, preferably 3.30 o'clock p.m. tomorrow," which is today, "to discuss procedures and practices relating to alleged violations of elections expenses"—

**Some Hon. Members:** Oh, oh!

**Mr. Mazankowski:** Mr. Speaker, they do not even want to hear the terms of reference which are very pertinent to this case.

**An Hon. Member:** What about Mr. Masse?

**Mr. Speaker:** Questions have been put to the Government with respect to the committee and what the committee did. What the committee did, of course, is its own business. However, the question has been put that if the committee does not have the power that somebody thinks it should have, what is the Government's response? The Hon. Deputy Prime Minister is trying to give that response, and I would ask that Hon. Members give him the courtesy to hear it.

**Some Hon. Members:** Hear, hear!

**Mr. Mazankowski:** Mr. Speaker, Hon. Members across the way have forgotten the meaning of the word "courtesy" in this place.

**Some Hon. Members:** Shame, shame!

**Mr. Speaker:** The Hon. Deputy Prime Minister.

**Mr. Mazankowski:** The terms of reference that were decided upon yesterday are, and I quote: "That the committee request Mr. Gorman and Mr. Hamel to appear before this committee at the soonest possible time, preferably 3.30 o'clock p.m. tomorrow," which is today, "to discuss the procedures and practices relating to alleged violations of election expenses, and the committee commits itself in principle to call on any other person or persons who may have relevant information regarding the administration of the Elections Act".

The Prime Minister just indicated that the Minister will in all probability want to volunteer—

**Mr. Guilbault (Saint-Jacques):** Probably!

**Mr. Mazankowski:** Well, wants to, will volunteer to appear before the committee. What more do Members want?

**Mr. Guilbault (Saint-Jacques):** We will not be able to ask him questions.

**Mr. Mazankowski:** If he is prepared to appear before the committee, will you be prepared to be there to ask the questions? That is the point.

**Mr. Guilbault (Saint-Jacques):** Don't worry about that.

[*Translation*]

**Mr. Broadbent:** Mr. Speaker, this is a sad day for Canada and for the politics in this country. That is a fact.

[*English*]

REQUEST FOR INTRODUCTION OF HOUSE ORDER STIPULATING TERMS OF REFERENCE

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I want to pursue what the Deputy Prime Minister has just said, and either he can answer it or the Prime Minister, because once again I think they are just trying to cover up the whole situation and I regret that.

**Some Hon. Members:** Order, order!

**Mr. Speaker:** There are, of course, different ways to say "cover up", but I think it is quite clear that that is an allegation which is not appropriate under the circumstances. The Hon. Member knows that the Chair, as has been the case in the past, has been more than prepared to accept and support an inquiry and questions.

I am asking Hon. Members to put those questions in appropriate wording.

**Mr. Broadbent:** My question is for the Prime Minister. Considering that the Deputy Prime Minister has just said that the committee is going to hear witnesses who are strictly pertinent to the situation at hand involving the Hon. Member for Frontenac, namely Mr. Gorman and certain others; considering that the Prime Minister has indicated the Hon. Member for Frontenac has indicated that he would appear as well; and considering that the terms of reference under which the committee is operating do not permit it to discuss with these witnesses the specific case involving the Hon. Member for Frontenac, will the Government do the right thing and bring in a House order, change the terms of reference, have the Member go as a witness and discuss the whole situation fully and frankly? That is the issue here.

• (1430)

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member is really never satisfied with what he gets. Originally Members opposite wanted this matter referred to a committee.

**Mr. Guilbault (Saint-Jacques):** It has not been referred.

**Mr. Mazankowski:** The issue has been referred to a committee.

**Some Hon. Members:** No.

**Mr. Broadbent:** It has not.

**Mr. Mazankowski:** The committee is seized with it.

**Mr. Tobin:** It is seized up.

**Mr. Mazankowski:** Terms of reference have been established. An investigation is going on. Hon. Members wanted the assurance that the Minister of Energy, Mines and Resources would appear before the committee. That assurance is being given.

Today two very important witnesses are going to testify before that committee. I am sure that if, during the course of that testimony today it gives rise to the requirement for further witnesses to appear, the committee can then seize itself of that opportunity and explore any questions that may arise out of the testimony that is presented today.

Certainly, Mr. Speaker, we have two very important witnesses, officers of Parliament, who are charged with the responsibility of the administration of the Act. It would seem to me that it would be natural for Members opposite to want to hear what they have to say because they are, in effect, responsible for the administration of the Act.

GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** These answers, Mr. Speaker, I say to the Deputy Prime Minister, are truly incredible.

The Chair of that committee has already said that the witnesses who are going to appear cannot deal with the specific case involving the Member for Frontenac. They cannot deal with the specific allegation. The committee has already made that ruling, the Chair has announced that. Is this anything other than a serious cover-up, an avoidance of the truth, instead of getting on—

**Mr. Speaker:** I want to advise the Hon. Leader of the New Democratic Party that I do not want to hear the words "cover up" used with dishonest connotations again. The Hon. Deputy Prime Minister.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member seems to want to engage in grandstanding again.

**Mr. Broadbent:** We want the truth.

**Mr. Mazankowski:** What he is really trying to do here—

**Mr. Speaker:** The Hon. Leader of the New Democratic Party may have erred in putting his question, but the question still is there. I want the Deputy Prime Minister to answer the question.

**Mr. Mazankowski:** Mr. Speaker, the Members opposite went into this case with their eyes wide open. Quite frankly, there were discussions between House Leaders as to how this matter might be dealt with. My colleague, the Deputy House Leader, on January 28, said, in response to a question by the Leader of the Opposition, as found on page 12380 of *Hansard*:

> The Hon. Member will know that there are two ways of sending this to committee. One is by specific reference and one is by the committee deciding how it wants to handle it.
>
> We are up for discussions.

The discussions took place. The agreement took place. Now Members opposite want something else. They are never satisfied.

REQUEST THAT GOVERNMENT INTRODUCE MOTION FOR COMMITTEE REFERRAL

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I will try to put the question to the Prime Minister in the most perfect straightforward terms.

Since it is necessary for the committee to have a specific motion accepted by this House that would enable it to look into the allegations made about the Member for Frontenac, since it is required to have a motion from the House for it to do that, since the Prime Minister is on the record as saying he wants a full discussion, will the Government do the right thing now and announce its intention to bring that kind of motion before the House today so we can all agree with it and get on to the serious discussion which the Prime Minister said he wanted?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I take it from the Leader of the New Democratic Party that the New Democrats are changing their minds. They want to superimpose the NDP's wish on the committee. The committee has made a decision. There have been discussions between the two House Leaders. If that is something—

**Mr. Broadbent:** You are finished with this.

**Mr. Nystrom:** Be honest and open.

**An Hon. Member:** Sit down.

**Mr. Speaker:** The Hon. Member for York Centre.

*Oral Questions*

## THE ADMINISTRATION

RESIGNATION OF FORMER MINISTER OF SUPPLY AND SERVICES—INVESTIGATION CARRIED OUT BY CABINET OFFICIAL

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is for the Prime Minister. It is about the former Minister of Supply and Services.

On December 4 when I was asking the Prime Minister about other scandals affecting his Government he said, as reported at page 11491 of *Hansard*, that he had:

> —instructed the Associate Secretary of the Cabinet, Mr. J. L. Manion, to review personally with each Minister his or her situation under the code very carefully, and advise me in regard to that interrogation.

I want to ask the Prime Minister whether this was done in the case of the Minister whose resignation he sought yesterday, and did he receive a satisfactory report following the investigation?

**Right Hon. Brian Mulroney (Prime Minister):** Yes, it was done, Mr. Speaker. The report that came back from the Associate Secretary of the Cabinet, having met with the Minister and having received his response to appropriate documents and questions, was that, on the information that had been given to the Associate Secretary of the Cabinet, all was in order.

PROTECTION OF PUBLIC INTEREST

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, let me ask the Prime Minister the following question. In light of the decision he made to seek and receive the resignation of that Minister, has he taken any other measures, within the responsibilities of the Minister that he discharged since he became a member of the Cabinet, to assure that the public interest was not compromised by that Minister while he held that office in his Cabinet?

**Right Hon. Brian Mulroney (Prime Minister):** Yes, I have, Mr. Speaker. But I should point out to my hon. friend that pursuant to the exhaustive report, and it was an exhaustive meeting that Mr. Manion had with each one of the Ministers, which was followed up with a very exacting series of questionnaires and interrogations by Mr. Manion of each of the Ministers to ensure full and complete compliance with all of the conflict of interest guidelines, that further to receiving a complete report from the Associate Secretary of Cabinet it indicated that there was compliance by the then Minister of Supply and Services.

Clearly it was not until yesterday when the matter was brought to my attention that there might be a violation, an infringement or a degree of non-compliance, this was new information that was imparted to me, upon which I acted immediately. I have since, of course, given instructions to ensure that all necessary follow-ups that my hon. friend would approve of have been done.

## CANADA ELECTIONS ACT

PROCEEDINGS IN COMMITTEE—REQUEST THAT ALLEGED INFRACTIONS BE SUBJECT OF QUESTIONING

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Chairman of the Standing Committee on Privileges and Elections, the Hon. Member for Timiskaming. I want to ask the Member specifically to confirm to this House that, in fact, yesterday afternoon following the adoption of the motion by the committee as read by the Deputy Prime Minister, he ruled that no specific questions could be asked with respect to the Member for Frontenac.

**Mr. Speaker:** I must advise the Hon. Member that I appreciate very much the good tone of his question but I think that that question is out of order.

Would the Hon. Member seek his information in another way? What the Hon. Member is doing is asking about something that happened or something that was said as differentiated from expected procedures or plans of the committee.

**Mr. Rodriguez:** Mr. Speaker, my question is for the Chairman of the Standing Committee on Privileges and Elections.

Will the Chairman of the committee consider questions from committee members that deal specifically with the Member for Frontenac's alleged infractions of the Canada Elections Act?

**Mr. John A. MacDougall (Timiskaming):** Mr. Speaker, in answer to my colleague, the Hon. Member for Nickel Belt, may I first congratulate him on an amendment to our main motion in committee yesterday supporting the bringing in of both Mr. Hamel and Mr. Gorman. It certainly shows that the New Democrats and the Conservatives can support this motion.

Under the guidelines of our committee, we will deal with the process and the procedures under that mandate. We will be prepared, with a reference to the House; if this is given, we will investigate the individual.

• (1440)

REQUEST THAT HOUSE BE PRESENTED WITH MOTION FOR REFERRAL TO COMMITTEE

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my supplementary question is directed to the Prime Minister. In light of the answer we have just been given by the Chairman of the Standing Committee, will the Prime Minister indeed get such a reference presented to the House so we can do the things he had been promising us we should be doing with respect to the Hon. Member for Frontenac?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury**

**Board):** Mr. Speaker, the Hon. Member wishes to negotiate terms of reference on the floor of the House of Commons.

**Some Hon. Members:** Oh, oh!

**Mr. Mazankowski:** There are usual procedures for that. The Deputy House Leader offered two alternatives last week as to how we might proceed. I understand that there was a process established. If the Hon. Member wants his House Leader to discuss this matter with our House Leader, I am sure we can discuss it and hopefully arrive at a satisfactory conclusion.

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## HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF INTERNATIONAL OLYMPIC COMMITTEE

**Mr. Speaker:** I know Hon. Members would want me to draw to their attention the presence in the gallery of His Excellency, Mr. Juan Antonio Samaranch, President of the International Olympic Committee.

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

THREE DEMANDS OF MONTREAL EAST END—GOVERNMENT POSITION

**Mr. Jean-Claude Malépart (Montréal—Sainte-Marie):** Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, I shall address my question to the Right Hon. Prime Minister.

For the last two years Eastern Montreal social, economic and political groups have been asking the federal Government to take action to promote the economic recovery of their regions. The Committee for the Economic Recovery of Eastern Montreal, presided by Mr. Pichette, submitted a report to the Government last September recommending that the Government contribute $25 million for their Business Restructuring and Modernization Assistance Office, create a special fund to train workers and implement a pre-retirement adjustment program. My question to the Prime Minister is this: Can he tell us when his Government will respond to these three requests to promote economic recovery in Eastern Montreal? Are we going to receive favorable replies to these requests, and if so, when?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development):** Mr. Speaker, in addition to the $38 million injected by this Government in Eastern Montreal since 1984, the Minister of Regional Industrial Expansion has indicated that he will be able to give his response to the report mentioned by the Hon. Member in the near future. I expect that the Minister will announce the response of the Government to this report reasonably soon after his return to Canada.

DEVELOPMENT OF OLD PORT—INFUSION OF $30 MILLION—GOVERNMENT POSITION

**Mr. Jean-Claude Malépart (Montréal—Sainte-Marie):** Mr. Speaker, the people of Quebec are fed up. They realize that Ministers from Quebec are always involved in scandals and are busy taking care of their own interests instead of defending the interests of Quebecers.

My question is this: The Picard Report, the Pichette Report, the people of Montreal . . . My supplementary question is for the Minister of Public Works. The City of Montreal has been waiting for two years for this Government to inject $130 million in the development of the Montreal Old Port. All other municipalities have received it. Can the Minister tell us why Montreal has had nothing? Is it because the Ministers from Quebec are too busy promoting their own interests through shady affairs instead of defending the people of Montreal?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, there are consultations ongoing with provincial and municipal Governments and a report should be filed shortly.

* * *

[*Translation*]

## THE CABINET

MINISTER'S RESIGNATION—QUERY WHETHER INVESTIGATION CONDUCTED

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, my question is also directed to the Prime Minister of Canada. I think the Prime Minister realizes that the Canadian people must have a Government that is frank and open in its dealings with the nation.

I would like to know whether the Prime Minister could expand on the reasons why the Minister was fired. Could the Prime Minister inform the House whether there was an investigation, and if so, what kind? And finally, Mr. Speaker, could the Prime Minister inform the House, whether the investigation only concerned a possible conflict of interest or whether other aspects were being investigated as well?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the former Minister will make a statement in the House at three o'clock. I expect he will be in a position to respond to some of my hon. friend's questions and concerns.

The Hon. Member referred to the need for a Government to be frank and open. Well, yesterday at 1 p.m. was the first time

I heard that the possibility of a conflict of interest existed. I immediately asked officials to arrange for a meeting with the Minister. Once certain facts had been checked, I took immediate action, that is, I got in touch with the Minister and asked him for his resignation, and I did so well before there had been any reports or rumours of any kind in the media.

I think that is an example of the celerity and decisiveness that should be the rule in such cases.

My hon. friend knows perfectly well, and it is of course most unfortunate, that in the course of this decade, conflict of interest has been and remains a serious problem for all politicians. We have had that problem here, Manitoba has had its problems, and I am told that three Ministers in the Ontario Government had to resign in a matter of weeks or months. And quite recently, Quebec's Solicitor General had to resign because of a conflict of interest. This is a new and difficult problem, a problem of our times, and I believe we will have to act severely in all cases, as I have done. However, the problem is not peculiar to this Government. It is a national problem and we have to deal with it very seriously.

[*English*]

CONDUCT OF INVESTIGATION—PROTECTION OF PUBLIC INTEREST

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, in a serious vein as well, I wonder if the Prime Minister could explain to the House who is doing the investigation. Is it being done entirely by the Prime Minister's Office and is it limited to the possibility of a conflict of interest? Finally, can he assure the House that this possible conflict of interest did not influence the duties of the Minister in a negative way when he was fulfilling the responsibilities assigned to him by the Prime Minister of Canada?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have already responded to that question. I believe it has been answered. I can tell my hon. friend in regard to the allegation raised that, without this matter having appeared anywhere in newspapers or ever having been raised in the House of Commons, when the first suggestion of the existence of a conflict was brought to my attention, I immediately, yesterday afternoon, asked if confirmation of this might exist. When it appeared that it did exist, I acted immediately, as I think a Prime Minister should.

I would think my hon. friend would perhaps agree as a parliamentarian that, as regrettable as conflicts of interest are, conflicts which exist in every jurisdiction of Canada, this is the swift manner in which they ought to be dealt with.

## WAR CRIMINALS

TAKING EVIDENCE IN SOVIET BLOC COUNTRIES—PROTECTION OF INNOCENT CANADIANS

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, my question is directed to the Minister of Justice. The Minister will know that officials from his Department are currently negotiating agreements in Soviet Bloc countries for the taking and use of evidence from the Soviet Bloc in Canadian trials for crimes against humanity and war crimes. The Minister will also know that all elements of Soviet bureaucracy, including the judiciary, are controlled by the Communist Party which has a long record of falsifying documents to achieve its political goals.

Will the Minister tell the House what precautions his officials are taking to protect innocent Canadians from fabricated Soviet evidence?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I appreciate the question of the Hon. Member who has had a substantial interest in this issue. Hon. Members will recall that one of the important conclusions of the Deschênes Commission, in light of the fact that it was not in a position to travel and hold hearings overseas or behind the Iron Curtain, was that there should be established safeguards with respect to the taking of evidence and the terms of investigations of alleged crimes. We as a Government, and I on behalf of the Government, accepted the recommendations of the Deschênes Commission.

• (1450)

We are in fact now negotiating with a variety of countries on both sides of the Iron Curtain to make sure that the Deschênes conditions are met, namely, the protection of reputations through confidentiality, the use of independent interpreters, access to original documents, access to witnesses' previous statements, freedom of examination of witnesses in agreement with Canadian rules of evidence, and the videotaping of such evidence.

We intend to make sure that Canadian standards of justice prevail with respect to prosecutions undertaken.

* * *

## THE ADMINISTRATION

RESIGNATION OF FORMER MINISTER OF SUPPLY AND SERVICES—INFORMATION PROVIDED TO PRIME MINISTER

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I have a question for the Prime Minister with regard to the resignation of the Minister of Supply and Services. The Prime Minister has said that he has made himself personally responsible for the administration of his conflict of interest guidelines, and he is certainly responsible for his choice of Ministers for his Cabinet.

Will the Prime Minister tell us right now exactly what information was given to him and exactly why he decided, on the basis of that information, to obtain the resignation of the Minister of Supply and Services? The Canadian people have a right to know exactly what led the Prime Minister to get this resignation.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I indicated that in the statement yesterday and I have said in the House that what led me to secure the resignation of the Minister was the fact that a personal loan to the Minister had not been disclosed, which I believe to be in violation of the conflict of interest guidelines.

NON-DISCLOSURE OF PERSONAL LOAN

**Hon. Herb Gray (Windsor West):** Mr. Speaker, why will the Prime Minister not give us the details of this personal loan and give us his judgment as to why that personal loan and the failure to disclose it contravened his conflict of interest guidelines? Why is he attempting to evade his responsibility to keep the Canadian public informed about the way in which he is carrying out or not carrying out his responsibilities?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I am more than willing, obviously, to let the Canadian public decide, at an appropriate time, how I am carrying out my responsibilities in this and other areas. I think that most Canadians would agree that this matter was dealt with swiftly and appropriately.

With regard to any questions my hon. friend has with regard to details, he may care to wait for a statement by the Minister which I have indicated will be made here in the House in a few minutes.

* * *

## CANADA ELECTIONS ACT

ALLEGATIONS OF INFRACTION—REQUEST FOR COMMITTEE REFERRAL

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Deputy Prime Minister. Will he confirm, on behalf of the Government, that he will agree in principle to make a reference to the committee with regard to the specific allegations against the Member for Frontenac and guarantee that that committee will have the power to call all necessary witnesses? Will he give us that guarantee?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I thought I made myself quite clear when I said that the House Leaders could meet and discuss the appropriate terms of reference which they may want to consider since the NDP has changed its mind about this issue. That can happen sometime later today or tomorrow. I am sure the Deputy House Leader would be very prepared to sit down with his counterparts on the other side and try to work out a satisfactory arrangement.

**Mr. Murphy:** The Deputy Prime Minister keeps saying that the New Democratic Party has changed its mind. It has not. We have always wanted to get at the truth.

**Some Hon. Members:** Hear, hear!

**Mr. Murphy:** The only way we can get at the truth is if we have a specific reference from this House and the Deputy Prime Minister has so far refused to promise that he will make a commitment to doing that.

REQUEST FOR GUARANTEE ON TERMS OF REFERENCE

**Mr. Rod Murphy (Churchill):** Mr. Speaker, it is important that the Deputy Prime Minister give his commitment, now that we will have the two witnesses before the committee in one-half hour. Let us not waste our time. Let us have a guarantee now that the Minister agrees, on behalf of the Government, to the principle of having a specific reference giving us all the powers that we need.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Deputy Prime Minister has refused nothing of the sort. I will point out again that on January 28 my colleague, the Deputy House Leader, reminded the Members opposite that:

> —there are two ways of sending this to committee. One is by specific reference and one is by the committee deciding how it wants to handle it. We are up for discussions.

As we were then, we are today.

The Hon. Member is making a suggestion. He knows very well that these are the kinds of things which are negotiated among the House Leaders. They now want to break a tradition and practice which have served this House very usefully over the past number of years.

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## THE ADMINISTRATION

DISMISSAL OF FORMER MINISTER OF SUPPLY AND SERVICES—INFORMATION GIVEN TO PRIME MINISTER

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Prime Minister. Last night, through a spokesman, the Prime Minister's Office issued a version of the facts with respect to the firing of the Minister of Supply and Services. The people of Canada have a right to know all the facts.

Will the Prime Minister tell the House when and from what source his office first learned of the potential conflict of interest by the Minister of Supply and Services? Can he tell

the House as well whether or not there is any official investigation as a result of this firing of the Minister of Supply and Services?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have answered all of those questions.

**Some Hon. Members:** Hear, hear!

**Mr. Tobin:** Mr. Speaker, the Prime Minister has not answered the questions. We will hear from the Minister at three o'clock.

TIME INFORMATION GIVEN TO PRIME MINISTER

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I ask the Prime Minister again, when did the Prime Minister's Office or people in government first hear of a potential conflict of interest, from where did they get that information, and is there a police investigation today or has there been one into all the circumstances regarding this potential conflict of interest and the firing of the Minister of Supply and Services? Please answer the question.

**Right Hon. Brian Mulroney (Prime Minister):** The same answer, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

* * *

## FARM IMPROVEMENT MARKETING CO-OPERATIVES LOANS ACT

IMPLEMENTATION OF PROVISIONS

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, my question is for the Minister of Agriculture. On Monday of this week the agriculture critic for the NDP stated that there would be a delay in the implementation of the new Farm Improvement Marketing Co-operatives Loans Act.

Given the importance of this new program for farmers in financial difficulty, could the Minister clarify for all farmer applicants across Canada when the program will be in effect?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, I certainly welcome the Hon. Member's question because it provides me with yet another opportunity, on behalf of the Prime Minister and the Government, to deliver more good news to Canadian farmers.

The Act has been proclaimed on time. The regulations have been completed on time. Consultation has taken place, and as early as last Monday we were in the process of utilizing that new financial instrument and we are in the process of making loans to Canadian farmers.

## EXTERNAL AFFAIRS

CENTRAL AMERICA—UNITED STATES' FUNDING OF NICARAGUAN CONTRA FORCES

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, my question is for the Right Hon. Prime Minister. The Prime Minister will know that today could turn out to be either a very positive day or a very negative day for the peace process in Central America, depending on how the United States Congress responds to President Reagan's most recent request for funding for the Contras. The Prime Minister will also know of the profound disapproval of most Canadians for the approach of the United States Government in Central America.

Would the Prime Minister not take this opportunity, as the Prime Minister of Canada, on behalf of all Canadians, to say something today to the United States Congress about how much Canada would like it if the Congress turned down the President's proposal for further funding?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, is the Member of the NDP actually suggesting that we as a Parliament insinuate ourselves into the deliberative rights of another sovereign parliamentary body? The Parliament of Canada would react very strongly if anybody tried to tell us what to do. I am offended by the suggestion of the NDP that we impose our will, or seek to, on the Congress of the United States.

**Mr. Blaikie:** Mr. Speaker, the Prime Minister knows full well, as does everyone in this House, that from time to time we do express ourselves about what other Governments do, whether it is the Government of South Africa, the Government of the Soviet Union, or any other Government which, in our judgment, is imperilling the peace of the world.

POSITION OF CANADIAN GOVERNMENT

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I ask the Prime Minister not to attack the United States but simply to offer a legitimate criticism on behalf of the Canadian people that now is the time for the United States to do what all five Governments in Central America are saying that it should do, that is, to discontinue funding for the Contras.

• (1500)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I understand that the American parliamentarians are considering an important vote today. That is entirely their right, as it is for Members of Parliament to vote moneys as we deem fit in the national interest. I presume that is what all American parliamentarians will do.

In regard to the position of the Government of Canada, the Secretary of State for External Affairs, who is presently in southern Africa, was most recently in Central America setting out with some success and influence, I believe, an appropriate and independent statement of foreign policy which reflects the

views of the Government and people of Canada as to the manner in which peace can best emerge in Central America. That is the right and obligation of the Government of Canada, a sovereign nation. That is what we have done and that is what we will continue to do.

**The Speaker:** I wish to advise the House that I have received notice from the Hon. Member for Langelier (Mr. Côté) who wishes to make a statement to this place on a question of personal privilege.

* * *

[*Translation*]

## PRIVILEGE

FORMER MINISTER'S STATEMENT RESPECTING RESIGNATION

**Hon. Michel Côté (Langelier):** Mr. Speaker, yesterday, at the request of the Prime Minister (Mr. Mulroney), I handed in my resignation as Minister of Supply and Services. Today, I would like to explain here in the House the circumstances that led me to do so. The demands of political life in recent years, both on my family and on me personally, led me to ask an old friend for a personal loan, and he agreed.

Mr. Speaker, I want to make it clear before the House that this circumstance never in any way placed me in a position where my interests conflicted with the ministerial duties that were mine in this Government. Furthermore, Mr. Speaker, I can assure my colleagues in the House that the friend in question never received any favours or privileges in return.

However, I involuntarily neglected to declare this situation as required by the conflict of interest directives, thus contravening the spirit of the Ministers' code of conduct.

Mr. Speaker, I can assure you that I sincerely regret this serious error of omission.

Mr. Prime Minister, obviously I sincerely regret the embarrassment I have caused the Government and you yourself, Prime Minister.

In concluding, Mr. Speaker, I would like to say that it has been an honour and a privilege to serve as a Member of Cabinet, and I would like to thank my colleagues and all Members of this House who gave me their support when I was exercising my ministerial duties.

Finally, Mr. Speaker, I also wish to thank my constituents in Langelier for their constant support, and I can assure them that I will continue to be a faithful defender of their interests, both here and in my riding.



# ROUTINE PROCEEDINGS

[*English*]

## ABORTION

TABLING OF MINISTER'S LETTER TO PROVINCIAL COUNTERPARTS

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, on Monday, the Hon. Member for Hamilton East (Ms. Copps) requested that the Minister of National Health and Welfare (Mr. Epp) table a letter which he had sent to his provincial counterparts regarding the Supreme Court decision on abortion.

I am pleased to table copies of these letters today on behalf of the Minister of National Health and Welfare who is unable to be here at this time.

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## GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

PRESENTATION OF FIRST REPORT OF LEGISLATIVE COMMITTEE

**Hon. J. Robert Howie (York— Sunbury):** Mr. Speaker, as chairman of the legislative committee on Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, I have the honour to present the committee's first report in both official languages.

[*Editor's Note: See today's Votes and Proceedings.*]

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## PETITIONS

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is an honour and privilege to rise pursuant to Standing Order 106 to present a petition on behalf of a number of constituents who are concerned because the Conservative Government does not have a mandate from the people of Canada to conclude the trade deal with the United States.

They believe that this trade deal would deny Canada the policy freedom to determine its own economic future and thereby undermine Canada's ability to build a society distinct from that of the United States. They believe that the trade deal denies Canada secure access to the U.S. market which was, of course, the key objective in the trade negotiations, and threatens the loss of hundreds of thousands of jobs in this country. Therefore, they call upon Parliament to dissolve now in order to allow the people of Canada the opportunity to

accept or reject the trade deal during a national general election.

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty pursuant to Standing Order 106 to present a petition from residents of Canada who are concerned about the trade agreement between Canada and the United States and feel that it will have a fundamental impact on Canada's economic, cultural and political independence. Therefore, the petitioners request that the Parliament of Canada obtain a clear mandate from the Canadian people by calling a general election.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I have a petition which deals with the same subject. It is signed by hundreds of people from my constituency and parts of southwestern Ontario. It indicates their serious concern with the plans of the Conservative Government to proceed with signing a trade agreement with the United States despite the lack of a mandate from the Canadian people.

These people feel that this trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States. The undersigned therefore humbly pray and call upon Parliament to dissolve and permit the Canadian people to make a choice with respect to this issue before it is too late.

• (1510)

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, I also have petitions from the City of Vancouver, Port Coquitlam and Port Moody, British Columbia, all three very illustrious and important areas in British Columbia.

The petitions deal with the trade agreement originally signed with the United States. The petitioners state that the agreement removes the power of the Canadian Government to control foreign ownership effectively and, more important to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions. The petitioners humbly pray that before the Government completes this deal and enacts it into legislation, it will call a national general election on the issue.

[*Translation*]

HOUSING THE HOMELESS-REQUEST FOR GOVERNMENT ACTION

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, the two petitions I am tabling today were signed by residents of St. John's, Newfoundland; London, Ontario; Montreal, Quebec; Douglastown, New Brunswick; and Niagara Falls, Ontario.

The undersigned deplore the fact that last year, over 100,000 persons were homeless in Canada; that the number of homeless young people, women and entire families is increasing steadily; that the number of affordable housing units is still dropping; and that the Government has yet to take action to deal with these problems.

Wherefore your petitioners humbly pray Parliament to take immediate action to provide all Canadians with acceptable and satisfactory accommodation and to establish social reintegration programs to help these needy Canadians become part of our society again.

[*English*]

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, pursuant to Standing Order 106, it is my honour and duty to present a petition from citizens from across Ontario. Considering that the present Government trade agreement between Canada and the United States would have a fundamental impact on Canada's economic, cultural and political independence, and considering that such an agreement implies the loss of jobs in many sectors and regions, the undersigned request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada, and that this debate result in a national election prior to the signing of any such agreement.

AID TO GUATEMALA

**Mr. Ken James (Sarnia—Lambton):** Mr. Speaker, I have the honour to present a petition duly certified by the Clerk of Petitions from residents of my constituency of Sarnia—Lambton. These good residents are dismayed that, in their opinion, the fundamental issues of social and economic justice remain inadequately addressed in Guatemala. They humbly pray and call upon the Parliament to reject any proposed renewal of unilateral aid to the Guatemalan Government. Instead, they ask that aid be administered by Canadian NGOs through their Guatemalan counterparts.

PORNOGRAPHY—SUPPORT FOR BILL C-54

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have the honour to present two petitions. The first petition is from a number of residents of Swift Current, Saskatchewan, in respect of Bill C-54, which creates new laws against the production, sale, rental and distribution of pornography. Whereas the petitioners are concerned that the pressures exerted by various permissive minority groups may cause the Government to water down and weaken this legislation, the petitioners call upon the Government to pass Bill C-54 without dilution in the belief that this Bill gives recognition to the inherent dignity of individuals, particularly women and young people who are the most vulnerable to exploitation in this area.

INCOME BLOCK AVERAGING FOR FARMERS AND FISHERMEN

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have the honour to present a second petition from a number of residents of the Cabri district in Saskatchewan. The petitioners note that whereas farmers and fishermen for many

years have enjoyed the right to block average their incomes, and that the Minister of Finance (Mr. Wilson) on December 16, 1987, indicated his intention to eliminate block averaging, the petitioners call upon Parliament to take the necessary steps to retain block averaging for farmers and fishermen as recommended by the Standing Committee on Finance and Economic Affairs in its report on the White Paper on tax reform, stage one.

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, pursuant to Standing Order 106, I have the honour and privilege to present a petition signed by constituents in the riding of Thunder Bay—Atikokan, the neighbourhoods of Westfort and Northwood and from the riding of Thunder Bay—Nipigon, from Jumbo Gardens in the west end area. The petitioners reject the Mulroney—Reagan trade deal and call upon this Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the trade agreement during a national general election.

USE OF KNIVES IN COMMISSION OF CRIMES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I have three petitions from Vancouver, Surrey, New Westminster and Burnaby, British Columbia, with respect to the increasing crimes, including murder, robbery and sexual assaults, which have been committed with knives. This trend is on the increase in all major cities across Canada. Whereas the law through the federal Criminal Code allows citizens to carry knives for self-defence, and these knives, used by persons in public places, are often directly responsible for a variety of crimes, therefore, the petitioners call upon Parliament to amend the federal Criminal Code to prohibit the carrying of knives by citizens in public places, with the exception from this ban being those who use knives for legitimate work or who wear them for religious reasons.

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

**Mr. Dan Heap (Spadina):** Mr. Speaker, it is my honour and duty to present a petition, duly certified by the Clerk, from residents of Toronto, St. Catharines and Brockville, Ontario. These citizens are concerned that the trade deal negotiated between the Prime Minister (Mr. Mulroney) of Canada and the President of the United States would have a fundamental impact on Canada's economic, cultural and political independence. They also feel that it will lead to a loss of jobs in many regions.

Therefore, the petitioners request the Parliament of Canada to obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election prior to the signing of any such agreement.

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, I also have the honour and privilege pursuant to Standing Order 106 to present a petition signed by residents of my riding, particularly the communities of Fort Frances, Pine Wood and Stratton. These petitioners call upon Parliament to dissolve in order that a national general election may be held so that the people of Canada can be heard on the proposed trade agreement with the United States of America.

**Mr. Jack Harris (St. John's East):** Mr. Speaker, I have the honour and duty to present a petition which has been certified as correct under Standing Order 106. These petitioners, citizens of Canada, state that the trade agreement between Canada and the United States would have a fundamental impact on Canada's economic, cultural and political independence and that such an agreement implies a loss of jobs in many sectors and regions. The undersigned request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada, and that this debate result in a national election prior to the signing of any such agreement.

OPPOSITION TO CLOSURE OF EMBASSY IN ECUADOR

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, it is my privilege to present to the House today a petition on behalf of Toronto residents stating their opposition to the closure of the Canadian embassy in Ecuador and the hardship that is imposed on individuals seeking to apply for immigration to Canada and to obtain visitors' visas. The petitioners urge Parliament and the Secretary of State for External Affairs (Mr. Clark) to reverse the decision and reopen the Canadian embassy in Ecuador.

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## QUESTIONS ON THE ORDER PAPER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all questions be allowed to stand.

**Mr. Speaker:** Shall all questions be allowed to stand?

**Some Hon. Members:** Agreed.

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## MOTIONS FOR PAPERS

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

**Mr. Speaker:** Shall all notices of motions stand?

**Some Hon. Members:** Agreed.

• (1520)

# GOVERNMENT ORDERS

[*English*]

## COPYRIGHT ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-60, an Act to amend the Copyright Act and to amend other Acts in consequence thereof, as reported (with amendments) from a legislative committee.

**Mr. Speaker:** It is my duty to report to the House and rule with respect to the report stage of Bill C-60, an Act to amend the Copyright Act and to amend other Acts in consequence thereof. There are six motions on amendment on the Order Paper standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone).

[*Translation*]

Motion No. 1 was moved in committee, debated at length and finally defeated. Therefore, pursuant to Standing Order 114(10), the motion will not be selected.

[*English*]

Motion No. 2 causes the Chair some difficulty. That part of Motion No. 2 which is lettered "e" was moved, debated and then withdrawn in committee. In addition, the Chair is of the opinion that the whole motion goes beyond the scope of the clause and the Bill which it attempts to improve upon. This is not in order. May I refer the Hon. Member to Beauchesne's, Fifth Edition, Citation 773, and to May, Twentieth Edition, page 555.

I would also like to refer the Hon. Member to page 308 of the Selected Decisions of Speaker Lamoureux where it is clearly stated that a "—proposed amendment must be relevant—(and) can amplify aspects of a motion but cannot expand its scope." Thus I will not put Motion No. 2 to the House.

[*Translation*]

Motion Nos. 3 and 4 are acceptable and will be debated and voted on separately.

[*English*]

Motions No. 5 and 6 are somewhat similar. A motion exactly the same as Motion No. 6 was moved, debated and voted on in the negative in committee. Thus Motion No. 6 will not be selected.

Motion No. 5, while similar, is varied enough for the Chair to give the Hon. Member the benefit of the doubt. Thus Motion No. 5 will be debated and voted on separately.

[*Translation*]

The House will now proceed to the consideration of Motion No. 3.

[*English*]

**Mrs. Finestone:** Mr. Speaker, I rise on a point of order. Obviously, I accept your ruling. I hope that, notwithstanding, Your Honour will relax the rules of relevance, allowing me in my remarks to address what I consider to be the serious deficiencies in this Bill that my motion on ephemeral recordings for broadcasters and spontaneous rights for educators would have alleviated. This view is held by many Canadians. I would appreciate Your Honour's consideration in that regard.

**Mr. Speaker:** The Hon. Member for Mount Royal raises a matter which, of course, is in the discretion of the Chair. I hope that her request will be given reasonable and sympathetic attention.

I want to say to all Hon. Members how much the Chair appreciates the co-operation of the Hon. Member with respect to these motions. There was some considerable difficulty in choosing the motions that are the subject of the ruling of the Chair. I know that the Hon. Member felt very strongly and does feel very strongly about this entire issue. However, the Hon. Member has very graciously co-operated with the Chair and the Table Officers in the best tradition that we are establishing here. I want to express my personal appreciation to the Hon. Member for Mount Royal for that.

**Mr. Clinch:** Mr. Speaker, I rise on the same point of order. I assume that the same latitude will be afforded the Parliamentary Secretary in response to some of the motions proposed by the Hon. Member.

**Mr. Speaker:** When the House is in an amiable mood, of course, all Hon. Members are treated the same way.

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 3

That Bill C-60, be amended in Clause 13 by striking out lines 39 to 48 at page 14 and lines 1 to 19 at page 15 and substituting the following therefor:

"13. Subsections 50(1) to (10) of the said Act are repealed."

She said: Mr. Speaker, with respect to my amendment which addresses Clause 13, Section 50(7), I would point out that this is an obsolete measure. It has never worked. Those who use the music in a public place or in a retail outlet are essentially commercial users who are accruing benefits, income, and in a sense depriving the creators of those lovely sounds coming across the airwaves of their just and due economic rights. That is what this Bill is all about. It deals with copyright which would affect and bring economic rights to creators in our society.

If the intention of Bill C-60 is to provide economic benefit to creators, the retention of Section 50(7) in the Act is inconsistent with the goals of the Bill. Therefore it should be removed. It is also very inconsistent when the Chair has had to rule that my amendments are beyond the scope of the Bill. I suggest that while the Government and, obviously, Ministers have the right, which I willingly accept and argued vigorously about with the Table Officers, they have avoided addressing some

very serious matters. At the same time they have shown incredible inconsistency by retaining an issue that is an exemption. After wiping out the entire Section 50(1) through (10) they have decided to keep one single clause, which is the exemption clause. That makes absolutely no sense.

The section has been judicially interpreted to exempt also public performances by means of juke boxes or similar devices where the user pays a fee to obtain the performance. The exemption does not include wired music systems where the music originates with a phonograph in one location and is distributed by wire or other means to speakers placed in another location or locations. Since the section refers to "gramophone" and "radio receiving set" it presently may not extend to performances produced by tape recorders or television.

The Liberal Government White Paper entitled *From Gutenberg to Telidon* in 1984, which was a consultation paper, and the Conservative Government's subcommittee study on the revision of copyright entitled *The Charter of Rights For Creators* in 1985, and the Conservative Government's response, recommended that this exemption be abolished. How can the Government say that it is not dealing with exemptions and not dealing with fair dealing in this Bill and then move to retain an exemption with regard to fair dealing and abolish the rest of that particular article? It makes no logic or sense.

The other aspect of this is that it is an obsolete clause. It is one that has never been used. The advocacy for its abolition has been constant and continuous. I am not allowed to talk about ephemeral recordings which relate to an act that takes place on a daily basis in this country through broadcasters having to tape in order that they can show the recording at a different hour in another part of the country. This is going to be found to be illegal and they might well have court sanctions. Playing a record outside or on a tape recorder in a discothèque where youths come to be entertained will be kept as an exception that does not have to be paid for. It is so illogical as to blow the mind.

• (1530)

The legislative committee when studying Bill C-60 heard strong advocacy for the abolition of this section from PROCAN and CAPAC. They expressed their absolute astonishment over the retention of this exemption, and stressed that there should be no exceptions to the public performance right for musical works, not even for educational or religious purposes.

In this regard, I think that they have spoken strongly. From my perspective the exemption is totally out of context with what we are dealing with. Here we are talking about a small, fairly insignificant article that no one has asked to be kept. Because it is outside of the parameters of this Bill, users of the service have been refused spontaneous rights in order that our children can have up-to-date information. We would not deprive any creator from proper remuneration for their work. But we wish to enable our children to have the latest and most up-to-date information, whether it is by photocopying an article or an editorial from the paper yesterday, and then collecting later and negotiating with the copyright board, or whether the teacher has decided that the issues on free trade, or the issues on apartheid, or what is happening in the Middle East are so current and important that the teacher cannot wait for that information to be listed with the collective in order to negotiate a fair price. The whole approach is ludicrous, and I cannot make head or tail out of the Government's approach.

I would like very much to recommend that Bill C-60 be amended in Clause 13 by striking out lines 39 to 48 at page 14 and lines 1 to 19 at page 15 and substituting the following therefor: "13. Subsections 50(1) to (10) of the said Act are repealed."

It is inconsistent with the supposed philosophy of the Government. It does not meet with the Government's phase one and phase two which were supposed to come in together in order that we could see the impact after we had dealt with fair dealings and exemptions, and here we keep an exemption. Either we want to deal with exemptions, or we do not want to deal with exemptions. If we are not going to deal with exemptions and fair dealings, then let us take them out. If we are going to allow fair dealings and exemptions, then for goodness' sakes let us at least allow spontaneous work used by teachers and ephemeral recordings used by the CBC in order that the CRTC regulations are met, and a proper tape kept of music so that we can have the finest sound and not ruin the intent of the artist when presented to the public. We are totally inconsistent. It is a poor Bill. It has been badly thought through, and the Minister has been very poorly advised.

I would call for a movement to accept this particular amendment.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, on behalf of my Party I am pleased to be able to respond to Motion No. 3. While I seconded the motion put forward by my hon. friend, I must say that I did it to enable us to debate this particular amendment. At this point our plan is to oppose the amendment, and I wish to explain why.

As my hon. friend has indicated, this amendment is designed to repeal an existing exemption. The exemption is commonly known as the "gramophone" or "juke-box" amendment. This exemption frees the users of record players and juke boxes from paying royalties to the owners of the copyright in works that are publicly performed.

If one took the extreme position that, if the exemption is removed as has been proposed, some small users, for example, a corner store owner, who incidentally may be playing the radio during business hours, would technically be in breach of the law. For that reason, we find this to be a peculiar amendment.

I wish to remind Members that the publication entitled *The Charter of Rights for Creators*, published in October, 1985, contained the following recommendation:

> 44. The revised law should contain an exception from copyright liability for performances of protected works by means of radios, television sets and playback machines that incidentally take place in public.

*The Charter of Rights for Creators* acknowledged this problem when it stated:

> Clearly it would be an improper extension of copyright law if these essentially private uses were, even in theory, considered copyright infringements.

While the subcommittee called for the removal of the existing exemption, it also recommended that the revised law should contain an exemption from copyright liability for performances of protected works by means of radios, television sets, and playback machines that incidentally take place in public. I realize that I am reiterating that point to make it clear that it is obvious that this motion ought not to be supported. I believe that this is a reasonable approach which, quite frankly, would make the revised law workable.

I would like to suggest to my hon. colleague that exemptions will be considered in phase two of the revision of this Act. During the committee hearings, the Minister made a rather vague commitment that phase two would be addressed in the spring. At that time Members of my Party pressed the Minister to expedite that process. I am optimistic that the need for it is so obvious that at phase two the Minister will bring forward the appropriate initiative.

**Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, I appreciate the comments of my colleagues, the Hon. Member for Mount Royal (Mrs. Finestone), and the Hon. Member for Kamloops—Shuswap (Mr. Riis). The points that have been discussed here today were discussed at length in the legislative committee.

I think it is important to look at proposed Section 50.7 in respect of the totality of the Bill. If it is looked at in that context, Bill C-60 repeals Sections 50.1 to 50.10 of the present Copyright Act which deal with the copyright appeal board. However, proposed Section 50.7 is being reintroduced slightly modified to reflect the wording of the Bill. Proposed Section 50.7 deals with the copyright appeal board's power over the fees, charges, or royalties collectible from the owner of a radio receiving set or gramophone. Basically, proposed subsection 50.7 provides that the board cannot establish fees where there is a public performance by means of any radio receiving set or gramophone in any place other than the theatre that is ordinarily and regularly used for entertainment and to which there is an admission charge. Thus proposed subsection 50.7 is an exception, an exception from the payment of copyright royalties.

As I mentioned earlier, the intention of Bill C-60 is to deal with certain issues, as has been mentioned. It does not deal with exceptions. All exceptions will be dealt with together in the next phase of the copyright revision.

Thus, Mr. Speaker, I would submit that this amendment is not appropriate for Bill C-60.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it. I declare the motion lost.

Motion No. 3 (Mrs. Finestone) negatived.

• (1540)

**Mrs. Sheila Finestone (Mount Royal) moved:**

Motion No. 4

> That Bill C-60 be amended in Clause 24 by striking out line 34 at page 22 and substituting the following therefor:
>
> "of copyright occurring on or after".

She said: Mr. Speaker, I should like to thank the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) for seconding my motion.

**The Acting Speaker (Mr. Paproski):** Order, please. May I change the name of the seconder from the Hon. Member for Kamloops—Shuswap (Mr. Riis), with his consent, to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

**Mrs. Finestone:** Clause 24 of the Bill reads:

> Subsection 46(1) and section 46.1 of the *Copyright Act*, as enacted by section 11, apply in respect of any alleged infringement of copyright occurring prior to, on or after the day on which section 11 comes into force.

Clause 11 of the Bill amends the section which deals with utilitarian or functional items. They will no longer be considered eligible for copyright protection. The section would have a retroactive effect by virtue of Clause 24.

I do not know what advice the Minister obtained, but I am sure that she, her Government, and her Party would not particularly care to be perceived as stripping businessmen of their acquired right, for the Government is prejudicing its case, or stripping them of a cause of action under existing law. The Minister should have known—and if she did not know, her

advisers should have told her—that it is a basic tenet of the law that they cannot retroactively make what was legal illegal. I think this is fundamental to democracy and fundamental to fairness. Attention should be paid to the Charter of Rights and Freedoms, probably Section 7. We have already had one surprise, a delightful, well reasoned, and very welcomed decision by the Supreme Court of Canada. I would hope that we would not have to go that same route in order for businessmen to have justice of the day.

What we have here is a potential for criminal sanctions as well as civil sanctions, starting at $25,000 and running up to $1 million. One could go to jail for six months or up to five years. We are not playing Monopoly—"Go to jail, do not pass Go, do not collect $200". This is a serious infringement. It is a very serious matter. I just wonder how carefully they looked at the whole issue, because they wanted to do it in two phases.

I will read into the record the very enlightening remarks of major corporations in the country which appeared before us. They showed us what a very badly conceived Bill it was, how poorly written it was, and how full of errors, both linguistic and content-wise, it was. I started to count the number of changes and found that it was in the hundreds. It was a very sloppily drafted Bill. I cannot say that it was hurried, because they had three years in which they thought about it. I do not think careful thought was given to this section.

My amendment would ensure that we are not prejudicing the cause of businessmen. It becomes prospective, not retroactive, because a cause of action should receive a clear judgment in the courts.

If we really want to be fair in this matter, there will be little damage if the amendment is accepted because there is a limitation on copyright. I do not suggest that I am an expert in this field, but I have certainly tried to become informed. What I know is that copyright infringement falls after three years. Therefore, in accepting this amendment we would be protecting those who were in litigation, those who are presently in litigation, and those who just might go to litigation because they are unaware of what is happening with Bill C-60. They might choose to go to litigation over the next three years. We would really be grandfathering the rights of these people under the existing law. The courts should decide and legal counsel should argue. We would pay a very small price so that people in business, those who have worked painstakingly at their designs, will not have unfair competition, pirating of their works, or counterfeiting of their designs.

I urge the Minister to consider this motion very seriously, not to turn it down strictly because it has come from the Opposition. A basic tenet of the law—and this is fundamental to democracy and fairness—should not be subject to retroactivity.

Let me read into the record what the bar associations have said. I think it is vital to know what is the thinking out there. First, Ogilvy, Renault indicates the following:

> The retroactivity—that is created under this clause is without precedent and unconscionable. It is clear under the current law that a cause of action for infringement exists in relation to the copying of a functional article, and in many instances parties have relied on the existing law to commence proceedings. To abolish Clause 11 retroactively will unfairly expose these persons to damages and costs. This clause must be deleted.

Second, Riches indicates:

> It is inappropriate for proposed section 46.1 to apply retroactively. Persons have governed their affairs on the basis of the law as it now stands. To change retroactively existing rights and liabilities by means of legislation is objectionable. Proposed subsections 46(2) and (3) are not subject to retroactive application; nor should proposed section 46.1.

Further to that, Balmer indicates:

> Clause 11 should not operate retrospectively so as to deprive copyright holders of claims to copyright which existed prior to the Bill's coming into force.

The last one is from Cassels, and I should like to read it into the record to show the Government how unfairly and inappropriately it is treating businessmen. It reads:

> Our clients, 554072 Ontario Inc. and Wheel Tronic Inc., commenced an action for copyright infringement in 1985 against the defendants who through a process of "reverse engineering" copied our clients' unique design for an automotive hoist and jack beam. If Clause 24 is adopted, our clients may be deprived of the cause of action which they have been pursuing at great expense, both in terms of money and time, for the past two and one half years.

It is now three years. It continues:

> On their behalf, we urge that Clause 11 be made prospective only, or, alternatively, that a provision be added to avoid the prejudice which would otherwise be caused to our clients and to others who may be involved in similar proceedings.

I suggest that under the Charter of Rights this is illegal. It will make money for lawyers and result in misery and costs for businessmen. It is not consistent with the philosophy of law, and I think that the Minister should withdraw it.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I am pleased to have an opportunity to respond to Motion No. 4. I do not know whether I seconded the motion in the end, but certainly it was my intention because I support the motion very enthusiastically on behalf of the New Democratic Party.

As the Hon. Member for Mount Royal (Mrs. Finestone) indicated, this amendment is designed to remove the retroactivity clause. I cannot imagine a Member of this House who would support a retroactivity clause. I remember debates vividly especially when the National Energy Program was introduced which had an element of retroactivity. I recall day after day, nay, week after week, when Members would be rising indicating how abhorrent this type of an initiative was and how, as Members of Parliament, we ought not to be introducing retroactive legislation. We certainly supported that notion in many respects.

• (1550)

When a firm, a business, a corporation or an individual makes plans and commits itself financially, not only in capital but in human resources, to carry out a particular plan, be it a business plan or some other type of plan, so much depends

upon their ability to carry that out step by step. When Bill C-60 was being considered actively by the legislative committee, various companies made it very clear that retroactivity would cause them very serious problems. The problematic nature of the retroactivity clause was something that they brought to our attention because of the very negative impact that would accrue to them and on the enterprises they represented.

There is another side to this matter worth sharing, namely, the legal opinion. I know that you, Mr. Speaker, have always been concerned about the legality of various pieces of legislation to ensure that they not only follow the spirit of the law but the law itself. I want to say that the retroactivity of Clause 11 created under this clause is without precedent and is certainly highly unconscionable. It is clear under current law that a cause of action for infringement exists in relation to the copying of a functional article and, in many instances, parties have relied on the existing law to commence proceedings. To abolish Clause 11 retroactively will unfairly expose those persons to damages and to costs. Therefore, I believe this clause ought to be deleted.

I might add that I believe it is inappropriate for proposed Section 46(1) to apply retroactively. Persons have governed their affairs on the basis of the law as it now stands. The point I was attempting to make earlier and to change retroactively existing rights and liabilities by means of legislation is something that I think most people would find to be objectionable. Proposed subsections 26(2) and 26(3) are not subject to retroactive application, nor should proposed Section 46(1).

Clause 11 should not operate retroactively so as to deprive copyright holders of claims to copyright which existed prior to this Bill coming into force.

It is also useful to point out that as currently worded this clause does not refer to Section 46(2). I think that is something you would have noted in your examination. There is no reference to Section 46(2), Mr. Speaker. Therefore, we are in total support of this exclusion. In no event should Section 46(2) be made retroactive as this could possibly affect certain ongoing litigation.

What I have said is perfectly obvious in terms of what must be done and what must not be done. Therefore, on behalf of my Party, may I say that we plan to support this amendment.

**Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, the purpose of this amendment is to make the industrial design section in Bill C-60 apply only in the future and not retroactively.

Until two or three years ago no one thought copyright extended to purely functional articles, such as tailpipes. But court cases decided that copyright could apply to functional articles. This created a legal authority for other court cases which argued that copyright was being infringed by copying purely functional articles, like the hull of a boat. This legal result was never intended.

The Canadian Manufacturers' Association and the Canadian Bar Association agreed that copyright should not extend to functional articles like boats and tailpipes. Bill C-60 reflects this view. Bill C-60 says that copyright does not and never did extend to functional articles. Bill C-60 clarifies the law not only for the future but also for the past. Copyright was never intended and did not apply to functional articles.

Bill C-60 sets out the division between what is protected by copyright and what is protected by industrial design. One of the ways this is done is by providing that copyright never did apply to purely functional articles. This is what Clause 24 says. If Clause 24 is amended as suggested by the Hon. Member for Mount Royal (Mrs. Finestone) then Bill C-60 would say that in future copyright will not apply to functional articles. However, the state of the law before Bill C-60 will be based on the recent court cases which extended copyright to functional articles, and that is a result which was never intended.

To avoid this unintended result, Clause 24 of Bill C-60 states what the law was always intended to say, that copyright does not extend to purely functional articles. For that reason, the Government cannot accept the amendment proposed by the Hon. Member for Mount Royal.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** The question is on Motion No. 4 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it. I declare the amendment lost.

Motion No. 4 (Mrs. Finestone) negatived.

**The Acting Speaker (Mr. Paproski):** Concerning the Speaker's ruling, may I read into the record exactly what has happened here.

Motion Nos. 5 and 6 are somewhat similar. A motion exactly the same as Motion No. 6 was moved, debated and voted on in the negative in committee. Thus Motion No. 6 will not be selected. Motion No. 5, while similar, is varied enough

for the Chair to give the Hon. Member the benefit of the doubt. Thus Motion No. 5 will be debated and voted on separately.

**Mrs. Sheila Finestone (Mount Royal)** moved:

Motion No. 5

That Bill C-60 be amended by adding, immediately after line 46 at page 22, the following:

"26. (1) Five years after the coming into force of this Act, and at the end of every three-year period thereafter, a comprehensive review of the provisions and operation of this Act, including the effect of such provisions, shall be undertaken by such joint committee of the Senate and House of Commons, as may be designated or established for that purpose.

(2) Within six months after the completion of the review referred to in subsection (1), the joint committee so designated or established for that purpose shall submit a report to Parliament on its findings, including any changes the committee would recommend."

She said: Mr. Speaker, it is really a sad day when we are looking at a very serious Bill which obviously has not captivated the enthusiastic understanding or involvement of many Members of this House. Quite rightly so because it is an extraordinarily complex Bill. It is one that I found difficult to work with and I think most Members were not exactly enthralled with the many, many hundreds of hours that we spent trying to find some rational and fair answers that would meet the needs of the users as well as the creators.

In trying to arrive at some kind of fairness in our system and in trying to accord economic rights, which are due to the creators, we have embarked on some new and exciting undertakings. From the time of the White Paper, which was called *From Gutenberg to Telidon*, through to the study undertaken in 1985, which resulted in *The Charter of Rights for Creators*, that balance, that tenuous balance between the user and the creator resulted in the initiation of some very new and *avant garde* ideas to improve the economic opportunities of the creators to revamp this very old Bill, a Bill designed for other uses. In so doing, we must be able to ensure that all this innovation that is being brought in in a patchwork way between phases one and two of the Bill is reviewed. It is in that light that I wish to include a sunset clause in Bill C-60. We would then be in a position to review legislation that has been highly controversial. If we review the legislation in five years, we will have had five years of experience with a variety of its clauses. We would be able to assess the impact of public exhibition rights on curators.

• (1600)

To our knowledge, no other country has public exhibition rights. I think they might be exciting but might create serious problems. I would like to have that assessed and I would like to assess the efficiency of the new thrust. I would like to be able to assess the potential problems which might arise as a result of the fair dealings or exemptions which we still have not seen and will come forward in phase two in which I hope a similar provision will be included.

How can we assess what is happening with collectives if they have not yet been implemented? Many of the provincial Governments have serious reservations about these collectives. The Minister received a letter from the Minister of Culture and Communications of Ontario who expressed some of her serious reservations, as have two other provincial Ministers. Collectives and negotiations are not in place yet and there are serious concerns as to how this will actually operate.

How will we know if, under its newly constituted mandate, a copyright board is large enough to meet the demands and will be efficient and able to fulfil its mandate under the law? As collectives are a fairly new concept, particularly in some areas of jurisdiction, will the board be able to work effectively with the collectives? Will negotiations be undertaken in a way that will meet the goals of this Bill?

All Hon. Members, and certainly the Minister of Communications (Miss MacDonald) should be well aware that technology requires upgrading. We do not want to leave this Bill alone for another 60 years. We want to be able to ensure that the Bill is working in balance with the interests of the curators and the users, not just to the benefit of the legal profession, causing it to create unnecessary legislation and tie-ups in the courts.

The Minister of Culture and Communications of Ontario, Lily Munro, wrote the Minister of Communications and the Minister of Consumer and Corporate Affairs (Mr. Andre) about Bill C-60. She indicates in a letter that her colleagues and she are carefully reviewing the proposals and would want to provide some comments in the future. Referring to the public exhibition rights, she said in the third paragraph of her letter, the following:

—we feel that the possible implications of this amendment have not been fully assessed and may be too far reaching. Art galleries and museums not only have a role in providing public access to creative works but also, in many cases, have educational objectives to which they must adhere.

Interpretation of collections is an essential part of the curatorial responsibility of such institutions and provides an educational experience for the viewer, particularly in a historical context. The introduction of an exhibition right as stated in Bill C-60, would alter this historically established balance between creators and the institution.

She went on to say:

I am very supportive of initiatives that improve the economic situation of artists and I believe that galleries and museums in Ontario share this objective.

Certainly we heard that they did so throughout the course of our hearings. She went on:

The exhibition right as currently drafted may act, however, as a disincentive not only to museums and galleries, but also to corporations and other individuals to purchase, lend or donate contemporary art.

The Minister went on to say:

—there has not been sufficient analysis and discussion among the affected parties to clarify the real intention of this section and the practical implementation of those intentions.

She concluded by saying:

I strongly recommend that the addition of an "exhibition right" be reserved pending much fuller investigation and consultation on the issues, options and

effects it may have on indigenous contemporary art and the public exhibition community. I urge you to review this amendment—

There seems to be much *glasnost* between the federal and provincial Governments. We are all so happy and Meech Lake is a marvellous undertaking. Everyone is cosy and lovey-dovey. If everyone is so happy, then the Minister should have taken into consideration the need for much more careful and considered communications and consultations before bringing in a brand new right of this kind. She should also have assured herself that mechanisms were in place for the collectives and were ready to roll. Neither of these things was done.

I would like to bring one last point to the attention of the House. The Minister, in answering my concerns, told me that we could not bind future Parliaments. When I introduced a similar amendment, the Minister answered, I suppose because she was not well informed, in the the following way:

Could I just perhaps comment before Mrs. Finestone leaves. The difficulty that I think anyone would have with this particular proposal, even though I agree wholeheartedly with the need to be able to force governments to move on issues like this, is it really is not acceptable for one Parliament to try to bind another Parliament.

I went on to advise the Minister that we had done so in other instances. The Minister then said:

The Parliament, regardless of the government—but for one Parliament to try to say this is what you must do . . . Now there may be ways that we can see that reviews are carried out, but it is not feasible to do that, and that is why—

I interrupted and brought to her attention that she herself had brought an amendment like this before the House and that there were two other instances of it in the last couple of years. One such instance was the access to information legislation and the other was under a workplace hazardous materials information Act.

I would like to remind the Minister that when she was the Minister of Employment and Immigration and brought Bill C-62 before the House, she moved the adoption of a very similar amendment. In that Bill, she wanted the following clause adopted:

Five years after the coming into force of this Act, and at the end of every three-year period thereafter, a comprehensive review of the provisions and operation of this Act, including the effect of such provisions, shall be undertaken by such joint committee of the Senate and House of Commons, as may be designated or established for that purpose.

(2) Within six months after the completion of the review referred to in subsection (1), the joint committee so designated or established for that purpose shall submit a report to Parliament on its findings, including any changes the committee would recommend."

I did not even think of putting in my motion the part about a review at the end of every three-year period thereafter. I suppose when the Minister responded to me in committee and caused the rejection of this proposal, she forgot that she had done it herself. She forgot that her colleagues had done it in two other Bills. I would like to remind the Hon. Minister and her advisers that they did do this and suggest that they accept this amendment. I believe the sunset clause is well suited to this particular Bill.

• (1610)

**Mr. Nelson A. Riis (Kamloops Shuswap):** Mr. Speaker, I appreciate having a chance to make some comments following those of my hon. friend, the Member for Mount Royal (Mrs. Finestone), who has once again presented a most convincing case for the introduction of a sunset clause into the process as a result of Motion No. 5. The New Democratic Party will be supporting this initiative. I think it is very appropriate.

The Member has made the case that incorporating a sunset clause into the legislation is not a new idea. A number of precedents for this exist. I recall that with regard to the Access to Information Act the feeling was that a regular review would be appropriate to ensure that Members of Parliament and the public have access to appropriate information in order to keep the Government on the straight and narrow.

The Member for Mount Royal indicated as well that the workplace hazardous materials information Act has a built in review process as does the employment equity Bill and the very famous Bank Act. There are other cases in which a regular review is considered to be not only appropriate but absolutely necessary. This has become necessary largely due to the technological changes which are occurring in so many fields today, particularly in the arts, which require a periodic review of this type of copyright legislation. The sunset clause allows for that.

If we want meaningful and responsive copyright legislation the need for periodic review becomes obvious. We do not want to have the previous situation repeated. In the past, present members of the Government called for changes to the Copyright Act time after time and the Government of the day kept dragging its feet. Nevertheless, we have today made a whole set of extremely complex changes.

I must admit that I do not understand the implications of them all. I have studied them adequately to be aware of most of them, but it is an extremely complex area with dramatic changes taking place in technology, production, and marketing. It is, therefore, very appropriate that we are now revising this copyright legislation. It has been nearly 60 years since this legislation has received the examination which it has during the last number of months. This review was certainly long overdue.

The Keyes-Brunet report of 1977 recommended that provision be made for the periodic revision of copyright law. It may be useful to remind Members of one of the critical recommendations of that report. The title of that report was *Copyright in Canada: Proposals for Revision of the Law*. It made four recommendations, the first being:

That continuous evaluation be maintained of the impact of existing and emerging intellectual property systems.

The need for that recommendation is perfectly clear. The second recommendation was:

That provision be made for a means to conduct and maintain a continuing review and study of copyright law and practice, and of technological and other

developments in the field, with a view to encouraging the initiation and development of policy recommendations.

This seminal report on the need to change the Copyright Act pointed out the necessity for an ongoing periodic review of any legislation dealing with copyright. The third recommendation was:

That provision be made for the periodic revision of copyright law.

That is straightforward enough. The fourth recommendation was:

That a mechanism be provided to initiate and conduct regular liaison, consultation and discussion with private and public copyright interests in Canada, and with foreign copyright offices and international organizations.

It is most important that in addition to a review process being automatically triggered as a result of the sunset clause appropriate extensive and intensive consultations take place with all organizations interested and involved in a direct way in copyright legislation, whether they be users or creators. We support this, Mr. Speaker.

The past Chairman of the Standing Committee on Communications, who is from Edmonton, expressed sympathy for the notion of sunset clauses during the legislative hearings. He said "Philosophically I rather favour sunsets". I suppose that he was not necessarily referring to Alberta sunsets which are, of course, magnificent, but to sunset clauses. That was the context of his comment.

With regard to identifying critical persons who have indicated their support for sunset clauses, as the Member for Mount Royal so adequately pointed out, the Minister herself indicated some time ago the need for a periodic review. This motion now makes that possible.

I know that the Parliamentary Secretary will likely be standing in a moment to express his views on Motion No. 5. I would like to put a query to him to which he may respond when he gets to his feet. I am sure that he has, as have most of us, received letters and visits from constituents, most of whom tend to be teachers, students, and librarians, who express concerns about various aspects of this copyright legislation.

I hope the Parliamentary Secretary to the Minister of Communications (Mr. Clinch) will use this opportunity to clarify what this means to those people in the learning and instructional fields who occasionally make use of copyright material to assist in demonstrating various points. If the Parliamentary Secretary would explain this, it would alleviate a lot of the concerns which I know from previous discussions are unnecessary and would enable Members to send to those making inquiries the actual words of the Hon. Member on this issue.

**Mr. Lewis:** Mr. Speaker, I rise on a point of order. I understand that considerable progress is being made on report stage of Bill C-60. I would like to reiterate what I said in the House yesterday. There was a House order which calls for a recorded division on the Government's response to the Senate's amendments to Bill C-84 at 6 p.m. this evening.

I went on to say, although it was not part of the House order, that in the event that report stage of Bill C-60—and I would add now any other proceedings on Bill C-60—were to be completed today, any division could be deferred until 6 p.m. and it would be the intention of the Government to suspend the sitting until six o'clock at which time the bells could ring for 15 minutes for the vote.

I just wanted to reassure the House that it is still the Government's intention, if Bill C-60 goes smoothly as I understand it is, to suspend the sitting immediately, and a recorded division on whatever stage of Bill C-60 is reached would be taken at six o'clock.

**Mr. Boudria:** Mr. Speaker, I rise on the same point of order. We would be quite amenable to that suggestion in the usual spirit of co-operation of the Official Opposition.

**Mr. Riis:** Mr. Speaker, I am pleased that we are making the progress which we are on report stage of Bill C-60 and I am anxious to move on to third reading and try to finish that today if at all possible.

If we were to complete deliberations on Bill C-60 prior to the time for the vote on Bill C-84, is there any reason why, rather than having an interval, we could not call the vote at the end of the deliberations?

**Mr. Lewis:** Hon. Members of the House will have arranged their day around a 6 p.m. vote. I would be loath, having given notice of a 6 p.m. vote, to move it forward. I would not consent to that because we have given Hon. Members notice that the vote would be at six. I would prefer not to tamper with that previous notice.

• (1620)

**Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, while I was not prepared to respond to the request of the Hon. Member for Kamloops—Shuswap (Mr. Riis) with regard to questions from teachers and librarians, I would be more than willing to give a personal view of that in my position as a former teacher and member of the teaching community in Bathurst, New Brunswick for many years. I am sure there are many teachers and librarians there who are interested in the effects of the Bill.

The clauses in Motions Nos. 5 and 6 require mandatory review of legislation. Such clauses have been referred to as sunset clauses by members of the Opposition. Their inclusion suggest that some difficulties or unforeseen consequences are anticipated in the operation of a new piece of legislation. The purpose of a sunset clause is to guarantee a forum in which a public review must take place periodically.

In legislative committee, the Hon. Member for Mount Royal (Mrs. Finestone) proposed a sunset clause for Bill C-60, stating that the new Hazardous Products Act and the Access to Information Act contained such clauses and that they set precedents for introducing one in the Copyright Act.

I suggest that each statute must be examined on its own merit. The provision of a statute in one case cannot be looked at in isolation. It must be examined within the context of the entire Act.

Take, for example, the new Hazardous Products Act, which comes into force in October of this year.

The Act provides for mandatory review two years after the coming into force of its Section 12, which refers to certain hazardous products, explosives, atomic materials, hazardous wastes and tobacco products.

Because of a feeling of urgency, the Bill was passed eight days after its introduction on June 22, 1987. Not all hazardous products were included or adequately defined. For example, the term "hazardous wastes" is not defined consistently in different statutes which deal with them.

It is clear that in this case the function of the review clause is not really to review the Bill but to complete it. This is not the case for the new copyright legislation. It will be completed in phase two, making a review clause unnecessary.

Another example of a sunset clause is in the Access to Information Act. Section 75 of the Act provides for its review within three years of its coming into force. This was introduced for a basic reason; access to information is a new concept, quite different from other statutes.

The first review of that Act took place last year. In its report, the committee suggested another review. The committee's report stated that a major reason for scheduling another review is that it is relatively new legislation. The report states that there has not been enough experience yet in a number of areas to determine satisfactorily whether both the structure and the provisions of the Act are adequate.

This is not the case with copyright legislation. Copyright legislation is not new, either on the domestic or on the international scene. The present law has been in force for 64 years, since 1924. Indeed, most countries in the world now have copyright legislation. There are two international copyright conventions to which most countries in the world belong. Many studies have preceded the preparation of the new Canadian copyright law, and international precedent was taken into full consideration.

Let me respond to the Hon. Member for Kamloops—Shuswap with regard to copyright in the teaching profession. In my opinion, the present copyright law, which has been in effect since 1924 prevents most of that which may happen in a classroom where teachers utilize materials and copy them without receiving permission. This law proposes to allow the creators and writers to receive some remuneration for their works. No one in the teaching profession disagrees with that.

There are two ways for this to work practically. One is to use the collective system, which is very familiar to Members from Quebec where that system is now in place. Assuming that we are talking about education, the department of education of a province would belong to a collective and any artist or creator who belongs to that collective would be listed with the department. The department of education would pay a fee in order that anyone in the classroom could use the works of those artists or creators.

The other alternative in the discussion of exemptions or exceptions to the Copyright Act is to deal with these exceptions, and they will be dealt with in phase two of the Bill. Those groups who have expressed a concern are asking to be considered in the exceptions or exemptions to the Copyright Act. Those are the possibilities with respect to the practical implementation of the Bill. I hope I have answered my hon. friend's question adequately, as well as that of the Hon. Member for Mount Royal.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I am pleased to participate in the debate on Motion No. 5 in the name of my distinguished colleague, the Member for Mount Royal (Mrs. Finestone). I want to congratulate her for her participation in this issue and for the immense contribution she has made to the debate.

This motion which she has proposed is not only in order but quite logical. The Parliamentary Secretary indicated to us that one of the rationales for a sunset clause is to take into account legislation that is brand new, innovative or unprecedented.

The Hon. Member said that the copyright legislation does not fit into that category. I disagree with him. It is quite true that we have had copyright legislation in this country for a long time, but we should remember that it has not been reviewed for many years. Therefore, any new legislation introduced is a brand new concept.

Second, there are portions of the Bill which are clearly unprecedented not only in this country but everywhere that I can imagine. For example, the issue of exhibition rights is a brand new concept. I understand that it does not exist in the United States and has not existed here.

I know that my colleague from Mount Royal has expressed reservations about this particular clause because we simply do not know what will happen in a few years' time. Therefore, why not have a sunset clause by which we can review the exhibition rights and other pertinent issues that did not exist before the introduction of Bill C-60?

It is not only the Official Opposition that expresses this view. The Minister of Culture and Communications for Ontario, Lily Munro, stated in a letter dated December 11, 1987:

> After consultation with many of the groups that would be affected by the introduction of an exhibition right, we feel that the possible implications of this amendment have not been fully assessed and may be too far reaching. Art galleries and museums not only have a role in providing public access to creative works but also, in many cases, have educational objectives to which they must adhere.
>
> Interpretation of collections is an essential part of the curatorial responsibility of such institutions and provides an educational experience for the viewer, particularly in a historical context. The introduction of an exhibition right as

stated in Bill C-60, would alter this historically established balance between creators and the institution.

Of course, there is the whole issue of whether there would be a reluctance on the part of certain potential acquirers of art to obtain a particular piece of art if they knew, for instance, that the exhibition rights were not relinquished at the time of purchase. We do not know the answer to all these questions, and they are very important. That is why the suggestion made by the Hon. Member to include a sunset clause in this Bill is indeed quite appropriate.

• (1630)

There is also the question of the exhibition rights in the Bill as they pertain to another issue which is very close and dear to the hearts of certain Conservative Members of Parliament. That is the issue—and it is not my issue, I must say—of the so-called property rights that Conservatives like to bring to our attention every now and then, the firm belief of some Members of this House that once you purchase property it is yours and that is the end of it. I refer, for instance, to the debates of the House of Commons on October 15, 1987, in which the Hon. Member for Kitchener (Mr. Reimer) spoke. He talked about the lack of property rights as a regrettable omission and that the principle of freedom to pursue the gaining of a livelihood with respect to the Charter is diminished if one's freedom to simply keep, sell or buy is not secure. He said: "All this is simple common sense". How could the Hon. Member for Kitchener accept that this new concept of exhibition rights would be in legislation without a review process so that he could assure himself that there is no interference with that sacred principle he feels is so important, namely, the acquisition of property rights for Canadians?

Those are all very important issues to Conservative backbenchers who are bent upon this property rights thing, for Members of Parliament generally, and even for our provincial Governments. I know the Parliamentary Secretary is paying close attention to my remarks as I look across the floor. I know he will want to respond to this question in a very positive manner.

On December 4, 1987, with respect to the property rights issue which is so important to some Conservative Members-and I am sure because of this they will want to support the amendment proposed by the Hon. Member for Mount Royal—the Hon. Member for Fraser Valley East (Mr. Belsher) stated at page 11514 of *Hansard*:

> Ownership is conducive to an individual's independence, freedom, and happiness. A man's house is his castle. However, what happens when he does not have the right to own that castle? From earliest times property has been defended. Aristotle expressed a strong defence of property and advanced the idea that private property is ordained by natural law and that ownership is conducive to progress.
>
> According to this famous philosopher, ownership of property promotes the growth of character because two important virtues result from it—self control and liberty.

You can see, Mr. Speaker, that not only opposition Members have concerns about the Bill. Indeed, Conservative Members have expressed the point that it is important to have a review mechanism such as the one offered to us by the Hon. Member for Mount Royal.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion, the nays have it. I declare the motion lost.

Motion No. 5 (Mrs. Finestone) negatived.

**Mr. Riis:** Mr. Speaker, there have been discussions between the Parties. We are now about to complete report stage and I think you will find that there is unanimous consent to move to third reading stage of this particular Bill. The critic for the New Democratic Party is unfortunately absent as a result of other duties, and rather than stop the proceedings now from continuing, I am sure you will find unanimous consent to allow the Member speaking on behalf of the Government to introduce the speech at third reading stage, followed by the critic for the Liberal Party. After the completion of her remarks, the proceedings will stop at that point and, if necessary, be terminated until the vote, with the understanding that third reading will continue some other day.

**The Acting Speaker (Mr. Paproski):** Is it so agreed?

**Some Hon. Members:** Agreed.

**Miss Carney (for the Minister of Communications)** moved that the Bill be concurred in.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

**Miss Carney (for the Minister of Communications)** moved that the Bill be read the third time and passed.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I am pleased to rise to speak at third reading of this Bill, and its

amendments. I am very dissatisfied that two of my amendments did not receive Government understanding, which I think is highly regrettable in the present circumstances. I think the Government will rue the day it caused business people very serious financial loss. However, that is the Government's problem, not ours.

Copyright law is the legal expression of the rights granted to a creator to protect his or her work against a variety of unauthorized uses. That protection arises when a work is created by our artists and provides the legal foundation for the publishing, broadcasting, film, sound recording and other copyright based industries. Essentially, copyright law sets the rules under which market forces determine what music is heard, what records are made, what films are seen, what books are published and what programs are viewed on television, all here in Canada. Copyright law dates back to 1832 in a statute of the Legislature of Lower Canada. The British North America Act of 1867 placed exclusive jurisdiction concerning copyright with the federal Government. Several Acts were subsequently passed, culminating in the present 1924 Act which repealed all prior legislation—and, please note, all prior legislation. It did not do a patchwork job.

The 1924 Act provides that no person is entitled to copyright, or any similar right in respect of protected material except in accordance with the Act. It should be noted that this 1924 legislation was written during a period when there were no television sets. Can any Members remember when there were no television sets, no tape recorders, no VCRs and, Mr. Speaker, when adding machines were considered computers? As a result of these technological changes, copyright has changed considerably from being only the right to copy. Today works acquire value not only by means of reproduction of copies but through public performance and broadcasting.

• (1640)

Copyright law attempts to strike a balance between the competing interests of creators in exploiting their works and of the public interest in having access to those works. These things enrich our lives in many ways. Therefore the law grants creators important moral and economic rights.

The law also recognizes uses of works that are permitted without the authorization of the creator or the payment of royalties. Therefore copyright must concern itself with first providing creators' rights and then with the limiting of those rights. I would suggest that the quality of our cultural rights is dependent upon copyright. The subcommittee which looked at the revision of copyright in 1985 was told:

> The quality of cultural life depends upon a country's intellectual and artistic creations and, to some extent, is a reflection of the encouragement and protection provided to creators. Copyright legislation can be regarded as a means of encouraging creative and intellectual activity in providing adequate protection to creators, entrepreneurs, and the cultural industries, in the creation, development and exploitation of the products of creativity, and the arts in general.

I do not know of anyone in the House who would debate that point. However, I do not believe that it is the saviour of our cultural life to the extent that the Government would like Canadians and our creators to believe. The Government needs to take another concrete measure to provide for these creators. It requires the collective will of a number of different Ministers around the cabinet table. It takes directing the Ministers to be responsive to the needs of creators who enrich our lives and define us as Canadians, particularly in the following areas.

I refer to the definition of professional artist or professional artistic activity in the Income Tax Act; the erosion of Interpretation Bulletin IT-504; the establishment of a charitable or similar registered tax status of arts service organizations; specific aspects of the capital cost allowance deduction for the cost of musical instruments; and erosion of the capital cost allowance for investment in certified Canadian films. These are the kinds of additional measures that we need to ensure artistic creativity as an economic right in Canada.

Since the 1924 Copyright Act was passed there have been amendments. But, this is the first time that substantial revision has taken place. Every time the topic of copyright is opened up, a bell sounds and sides seem to be drawn. The Government thought that it had arrived at the perfect solution of having the copyright revision passed by introducing the amendments in two phases.

On May 28, the Government introduced this Bill, Bill C-60, supposedly the non-controversial part. It was to be the part that would be easy, acceptable and have an easy run through the House. Initially, the Bill received positive acclaim. I ask Hon. Members to remember the headlines. They read: "New Changes Would Give Copyright Laws More Teeth"; "Canada's Beefing Up Its Copyright and Royalty laws"; "Copyright Changes Applauded;" and "Copyright Bill—Good First Step". There certainly had been enough consultation. I refer to the White Paper entitled *Gutenberg to Telidon*; the 1985 subcommittee report entitled *The Charter of Rights for Creators*; and the 1986 Government response.

However, when Bill C-60 in its legislative form received second reading in this Chamber in June some minor technical changes were suggested, but that was all. It then went off to a legislative committee for hearings and quick passage into law. It was even suggested by government Members and my colleague from the New Democratic Party that hearings would not be necessary since all the issues had been covered.

Then came the lazy, hazy, crazy days of summer. Creators, users and copyright lawyers, instead of lolling on the beach or swimming, had to look much more closely at this Bill, for it is a very complex law. There is a great deal of legal jurisprudence through court decisions which had to be taken into consideration. They examined not only the changes in the Bill clause by clause, line by line, but word by word. They began writing letters and briefs, making phone calls and requesting meetings with Members to express their very serious concerns. They made constructive criticisms for improvement.

Letters and briefs to my office alone must have been very close to 300. Never before on a piece of legislation have I had to deal with such concerned feedback. It is feedback for which we should all be very grateful.

By October, when the legislative committee began its hearings, witnesses came before us. Some came with briefs requesting as many as 50 amendments. We were told by one witness that there were 75 places where there appeared to be differences from the drafting of the English and the French texts. It was sloppy work.

The Canadian Bar Association and the Patent and Trademark Institute of Canada appeared before us with a delegation of 12 lawyers and a 50-page brief. Some 50 concerns were examined. Their efforts represented the work of thousands of person hours. I was trying to calculate the amount of dollars that represented, but I gave up. This work was of tremendous value to the Minister, the Ministry, to the Opposition Parties, the people of Canada and to the whole legislative process. The comments presented by many of the witnesses and through the briefs were contradictory nonetheless. There was great division of opinion. As a matter of fact, it made for a very difficult hearing session.

During those hearings I began to wonder if the committee should not send the Bill back for a complete redrafting. However, I was convinced and hopeful that we would find the kinds of changes that would make this a fair, even and balanced Bill.

We were of the view that, through amendments, the concerns could be addressed. Thus we pressed and we did get substantial amendments made to Bill C-60. We should all be aware that that did take place. For that reason I would like to take this opportunity to thank all those who took the time to write letters and briefs, to phone and to appear as witnesses before the committee, answering countless questions, writing back, meeting with the Minister and both the Ministries of Consumer and Corporate Affairs and Communications.

These people were very patient. All of us are indebted to them. I am also indebted personally, as I think the committee as a whole is, to the Library of Parliament staff whose members spent so many hours combing through the submissions to provide us with up-to-date analyses of the briefs, as well as preparing a comparative study of copyright laws in other countries, which proved very useful. It did not change the Minister's mind, but it was certainly a very useful exercise.

It was originally thought that this Bill would be the ideal solution and that copyright being divided into these two phases would be fine. We have now learned that there will probably be three phases.

Bill C-60 has been properly described as a creators' Bill, which has caused unease among the consumers of copyright such as libraries, schools and broadcasters, just to name a few. They had the right to express their points of view. They had the right to get together and to send in thousands of letters to all the Members of the House. I do not think that they should be criticized. They should be complimented for undertaking concrete concerned action in the interests of their constituencies. It was our responsibility to respond to those concerns, not to criticize them, as was done in a number of instances.

They have been told repeatedly that the exemptions will be in the next phase, which was their major area of concern. They want to know when the second phase will be. Will it be next week, next month or next year? The Minister of Communications (Miss MacDonald) introduced this Bill on May 27. She said that the second phase would follow quickly in the fall. In December she said, "Come this spring". The spring has almost sprung and the grass has almost ris' and we still do not have hide nor hair of this Bill. The uncertainty causes concern and fear for the users. The representations brought me to the conclusion that the rights of users are inseparable from creators' rights. Many of their concerns are legitimate, for there is a lack of clarity and bridging has not been put into place. They are not sure about what they are going to find when the next part of this Bill comes in.

Copyright protection must be sufficient to stimulate and promote cultural and intellectual creation in Canada. The Social Science Federation pointed out in its brief "This cannot be achieved if the law fails to recognize the interests of cultural consumers who are equally vital to our cultural industries".

• (1650)

A real risk exists that new and powerful rights will be entrenched, and are being entrenched, without offsetting recognition and protection of legitimate concerns of the users of copyright material. After all, one would not buy a house without seeing all the rooms. Therefore, how would one expect users to be happy, satisfied, and support this legislation without seeing all the provisions? The Government has created unnecessary and undue concern which could have been avoided by having dealt with total revisions, or having released the second phase as draft legislation for both the users and the creators to be able to see the total picture.

The Communications Minister should have heeded the words of her colleague, or ex-colleague, the then Minister of Consumer and Corporate Affairs, who stated:

> Copyright first of all protects creators, but consumers of their works are equally affected in their day-to-day life by the Copyright Act. Our legislation must ensure a balance between the interests of the copyright owner and the user.

I wish to address the education aspect, because we did hear from a large number of educators. There was much discussion during the legislative committee hearings on reprographic rights. The term "reprography" refers to the reproduction of a work specifically by photocopying. In today's society, we all take this act pretty much for granted.

Bill C-60 makes no substantive changes to the existing law insofar as photocopying practices are concerned. In the 1924

Copyright Act, under Section 3(1), the copyright owner has the sole right to reproduce the work or any substantial part thereof in any material form whatever. Accordingly, unless the reproduction is authorized by the creator or the copyright holder, and unless it is insubstantial or excused on the basis of any of the statutory exemptions under the current Act, the reproductions of a work by photocopying will be deemed to constitute a copyright infringement.

As for existing statutory exemptions that apply to photocopying practices, there are limited exemptions under Section 17(2)(h) of the 1924 Act for the reproduction of certain categories of protected works for their deposit under the Cultural Property Export and Import Act. It is too bad that we did not see fit to do that for the CRTC regulatory Act.

More important, there is the fair dealing limitation under Section 17(2)(a) which, by excusing "any fair dealing with any work for the purposes of private study, research, criticism, review, or newspaper summary;" may exonerate those who make photocopies, who are generally students, researchers, and many of us here in the House of Commons. They are exempted provided that they qualify under this limitation.

When the Canadian Teachers Federation representatives appeared before the legislative committee, they stated that they wanted the right to use material "spontaneously" in order to capture "the teachable moment". By this they meant the right to use new, timely, newsworthy copyrighted materials in a reasonable manner without the consent of the author. It would take too long and it would no longer be timely or of the moment. This, they define as "fair use". I think that that is fair play. This concept was accepted and incorporated in the 1976 revision of the United States copyright law. The American law provides recognition that fair use includes teaching, including multiple copies for classroom use; and a valid consideration as to "the purpose and character of the use".

For Canadian teachers the making of multiple copies, and particularly of current magazine articles, poems selected from books, and newspaper articles, has become a nearly entrenched practice. We were told by school boards that this situation has become even more important for teachers because of the cutbacks in educational funding that have occurred throughout Canada.

The educational community does not take the position that creators should not be recognized for the important contributions that they make in the creation of cultural works, and that creators are entitled to a reasonable return by way of royalties. There is no argument about that, and that is not the issue. Educators are concerned about having access to current materials when teaching such current topics as Meech Lake or free trade, materials that have not yet found their way into collectives; or that access to copyrighted materials will not be hamstrung in administrative procedures; and that costs will not be overbearing, making materials inaccessible.

Under Bill C-60, a legal foundation for the formation of "licensing bodies" has been established. Under licence agreements negotiated on behalf of their members, the copyright owners, those organizations or collectives will be in a position to authorize the users to exercise the rights reserved exclusively to the copyright owners under the Act, such as the reproduction rights, thus providing the means by which otherwise infringing acts of photocopying can be legitimized.

In the background materials provided with Bill C-60, the Government uses the example of how collectives, creators, and schools operate in Quebec.

[*Translation*]

It is my "belle province", and I think it has shown real leadership in this respect.

[*English*]

In that province, the Quebec Ministry of Education signed agreements with *l'Union des écrivains du Québec* and the Society for the Advancement of Rights in Audiovisuals. Under those agreements, this enlightened procedure allows access to exactly the type of spontaneously used materials that we are referring to. The schools of Quebec have an immediate access repertory of literary and audio-visual works in exchange for $1.5 million a year which is negotiated with the Ministry of Education. As a result, creators are receiving payment while users have the immediate access that they need.

I would suggest that the Quebec example works well, and it is what the Government envisioned happening in the rest of the country. But it would appear that the Government failed in encouraging the relationship between the province and the collectives. As a result, educators and their students might well be the losers. I do not think that we want that. I am told that the provincial education ministries do not wish to proceed until they know what the exemptions are. Therefore, we are in a hang-up, not understanding the conundrum as to what this Bill really means. Teachers are worried, because teachers like to obey the laws of this land.

Bill C-60 does not assure that collectives will become a reality, nor does it mention the existence of "blanket licences". Quite to the contrary, it provides for individual bargaining between the user and the collective with only the limited jurisdiction of the copyright board.

It was out of those concerns that I proposed at report stage on Bill C-60 that the copyright board be able to make regulations governing "the spontaneous use for non-profit instructional purposes of works not included in a licensed repertoire". I included it in a section where they would be forced to consult with the Governor in Council in order that there would be no contradiction and we would be able to bridge phase one and phase two and make teachers comfortable that they were within the parameters of the law.

This amendment, if it had been accepted, would have allowed owners of copyright materials to rely on their rights to obtain compensation for the use of their works. It would have provided a mechanism for the resolution of disputes on the spontaneous use of copyright works. The copyright board, with

this amendment in place, would have had the authority that it needed, together with Governor in Council advice, to regulate the terms and conditions of spontaneous use and to fix any royalties associated with this use. The amendment would have referred to the board only those disputes pertaining to the use of material not included in the repertoire of the collectives.

I wish to look at broadcasters concerns. During the committee study of Bill C-60 we heard from broadcasters. They expressed concern that the area of ephemeral recordings had not been addressed by the Government. For the information of the House, an "ephemeral" recording refers to the practice of broadcasters of recording copyright material prior to transmission. It is an ongoing practice of all broadcasters, whether it is in the public or in the private sector. We are told that it is done for technical reasons. The recordings are often disposed of after being broadcast. Material is recorded because there is frequently a lag between the time that the program is produced and broadcast. Prerecordings allow broadcast at the desired date, time, and schedule. In a country with six time zones, it is necessary to meet time zone needs in various parts of the country. As you know, Mr. Speaker, they cannot exactly pull in an orchestra and do a live recording. They must have the right to record it and then rebroadcast it. The prerecording procedure allows networks to service various regions on a variable time schedule, which is normal practice.

• (1700)

It should be noted that the right to make an ephemeral recording does not itself create a right to broadcast the work that is recorded. It would still be necessary to obtain the authorization of the copyright owner to rebroadcast the work regardless of how long the ephemeral recording would be kept.

The current 1924 Copyright Act is totally silent on this exemption to allow such recordings in order to perform music which is already licensed by CAPAC and by PROCAN. Radio and TV broadcasters have been making convenience tapes for decades.

What will be the result for broadcasters of the Government ignoring the issue and not accepting my amendment? There are potential fines from $25,000 to $1 million, imprisonment for six months to five years, or both fines and imprisonment. The crime is the act of taping, without negotiating a mechanical fee with the publisher, music which they have been licensed to broadcast by CAPAC and PROCAN.

To add insult to injury, the situation only exists in Canada. It does not exist in the United States, Australia, or the United Kingdom. In their Copyright Acts they have an ephemeral right. To wait until the second phase is no excuse. It should have been in place, even on a temporary basis. If they put people outside the law, they cannot have much respect for government and laws.

In 1977 the Keyes-Brunet study on copyright in Canada recommended that ephemeral rights be included in new copyright legislation. They have certainly had enough notice. This is 1988 and that was 11 years ago.

A brief by the Canadian Music Publishers Association to the Minister of Consumer and Corporate Affairs in 1979 recommended that ephemeral recordings should be dealt with in new legislation. In 1984 the Liberal Government released its White Paper and indicated its intention to provide an ephemeral exception in upcoming legislation. There were to be restrictions placed upon these exemptions, and those could have been addressed too. There was plenty of time to do that. The exemptions were the following: first, that the use of the copy was to be limited to the broadcasting organization for which it was intended; second, that all organizations concerned with broadcasting or the preparation of programs for broadcasting were to have the right to record agreed upon material for their own purposes, as long as the material was to be used solely for the agreed broadcasts; and, third, that the exemptions would also have applied when a broadcaster commissioned an independent producer to prepare a program.

In the charter of rights for creators it was also recommended that exemptions should be provided for the making of ephemeral recordings by broadcasters pursuant to existing CRTC regulations. They are in a position of jeopardy. They do not know whether they should agree and conform with the CRTC, go along with copyright, or face fines. It is a real dilemma. The second condition indicated in the charter would permit the broadcast of the program in a different time zone, provided that the recording is erased after eight days.

The Government agreed to the subcommittee's recommendations regarding ephemeral recording, but the Bill does not provide the necessary measures, leaving broadcasters in the same category as people who pirate and distribute records. I think that is reprehensible.

I have been advised that if the Government allows the present situation to stand, Canadian broadcasters will be faced with their greatest problem since 1929, when the Aird Commission recommended the abolishment of private broadcasting.

In respect of exhibition rights, Bill C-60 introduces those rights for the first time. The entrenchment of these rights into law was intended to provide much needed financial compensation for Canada's artists, but instead it has brought much unnecessary controversy and has created unfortunate tension between artists and museums.

The controversy began when the subcommittee on the revision of copyright not only recommended that a new copyright law should include exhibition rights but said:

> —that a consensus has emerged in the artistic community on the recognition of this new right.

Yet, no representatives from galleries or museums appeared before the subcommittee, while at least three associations on behalf of artists appeared. I do not think that is fairness or justice, and I do not think we were in a position to make the

wisest decision, not having had the benefit of these consultations.

I have said in the past that just because something is new is not a good enough reason not to accept it. Let us face the challenge of something new. I am not afraid of anything new, particularly if it has a potential to enable our artists to live more comfortably, if it has been subjected to some kind of testing or experience by which to evaluate such a right, and if there is consensus within the visual arts community about it.

Because I did not know very much about exhibition rights, I did some research. I found that no such right existed in Great Britain, Australia, or France. I also found a most intriguing situation in the United States which has the opposite effect to the proposed Canadian right. Under United States legislation copyright owners are vested with an exclusive right to display publicly a number of works, namely, literary, musical, dramatic and choreographic works, pantomimes, pictoral, graphic and sculptural works, and individual images of motion pictures and other audio-visual works.

However, a number of limitations are prescribed, the foremost of which is the one arising by virtue of the transfer of ownership of the work. Under this limitation, known as the first-sale doctrine, a person who lawfully acquires ownership of the work is entitled to display it publicly or authorize the public display of such a work without the copyright owner's consent.

If one buys such a work here but forgets to buy the exhibition rights, one can own it but never display it unless the artist agrees. One has to go back for permission time and again, and it is absolutely ludicrous. We must find a way to overcome that problem.

Accordingly, the owner of an original work of art in the United States is able to display it publicly in galleries, museums, shop windows, et cetera, without infringing copyright. In other words, he or she is permitted to do precisely what he or she will be prohibited from doing under the public exhibition right in Bill C-60 unless the copyright owner's consent is obtained.

I spoke earlier about division existing on exhibition rights in the artistic community. This division is not only between artists and museums but also among artists. Among the many letters I have received on exhibition rights, one artist wrote saying that exhibition rights "will not make my life worth living". She went on to say:

> Although great for my ego, it does not match what happens in the marketplace. The Conservatives must come up with a more profitable solution, or be more imaginative, to help my economics.

She went on to ask why should those who buy her pictures be restricted to where and when they show them, "for, after all, do you pay the dress designer every time you wear the dress?"

Museums and art galleries were concerned about the cost this new right might have, especially for smaller institutions which the Canadian Museums Association said "are ill-equipped to bear the financial burden this will impose".

I think we may well find a *modus operandi*, but we should have had dialogue to stop the potential conflict and incredible tension from building to this point.

The Government has implied that the placing of exhibit rights into law is only enshrining present practice. However, this is only partially correct. It is done by private contract. Most major public art galleries and museums voluntarily follow the exhibition fee schedule established by CARFAC, but the fee is applied only to temporary exhibitions which include loans from sources outside the permanent collection of the institution.

• (1710)

At the present time, institutions do not pay to exhibit works in their permanent collections which will not be the case after the passage of this Bill. That will place financial pressure on even major institutions. It was for these reasons that I suggested the Government would be better able to improve the status of the artist in Canada through the introduction of an exhibition right fund, as suggested by the Canadian Museums Association and the Professional Art Dealers Association of Canada. Such a fund would be similar to the Public Lending Rights Commission, a federally established fund administered through the Canada Council to compensate authors for the use of their books in public libraries. PADAC in its presentation to the committee said:

> Such a fund would help to underscore the financial commitment of the Government to support the arts in Canada, as well as provide a mechanism that would relieve exhibiting institutions of the financial burden to pay these fees.

These are the people who were involved in the whole issue both on the user and the consumer side. Instead, I think this right may have had the reverse effect of its intention. That is why I so dearly wanted us to have a review clause, in case there was a counter indication and we could then change or amend that provision.

Let us look at computer programs, Mr. Speaker. Bill C-60 will give computer software the same protection against illegal copying as has already been accorded to books. The Canadian software industry is worth about $1.5 billion and the industry estimates that illegal copying costs it close to $400 million a year, a lot of money. The legislation will give software copyright protection to authors for lifetime plus 50 years.

Bill C-60 as well increases the current $200 maximum penalty to $1 million or a five year prison term. Thus the Bill recommends penalties which will be effective deterrents. The legislative committee also amended the section dealing with computer programs to allow for the making of only one back-up copy of a computer program. It was interesting that that exemption was allowed. It will not put computer companies into difficulty, but that exemption was not allowed for the broadcasting industry or the educators of this land.

I am, however, still disappointed that the Government has not taken action regarding semi-conductor chip protection. The United States has a Semi-Conduction Chip Protection Act which extends protection to chips created by Canadian nationals only if Canada enacts comparable legislation protecting chip originators. Canada has now been granted interim protection by the Americans. We should have done it for ourselves. The Bill was open, but we had to go to the Americans to get interim protection. I believe the Government would be best advised to give immediate and serious consideration to this issue. Since we do not have comparable legislation, the Canadian Government by its failure to act is placing Canadian semi-conductor chip originators at a serious disadvantage.

Let us take a moment and look at the mechanical royalty rate for composers. There exists, in the 1924 Copyright Act, a provision for compulsory licensing of mechanical reproductions which is a 2 cent rate for composers and music publishers of recorded music. It was intended for piano rolls—I do not know if you remember piano rolls, Mr. Speaker, I don't—and shellacked 78 RPM breakable recordings, those I do remember.

**Some Hon. Members:** Oh, oh!

**Mrs. Finestone:** The law was passed in the heyday of silent pictures and three years before the first national radio broadcast. A year ago I called for the abolition of this section and, therefore, I am pleased to see the repeal of Section 19 for it has been 2 cents for too long.

During committee hearings we learned that under another clause compulsory licensing had been re-introduced. The legislative committee, however, I am pleased to say, deleted the objectionable clause. I greatly appreciate the Minister's move in that regard.

I am very worried about the retroactivity in the Bill. I think it is unconscionable and it goes against all the natural, normal democratic freedoms and rights that one would expect in a country of this kind. I am most disappointed that the Government chose not to accept my amendment calling for review of copyright on a continuing basis.

When Bill C-60 was introduced last June it was considered uncontroversial. It was even suggested that it would be the perfect Bill. However, as I have outlined, it is certainly not that. This Bill contains those new provisions about which I have spoken, exhibit rights, the introduction of collectives into new areas other than performing rights, the expansion of moral rights and the defining of computer programs as literary works. Because there is no experience, because of the interrelationship or interfacing with the Industrial Design Act, I believe that we should have a five year review. We would be in a better position to know whether the concerns expressed before our committee in 1987 are still concerns and remedial action need be taken. We do not wish to get into a situation of not attending to a Bill for 60 years.

I spoke about retroactivity and I have referred to many other aspects of this Bill. I would suggest that there is clear reason for concern. I think it has been unwise of the Minister not to react, particularly to that section. I believe it to be grossly unfair.

In closing my remarks, I am, nonetheless, pleased that the copyright Bill is in the process of amendment. I am hopeful that phase two will be in very quickly so that we can answer to the ongoing concerns of the users as well as the creators and find that Canadian way, that fairness, that balance that makes Canada such a special country, which should make this Act one of the most modern around the world. At this particular moment the revisions are not revisions of which we can be most proud.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I want to take this opportunity to congratulate my friend, the Hon. Member for Mount Royal (Mrs. Finestone) for her presentations today and the tremendous amount of work that she has done on this legislation. I want to recognize also the work done by my friend, the Hon. Member for Broadview—Greenwood (Ms. McDonald), the Hon. Member for Winnipeg North (Mr. Orlikow), as well as our critic, the Hon. Member for Regina East (Mr. de Jong).

It is time for this Bill because we have waited many years for it. I might say that we have waited since 1924 for legislation to be updated and passed. I suppose a bit of recognition ought to go to the Government for bringing this Bill forward and taking the initiative, a compliment that I sometimes find difficult to give.

Earlier today it appeared to me for a variety of reasons that it might be difficult to conclude third reading today, but that is not the case. I think sufficient discussions have taken place to complete third reading stage of this Bill.

Right from the beginning Members of the New Democratic Party have said that we want to expedite the passage of this legislation. It was long overdue. Creators have waited for a long time to see this Bill introduced and passed. It has been a disappointment for so many of our creators that they had to work with legislation passed some 60 years ago, especially when you consider the technological changes that have taken place in the cultural market-place so to speak.

At the time when this legislation was first passed there were no computers, no software or hardware for the computers, no television sets, no video cassettes only things like piano rolls and so on which my friend from Mount Royal indicated earlier with which some of us are familiar even to this day. The major changes that have taken place in artistic expression, dance and choreography obviously were necessary. Choreography used to mean the explanation of a theme or a story whereas today there is form choreography without a story. The legislation must be amended to include this new type of expression.

• (1720)

The new legislation provides for many, many other changes as well. I think we have heard enough of the details of them. I simply want to make some general comments at this final stage of debate.

This Bill provides us with two kinds of protection for creators, those people who express themselves artistically and make Canada the kind of unique place it is. The cultural community enables us to express ourselves as Canadians in a whole variety of forms using a whole variety of different media. That is what enables us to get a sense of ourselves, to create a Canadian personality and a regional personality.

The first protection Bill C-60 provides is related to economic rights. These are the rights that allow an artist to make a living and provide the creators of Canada with the legal authority to negotiate a royalty payment in return for permission to do any of the things only the creator of the work has the legal right to do. An example of this is the right to reproduce a work. This work may be sold to those who want to make copies of the work, and in this way, the Copyright Act provides the creator with the legal right to exploit his or her work in the market-place.

We have all heard different representations on the real meaning of giving creators their right to have their works recognized in the Copyright Act. I recall hearing an inquiry made by the trustees' association claiming that teachers would be breaking the law if they were to copy materials for spontaneous use in the classroom. I want to go on record as saying that the Minister of Communications (Miss MacDonald) made it perfectly clear that these fears were unfounded. She insisted at the legislative hearing that Bill C-60 does not change the existing right regarding copying by students, teachers and librarians for spontaneous instructional purposes. I believe we can clearly set aside that concern of so many people.

A second right of protection as provided by this Act relates to moral rights. The purpose of these rights is to protect the honour and reputation of the creators themselves. These rights therefore are personal. They are exercised by creators and may not be sold like economic rights. They may be exercised even with respect to a work whose economic rights have been sold and thus they add an extra layer of protection to a work a creator has already sold.

Bill C-60 also seeks to enhance the legal protection of visual artists for both moral and economic rights. A new economic right governing the exhibition of artistic works is provided in Bill C-60. On the moral rights front, the need to prove prejudice to honour and reputation has been removed and the remedies available for moral rights infringement have been expanded. This must be excellent news for those we generally refer to as the creators.

When Bill C-60 was first tabled in the House, my hon. friend and colleague, the Hon. Member for Broadview—Greenwood indicated that we welcomed this legislation and that we as a Party were keen to get it through the legislative committee because artists deserve this piece of legislation. She indicated at that time that our Party would co-operate by seeing that this Bill gets rapid passage. In that spirit, I would like to conclude my remarks. There is so much more I would like to say, but considering the need to pass this legislation and get on with things, I think it is only appropriate that I conclude now.

I would like to indicate an appreciation for the opportunity to say a few words on this. I look forward to hearing some comforting remarks from the Parliamentary Secretary aimed particularly at those who are students, teachers and librarians and use copyrighted material for spontaneous instructional purposes.

**Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, at the outset, let me congratulate the Hon. Member for Mount Royal (Mrs. Finestone) and the Hon. Member for Broadview—Greenwood (Ms. McDonald) for their keen interest and hard work on the legislative committee which dealt with Bill C-60. The number of hours we have worked at this Bill is substantial. Their input has been greatly appreciated by the Government.

I would also like to thank the House Leader of the New Democratic Party for his intervention, understanding that he has some concerns about the Bill. I know that these concerns have been responded to.

I think all Hon. Members recognize how necessary it is to revise the existing law and how urgent it is to Canada's sense of cultural and intellectual independence to underline and affirm the legal, moral and economic rights of Canada's creative community. After more than 60 years of increasing social, economic and technological change, the watchdog over these rights, our original Copyright Act, had become an animal with little bark and even less bite. This has been made clear to all Parliamentarians and to the Canadian public throught the excellent work some two years ago of the subcommittee on the revision of copyright.

There is no question that the subcommittee's work and findings gave Government the impetus to undertake the revision we now debate. However, it did more than that. The subcommittee also gave encouragement to the creative community that this time those revisions would indeed become a reality. In 1985, the subcommittee's work was as thorough as it was extensive. In 1987, the legislative committee's work has been no less.

I believe that in the course of the last few months, the committee has heard or accepted some 100 briefs from individuals and organizations concerned or affected by the changes proposed in Bill C-60. I know that the Minister would want me to congratulate the members of the committee for both the time and the dedicated study they have given to these submissions. As a result of that work, a number of necessary amendments to the legislation have been adopted, amendments which I believe strengthen the principles of the Bill even further.

In this regard, I should like to note first the amendment to exhibition rights designed to exclude the display of certain works such as maps, plans and charts from this category. This material may have artistic as well as technical merit, but these works are not works of fine art for which the exhibition right was intended.

The second amendment I would like to mention is the one which more clearly defines what is and what is not a collective. Concern was expressed that the term "licensing body" as used in the Bill would apply to such organizations as film distributors and music publishers. Clearly, it was never the intention to consider such bodies as collectives. The definition of licensing body has been reworked, therefore, so that it does indeed encompass only true collectives.

There is one other amendment I should like to mention today, perhaps the most important one from the point of view of creators' rights. As Bill C-60 was originally drafted, there was a provision which in essence could have prevented a creator from withdrawing his or her work from public access on the expiration of a particular licence. It is certainly not the intention of Bill C-60 to impose arbitrary or compulsory restrictions on the creators' rights. It is the exact opposite. We have, therefore, amended the Bill to correct this anomaly.

I would like to add a word or two about exceptions. Some would have liked to see exceptions dealt with through amendments to Bill C-60. I know the Hon. Member for Mount Royal has expressed this view. It has been explained to members of the committee and the House why this issue must wait until phase two of copyright revision.

• (1730)

However, I must assure the House that the Minister is not unreceptive to the argument that there should be some exceptions, possibly for the disabled, for archives, or for music during religious services to name a few. The Government will, of course, look closely at every claim for exception. Until phase two is implemented, existing exceptions under current law will be maintained.

However, there will have to be public policy incentives to justify an exception to a creator's exclusive rights to the use of his or her other works. Mere inconvenience or desire to save time or money do not provide such incentive.

Now that we have concluded report stage, it is the Government's hope that final passage of the Bill into law will be swiftly achieved.

[*Translation*]

It is becoming increasingly urgent to adopt Bill C-60. If this legislation is not passed, innovative high-tech industries will be denied the kind of protection that would encourage their growth and development here in Canada.

[*English*]

We simply cannot afford to lose our best and most enterprising minds in the field of computer software, to take but the most obvious example, because they cannot be assured adequate protection of their work in their own country.

It is no less important to protect our artistic and cultural creators whose work is, in a very real sense, the soul of this great country. They must have the right to control and protect that which they themselves have created, whether the written word, a painting, a musical composition, a choreographed sequence of dance, or any of the other arts covered within the Bill. For example, abolition of the compulsory licence for the making of sound recordings will permit composers to control subsequent recordings of their music. They must be adequately compensated for use of their creations. This is no more, no less, than simple justice.

As the Minister has said to the legislative committee, we acknowledge that the Bill cannot satisfy everyone's demands. Some creators still believe it does not go far enough in enshrining into law the rights which should go with creation. Some users still believe it will place upon them excessive demands, both in administration and cost, which will only serve to limit public access to these works.

However, in reviewing the principles and mechanisms proposed within the Bill I do believe we have before us a workable and affordable system which will meet the major demands for copyright protection and compensation while at the same time ensuring affordable public access. Indeed, that access may even be enhanced.

Bill C-60 is also about incentive—incentive, in the case of software producers, to remain and create here in Canada; incentive, in the case of artists, writers, publishers, perhaps our academic institutions, our public libraries and galleries as well, to join in creating new works and new means of distributing them. This can only bring benefit and reward to all those who share the Government's belief that Canada's national identity,

our sovereignty itself, depends upon our continuing cultural development.

[*Translation*]

It is because of our faith in this development that we have decided to proceed with copyright reform. In some cases, we have followed the example of others and taken advantage of their experience. In other cases, we are setting an example for others.

[*English*]

In all cases we have endeavoured to respond to Canadian needs with provisions tailored to meet those needs. To the degree that Bill C-60 has received broad and continuing support from members of all Parties, I believe we have succeeded.

On a personal note, Mr. Speaker, this is my first experience in the legislative process as Parliamentary Secretary to the Minister of Communications. It has been a great learning experience if one measures it in hours. This Bill has required a great many hours of work and much intervention.

In closing I would like to thank the House Leader for the New Democratic Party and the Hon. Member for Mount Royal for her interventions today and throughout the process. She has worked many hours as well, as has her research staff. I would also like to thank the Hon. Member for Broadview—Greenwood who, at the initial stages, was involved very heavily, as was the Hon. Member for Regina East (Mr. de Jong). We thank those people and congratulate them for their interventions.

I ask that our colleagues join myself, the Hon. Member for Mount Royal, the House Leader of the NDP, the Hon. Member for Broadview—Greenwood, and the Member for Regina East, to ensure the swift passage and speedy adoption of Bill C-60 into law.

The Hon. House Leader has indicated that we are now ready to proceed with the vote on third reading. This has been a very profitable experience and I thank all those who were involved. I understood there may be a question and I am prepared to answer any questions.

**Mr. Harris:** Mr. Speaker, I want to raise a point to which the Hon. Parliamentary Secretary has not alluded. We have heard of the concerns of educators with regard to spontaneous copying such as writing poems on the blackboard.

I have received representation on an area which is of great concern to some librarians in this country, particularly those from academic and research libraries, who wish to make material available to other libraries in order to provide equal access to all academic resources for which there are numerous requests every day. Some very expensive books are available only in large libraries.

Would the Hon. Parliamentary Secretary advise whether the rather stiff penalties in the legislation before us would affect the existing practice of photocopying single copies of articles of an academic or scientific nature for inter-library loans? Will this Bill affect that?

**Mr. Clinch:** Mr. Speaker, the best way to answer the question of the Hon. Member for St. John's East (Mr. Harris) would be to refer him to the Minister's own words in the legislative committee. In order to make the issue quite clear she indicated that the fines and penalties apply only to commercial dealings in infringing copies, dealings about which the Act is very specific; selling, hiring, exposing for sale or hire and so forth.

I think the Minister's statement in the legislative committee answers the first part of the question. Nevertheless, people must remember that unlicensed copying is illegal. That is the law as it stands in the Act of 1924. Unlicensed copying is illegal. This does not change with Bill C-60. However, as I have pointed out from the words of the Minister in the legislative committee, fines and penalties apply only to commercial dealings in infringing copies.

**Mr. Harris:** Mr. Speaker, I understand that through legislation many other countries including Great Britain and the United States exempt single copies of academic and scientific papers for inter-library loan purposes from the copyright legislation. Could the Parliamentary Secretary indicate whether the Government is actively considering such an exemption?

**Mr. Clinch:** Mr. Speaker, again I thank the Member for his question. The first objective of the Government was to establish the rights of creators in law. That is the process we have gone through. I am sure the Hon. Member has received the concerns he has just expressed from his constituents. We propose to deal with those concerns in phase two of the Bill which will allow for certain exemptions.

• (1740)

I think it is fair to say that the creators are not asking for the moon but simply for a certain respect for their talents, their skills, their efforts and respect for the right to have a say in and compensation from the use of their works. I do not think anyone would disagree or say that that is unreasonable.

I believe we are making an investment through Bill C-60. It is a modest investment when we consider the examples of those who have preceded us in that regard. The return will be an increase in creativity.

I believe the concerns about exemptions and exceptions will be dealt with fairly. The Minister indicated at the legislative committee that she is prepared to proceed as expeditiously as possible with phase two so that there will not be another wait of 60 years. She made the commitment at legislative committee to do this as quickly as possible and hopefully see phase two introduced in the House of Commons before the end of June.

**Mrs. Finestone:** Mr. Speaker, the Parliamentary Secretary is knowledgeable in the area. What will happen to our public and private broadcasters between phase one and phase two? Are they subject to fines and jail sentences because they will be following normal practice and complying with the CRTC regulations?

**Mr. Clinch:** Mr. Speaker, there are two points to which the Hon. Member alludes. One is the timing and what will happen in the interim. I think I must refer to the second point first, concerning some of the cases that are pending with regard to other parts of the legislation, such as design. Currently, there are cases on design before the court. Clearly, if it infringes upon the rights of the creators as expressed in this law, they will be in contravention of the law as I understand it.

I repeat that it would be selling, hiring, exposing for sale or hire and so forth in that area. I think that answers her question.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** On division.

Motion agreed to and Bill read the third time and passed.

SITTING SUSPENDED

**The Acting Speaker (Mr. Paproski):** Accordingly, I will leave the chair and suspend the sitting until six o'clock p.m., at which time the bells will begin to ring for 15 minutes to call Members in to vote on Bill C-84.

At 5.44 p.m., the sitting of the House was suspended.

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SITTING RESUMED

The House resumed at 6 p.m.

# GOVERNMENT ORDERS

[*English*]

## IMMIGRATION ACT, 1976

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed from Tuesday, February 2, consideration of the motion of Mr. Bouchard:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendments 8 and 13(e) made by the Senate to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof, but disagrees with amendments 4, 5(a), (b) and (c), 6(a) and (b), 9, 10, 11, 12 and 13(a) because this House believes they contradict the principles of the Bill for the following reasons:



Amendment 4 would exclude only criminals and war criminals from the refugee determination process, but would allow terrorists, spies and subversives to pursue a claim to refugee status, notwithstanding the fact that Article 33 of the UN Convention would permit the removal of these latter individuals to their countries of nationality or permanent residence, even if they were determined to be Convention refugees.

Amendment 5(a) would eliminate the authority of the Minister to direct a ship to leave or not to enter Canadian waters. This amendment would reopen a significant gap in Canada's ability to control its borders.

Amendments 5(b) and (c) arise out of Senate amendment 5(a), which is not acceptable, and are therefore inappropriate.

Amendments 6(a) and (b) would reverse the policy on which the Immigration Act, 1976 was based, which policy was not changed in the Bill as passed by this House. The amendments jeopardize the possibility of successfully prosecuting persons who profit from organizing illegal migration and from counselling fraud among refugee claimants.

Amendments 9 and 10 would restrict the ability of peace officers and immigration officers to act quickly to search for evidence of major offences under the Immigration Act, 1976, in exigent circumstances, where lives are at risk or where evidence with respect to those offences may be lost or destroyed.

Amendments 11 and 12 would restrict the ability of peace officers and immigration officers to execute search warrants which have been duly authorized by a justice of the peace, by denying explicit authority to break open containers where it is reasonably believed evidence will be found and by limiting the authority to execute these warrants at night.

Amendment 13(a) would reduce the initial period of detention without review from seven days to forty-eight hours, which would allow insufficient time for the gathering of information to substantiate allegations or to identify the individual, particularly when large groups of undocumented persons arrive at one time.

And that this House agrees with the principles set out in amendments 1, 2(a), 3, 7 and 13(b), (c) and (d), but would propose the following amendments:

Amendment 1 be amended to read as follows:

"Strike out lines 22 and 23 on page 1, and substitute the following:

(c) to deter those who assist in the illegal entry of persons into Canada and thereby minimize the"

Amendment 2(a) be amended to read as follows:

"Strike out lines 29 to 39, on page 4, and substitute the following:

(a) examine within seven days, *in camera*, the security or criminal intelligence reports considered by the Minister and the Solicitor General and hear any other evidence or information that may be presented by or on behalf of those Ministers and may, on the request of the Minister or the Solicitor General, hear all or part of such evidence or information in the absence of the person named in the certificate and any counsel representing the person where, in the opinion of the Chief Justice or the designated judge, as the case may be, the evidence or information should not be disclosed on the grounds that such disclosure would be injurious to national security or to the safety of persons;"

Amendment 3 be amended to read as follows:

"Strike out lines 7 to 12, on page 5, and substitute the following:

(d) determine whether the certificate filed by the Minister and the Solicitor General is reasonable on the basis of the evidence and information available to the Chief Justice or the designated judge, as the case may be, and, if found not to be reasonable, quash the certificate; and"

Amendment 7 be amended to read as follows:

"Add, and immediately after line 6, on page 10, the following:

95.21 No proceedings for an offence under Section 95.1 or Section 95.2 shall be instituted except by or with the personal consent in writing of the Attorney General of Canada or Deputy Attorney General of Canada."

Amendment 13(b) be amended to read as follows:

"Strike out lines 1 to 22, on page 21, and substitute the following:

(2) Where, with respect to a person detained under subsection (1), the Minister certifies in writing

(a) that

(i) the person's identity has not been established, or

(ii) the Minister has reason to suspect that the person may be a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g), and

(b) that an additional period of detention is required to investigate the matter referred to in subparagraph (a)(i) or (ii), the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention."

Amendment 13(c) be amended to read as follows:

"Strike out lines 23 to 47, on page 21, and substitute the following:

(2.1) Where the Minister has issued a certificate under subsection (2), the Minister may amend the certificate to which the detention relates to include any matter referred to in subparagraph (2)(a)(i) or (ii), following which the person shall be brought before an adjudicator forthwith and at least once during every seven-day period thereafter, at which times the adjudicator shall review the reasons for the person's continued detention.

(3) Where a person is detained under subsection (1) and the Minister has not issued a certificate under subsection (2), the person shall be brought before an adjudicator forthwith after the expiration of the period during which the person is being detained and that person shall be brought before an adjudicator at least once during every seven-day period thereafter, at which times the reasons for continued detention shall be reviewed."

Amendment 13(d) be amended to read as follows:

"Strike out lines 48 to 50, on page 21, and lines 1 to 18, on page 22, and substitute the following:

(4) Where an adjudicator who conducts a review under subsection (2) or (2.1) is satisfied that reasonable efforts are being made by the Minister to investigate the matter referred to in subparagraph (2)(a)(i) or (ii), the adjudicator shall continue the person's detention.

(4.1) Every review under subsection (2) or (2.1) of the detention of a person suspected of being a member of an inadmissible class described in paragraph 19(1)(e), (f) or (g) shall be conducted *in camera*.

(4.2) Where (a) the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at any review under subsection (2) or (2.1) of the detention of a person referred to in subsection (4.1) should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons, and (b) a request therefore is made by the minister, the adjudicator shall order that the review or any part thereof be conducted in the absence of the person and any counsel representing the person.

(4.3) Any person excluded by an order under subsection (4.2) from the whole or any part of the review under subsection (2) or (2.1) may apply to the Chief Justice of the Federal Court or to a judge of that Court designated by the Chief Justice for the purposes of this subsection to have the order quashed and sections 36.1 and 36.2 of the Canada Evidence Act shall apply, with such modifications as the circumstances may require, to such applications.

(4.4) Unless quashed, an order under subsection (4.2) shall, with respect to the person to whom the order relates, apply to every review under subsection (2) or (2.1), or part thereof, at which the Minister is of the opinion that any evidence or information to be presented by or on behalf of the Minister at the review, or part thereof, should not be disclosed on the grounds that its disclosure would be injurious to national security or to the safety of persons.

(5) Where the adjudicator who conducts a review under subsection (2) or (2.1) does not continue a person's detention under subsection (4), the adjudicator shall make the appropriate order under subsection 104(3).

(6) An adjudicator who conducts a review under subsection (3) shall make the appropriate order under subsection 104(3)."

And the motion of Mr. Lewis:

That Bill C-84 be further amended in Clause 11 by striking out line 2 at page 13 and substituting the following therefor:

""exigent circumstances" mean circum-"

And

That the Bill be further amended in Clause 16 by striking out line 16 at page 24 and substituting the following therefor:

"82.1(2), 83(1) and 91.1(1), and any such power,"

**The Acting Speaker (Mr. Paproski):** It being 6 p.m., pursuant to Order made Tuesday, February 2, the House will now proceed to the taking of the deferred division on the motion of the Minister of Employment and Immigration (Mr. Bouchard), and on the motion of the Minister of State (Treasury Board) (Mr. Lewis) in relation to Bill C-84, an Act to amend the Immigration Act, 1976 and the Criminal Code in consequence thereof.

Call in the Members.

The House divided on the motion (Mr. Bouchard) which was agreed to on the following division:

● (1810)

(*Division No. 308*)

YEAS

Members

Andre
Bernier
Bertrand
Binns
Blackburn (Jonquière)
Blais
Blenkarn
Bosley
Bouchard
Boyer
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Carney
Champagne (Champlain)
Clark (Brandon—Souris)
Clifford
Clinch
Collins
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosby (Halifax West)
Crouse
Daubney
Della Noce
Desjardins
Dick
Domm
Ellis
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Friesen
Gagnon
Gass
Gérin
Gormley
Gottselig
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Hardey
Hawkes
Hicks
Hnatyshyn
Horner
Hudon
James
Jardine
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Kempling
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDougall (Timiskaming)
MacKay
Mailly
Mantha
Marin
Martin
Mayer
McCain
McCuish
McDermid
McKinnon
McKnight
McMillan
Minaker
Mitges
Nicholson (Niagara Falls)
Nickerson
Nowlan
Oberle
O'Neil
Pennock

Pietz
Plamondon
Plourde
Price
Ravis
Redway
Reid
Reimer
Roman
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vincent
Warner
Weiner
Wenman
White
Wilson
(Swift Current
—Maple Creek)
Winegard
Wise
Witer—126

NAYS

Members

Allmand
Angus
Axworthy
Baker
Benjamin
Berger
Blackburn
(Brant)
Boudria
Caccia
de Corneille
Dewar
Dingwall
Finestone
Foster
Frith
Fulton
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Harris
Heap
Henderson
Hovdebo
Kaplan
Killens
Langdon
MacLellan
Marchi
McCurdy
McDonald
(Broadview—
Greenwood)
McLaughlin
Mitchell
Murphy
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Parry
Penner
Pépin
Prud'homme
Riis
Robichaud
Robinson
Rossi
Skelly
Tardif
(Richmond—Wolfe)
Waddell
Young—50

● (1820)

**The Acting Speaker (Mr. Paproski):** I declare the motion adopted.

The next question is on the motion of Mr. Lewis.

**Mr. Gauthier:** Mr. Speaker, I think there is disposition on all sides to dispense with the roll-call on the vote and to apply the vote just taken in reverse.

**Mr. Lewis:** No, the same way.

**Mr. Gauthier:** I withdraw.

The House divided on the motion (Mr. Lewis), which was agreed to on the following division:

(*Division No. 309*)

YEAS

Members

Allmand
Andre
Angus
Axworthy
Baker
Benjamin
Berger
Bernier
Bertrand
Binns
Blackburn
(Brant)
Blackburn
(Jonquière)
Blais
Blenkarn
Bosley
Bouchard
Boudria
Boyer
Brightwell
Browes
Caccia
Cadieux
Caldwell
Cardiff
Carney
Champagne
(Champlain)
Clark
(Brandon—Souris)
Clifford
Clinch
Collins
Cossitt
Côté
(Lac-Saint-Jean)
Crofton
Crosby
(Halifax West)
Crouse
Daubney
de Corneille
Della Noce
Desjardins
Dewar
Dick
Dingwall
Domm
Ellis
Fennell
Ferland
Finestone
Fontaine
Forrestall
Foster
Fraleigh
Friesen
Frith
Fulton
Gagnon
Gass
Gauthier
Gérin
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Gray
(Windsor West)
Greenaway
Grisé
Grondin
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Hardey
Harris
Hawkes
Heap
Henderson
Hicks
Hnatyshyn
Horner
Hovdebo
Hudon
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Kaplan
Kempling
Killens
Langdon
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDougall
(Timiskaming)
MacKay
MacLellan
Mailly
Mantha
Marchi
Marin
Martin
Mayer
McCain
McCuish
McCurdy
McDermid
McDonald
(Broadview—
Greenwood)
McKinnon
McKnight
McLaughlin
McMillan
Minaker
Mitchell
Mitges
Murphy
Nicholson
(Trinity)
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Nunziata
Nystrom
Oberle
O'Neil
Orlikow
Parry
Penner
Pennock
Pépin
Pietz
Plamondon
Plourde
Price
Prud'homme
Ravis
Redway
Reid
Reimer
Riis
Robichaud
Robinson
Roman
Rossi
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Richmond—Wolfe)
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vincent
Waddell
Warner
Weiner
Wenman
White
Wilson
(Swift Current
—Maple Creek)
Winegard
Wise
Witer
Young—176

● (1830)

**The Acting Speaker (Mr. Paproski):** I declare the motion adopted.

It being 6.36 p.m., this House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 3(1).

At 6.36 p.m. the House adjourned.

# HOUSE OF COMMONS

**Thursday, February 4, 1988**

The House met a 11 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### COMMITTEES OF THE HOUSE

AGRICULTURE—FIFTH REPORT OF STANDING COMMITTEE

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have the honour, as Chairman of the Standing Committee on Agriculture, to present the fifth report on Bill C-92, an Act to amend the Canadian Wheat Board Act, without amendment.

BILL C-51—REPORT OF LEGISLATIVE COMMITTEE

**Mr. Ken James (Sarnia—Lambton):** Mr. Speaker, I wish to take a moment to thank everyone involved in the legislative committee on Bill C-51, including members of that committee and the support staff. The hours were long and at times emotions ran high. In spite of this, the committee pulled together to ensure that the study of this Bill was complete.

The committee heard from 100 witnesses and received hundreds of written briefs. A complete and thorough analysis of this Bill was accomplished by the committee. The interest and dedication of all committee members was greatly appreciated and I thank them for the assistance and advice they provided to the chair.

It is my belief that the Bill as reported to the House this day accurately reflects the intent of the Government as well as being responsive to the concerns of many witnesses.

Bill C-51 is a very important piece of legislation and it is indeed an honour to have been involved in the legislative committee on this Bill.

Bill C-51 comes from the committee as a fair and equitable piece of legislation. We not only heard from many witnesses, the committee also listened very intently. It is my privilege to table this report today in both official languages.

[*Editor's Note: See today's Votes and Proceedings.*]

### PETITIONS

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, it is an honour and privilege to present a petition that has been certified correct according to Standing Order 106. Yet again, my petition is on the subject of the Government's trade arrangement with the United States.

The people who have signed this petition believe that it will have a fundamental impact on Canada's economic, cultural and political independence. They also believe the agreement implies the loss of jobs in many sectors and regions of this country.

Therefore they request that the Parliament of Canada obtain a clear mandate from the people of Canada through a national debate on the alternatives available to this country and that this debate result in a national election prior to the implementation of any such agreement.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, it is my duty to table a petition that meets the requirements of Standing Order 106 and expresses a grievance that dozens of Canadians wish to bring to the attention of the House.

Whereas the Mulroney Government has sold out Canada without getting anything in return; Canadian industries have yet to be protected against U.S. trade laws; the United States has obtained everything it wanted in major sectors including agriculture, energy, the automobile industry, financial services and investment; the jobs of thousands of Canadians are threatened; the Conservative Government has made no provision for adjustment assistance for Canadian workers;

Wherefore your petitioners humbly pray Parliament to condemn this Government for having signed the Mulroney-Reagan Trade Agreement.

• (1110)

[*English*]

USE OF KNIVES IN COMMISSION OF CRIMES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I am honoured to present a petition from a number of citizens from Vancouver, Delta, Langley, Surrey and White Rock, British Columbia, on the question of the high incidence of crime, including murder, robbery and sexual assault, committed with knives. The petitioners believe this is on the increase not only in Vancouver but in other major cities across Canada.

Whereas the law, through the federal Criminal Code, allows citizens to carry knives for self-defence and this, in turn, creates a high incidence of murders, accidents, and so on, the petitioners call upon Parliament to amend the Criminal Code to prohibit the carrying of knives by citizens in public places except where it concerns knives used for an occupation or where knives are worn for religious reasons.

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have the duty and honour to present two petitions. The first is signed by citizens of Consul, Saskatchewan and the second is signed by citizens of Gull Lake, Saskatchewan. The petitioners state that the proposed trade agreement would deny Canada policy freedom to determine its own economic future and undermine our ability to build a society distinct from the United States. The undersigned, your petitioners, pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, It is also my honour to present petitions pursuant to Standing Order 106 from residents of Thunder Bay, Ontario, Taber, Alberta, Swift Current, Hodgeville, Chaplin, Prince Albert, Stewart Valley, Moose Jaw and Regina, Saskatchewan. All of these petitioners believe that the Government has no mandate from the people of Canada to conclude a trade deal with the United States. They believe this trade deal would deny Canada the freedom to determine its own economic future and undermine Canada's ability to build a society distinct from that of the United States of America.

The petitioners therefore call upon Parliament to dissolve now in order to allow the people of Canada the opportunity to accept or reject the free trade agreement during a national general election.

[*Translation*]

INSTALLATION OF SUPPLEMENTARY SAFETY DEVICES IN AUTOMOBILES

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, I have the honour and the privilege of tabling petitions signed by residents of Sherbrooke; l'Ascension, Quebec; Winnipeg; Normandin, Quebec; Roberval, Quebec; and Ceylon, Saskatchewan. Today's 114 signatures are in addition to 31,760 signatures I tabled previously. The undersigned are aware that since 1974, federal regulations on automobile safety allow the use of self-inflating bags by drivers of private vehicles, and that this device would reduce the number of deaths and serious injuries.

Wherefore your petitioners humbly pray Parliament to make the installation of self-inflating bags on the front seat and of adjustable shoulder seat belts on the back seat of automobiles compulsory.

[*English*]

RAILWAY DISPUTE IN SARNIA—LAMBTON—CALL FOR PROMPT SETTLEMENT

**Mr. Ken James (Sarnia—Lambton):** Mr. Speaker, I have the duty and honour, pursuant to Standing Order 106, to present a petition from a good number of railway workers in the Sarnia—Lambton area. They are concerned that the arbitrator in the dispute act in an efficient and expeditious manner in connection with their agreement. They are concerned about salary increases that have been delayed for over a year and a half and also with job security.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are Indicted by an asterisk.)

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, the following questions will be answered today: Nos. 215 and 216.

[*Text*]

GOVERNMENT GRANTS—AUTOPRO INC.

Question No. 215—**Mrs. Sparrow:**

1. Did the company known as Auto Pro Inc. of St. Rémi, Quebec, receive government funding prior to its bankruptcy?

2. Who were the principals of Auto Pro Inc.?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** 1. AutoPro Inc. had specialized since 1974 in the manufacture of stators for the automotive market. The company was acquired in September, 1983, by its management team at the time. It became 123051 Canada Inc. and continued to operate under the name Autopro.

The following lists offers accepted by AutoPro Inc. and 123051 Canada Inc. (Autopro) under programs administered by the Department of Regional Industrial Expansion:

(a) File 236403—Montreal Special Area Program Offer accepted February 15, 1979 for project involving the expansion of a plant in Saint-Rémi. Payments: $75,750.

(b) File 223975—Enterprise Development Program Offer accepted December 20, 1979 for a productivity study. Payments: $15,240.

(c) File 270770—Export Market Development Program Offer accepted April 30, 1981. Payments: $1,303.

(d) File 258431—Export Market Development Program Offer accepted April 30, 1981. Payments: $1,415.

(e) File 209700—Export Market Development Program Offer accepted February 16, 1984. Payments: $1,822.

(f) File 210154—Export Market Development Program Offer accepted May 30, 1984. Payments: $1,597.

2. The president of 123051 Canada Inc. (Autopro) was Mr. Alain Plouffe.

REGIONAL DEVELOPMENT FUNDING FOR STATCOM LTD.

Question No. 216—**Mrs. Sparrow:**

1. Has the firm of Statcom Ltd. of Montreal received regional development funding?

2. Who are the principals of Statcom Ltd.?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** In so far as the Department of Regional Industrial Expansion is concerned, the answer is no.

[*English*]

**Mr. Speaker:** The questions as enumerated by the Parliamentary Secretary have been answered.

**Mr. Lewis:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

## GOVERNMENT ORDERS

[*English*]

### RAILWAY SAFETY ACT

MEASURE TO ENACT

**Hon. David Crombie (for the Minister of Transport)** moved that Bill C-105, an Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

**Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, it is an honour to rise and present the first address on Bill C-105, the Railway Safety Act. I would like to express my appreciation to the Government House Leader for making earnest efforts to have this Bill called yesterday, but given the fluid nature of this House, that was impossible. I would much rather be in the Crow's Nest Pass handing our Olympic coins to people in the Crow's Nest, Cowley, Pincher Creek, Fort MacLeod and Brocket, but that was impossible. However, I will complete the rest of the circuit in my riding this evening.

The Railway Safety Act is part of the total transport modernization of air, marine and railways. This Parliament has already passed Bill C-18, the National Transportation Act. It has passed Bill C-19, the Motor Vehicle Transport Act. It has passed Bill C-21, the Shipping Conferences Act. It has passed Bill C-75 dealing with the Canada Shipping Act, and Bill C-52 respecting the coasting trade is at a legislative committee right at this moment. Bill C-105, after two or three days, will go to the standing committee, and there is yet to come legislation respecting the transportation accident investigation board. Therefore, you can see, Mr. Speaker, that this Parliament has been active in the field of transportation. I believe this Parliament has acted wisely in those Bills because it is an area in which there has not been much legislative activity for quite some time.

In broad terms, the new transportation agency will look after economic regulation of all modes of transport in this country. The Ministry of Transport will be responsible for safety regulation. The next Bill, establishing the Transportation Accident Investigation Board, for the information of Members, will set up a quasi-judicial, totally independent accident investigation board, similar to the Canadian Aviation Safety Board, but will cover air, railway and marine. In terms of broad principles, I think it is a wise principle to have a separation of those three interests.

• (1120)

In general terms, this railway safety legislation includes all the legislative recommendations of Mr. Justice Foisy after the tragic Hinton accident. It brings safety into the Ministry of Transport. It streamlines many of the processes in the Bill, as I will set forth. It stresses inspection of operating and maintenance rather than what is contained in the existing legislation with its emphasis on construction. It sets up a consultative railway safety committee. It imposes the existing criminal law that applies to everyone in cars, trucks, airplanes and boats to people operating trains. It has a five year review, which I think Hon. Members who are knowledgeable in the area know is in the statute, although other Members might not be aware of it.

The next major point is that in spite of the fact that we have had some tragic accidents—and even one accident is too many—in relative terms Canada is a safe place. The railways are responsible for only some 3 per cent of transportation accidents. CP has been the safest railway in all of North America in seven of the last eleven years. CN is consistently within the top six.

It is fair to say that the introduction of this Bill is confirmation of the Government's political commitment to ensure that safety has first priority in the Canadian transportation system. As Members know, amendments to the Aeronautics Act were passed in 1985 which addressed the safety of Canadian aviation. This was followed up with action to strengthen security at Canadian airports.

In 1987 the House passed amendments to the Canada Shipping Act which dealt primarily with safety. Further steps have been taken to improve navigational safety through measures for vessel traffic control and new safety requirements for offshore drilling rigs.

Of greatest interest to all Canadians is road safety. We have taken the lead in promoting the use of seatbelts. Of course, we have established a requirement for daytime running lights on

new vehicles sold in this country, starting later this year. Our commitment to safety in transportation was established as a central tenet of government policy in Section 3 of the National Transportation Act, 1987, Bill C-18. This statement clearly set forth safety as the first objective of transportation legislation by requiring that "the transportation system meet the highest practicable safety standards".

The Bill now before the House has been prepared to implement this policy for the railways of Canada. The Railway Safety Act will be followed in the near future by a Bill to create a transportation accident investigation board. This independent board will be empowered to investigate all accidents in all federally-regulated modes of transportation, drawing upon expert staff to determine causes and to recommend means to prevent any recurrence.

By way of background, Hon. Members will know that for many years the safety of Canada's railways has been regulated under the Railway Act. This Act originated at the turn of the century, at a time when the railway system was rapidly expanding. This growth brought with it an increasing need for safety regulation.

At that time much of Canada's railway system was under construction to open up new territory and to encourage settlement. Lines were often speculative, built into new territory where revenue potential was very low. Some smaller companies lacked cash and were tempted to cut corners on construction and operation. Trains were short, slow, few and far between. Then, and for many years, trains were controlled by instructions sent by telegraph to wayside stations with handwritten messages "hooped-up" to the crew of a passing train on the end of a bamboo stick.

The environment has changed. Canada's railways are moving huge volumes of freight, be it containers from Montreal to southern Ontario, automobiles from Toronto to the Prairies, or bulk commodities: grain, sulphur, potash and coal from the West to the export terminals. Along the way the trains themselves have grown enormously—15,000 tonne trains are now commonplace compared to the 200 tonne or 300 tonne trains that were the norm when the Railway Act was first conceived.

Today's large trains move faster and over longer distances without stopping than ever before. More and more dangerous commodities have been added, often moving through busy urban corridors. Large scale movement of dangerous goods was unheard of when the Railway Act was first written. I notice in the House again today the presence of the Hon. Member for York East (Mr. Redway) who has spoken so often in Question Period and who is vitally concerned about the railway safety in the Toronto metropolitan areas.

Today, railways are in the midst of a technological revolution. Sophisticated communications equipment and computer systems are being developed to control the movement of trains. A major new development will soon transmit train movement instructions directly by radio to computers on board locomotives.

Recently, the Minister announced that the Government is providing funding to encourage this development known as the advanced train control system. The railways are making large investments in high technology with much more to come. It is a matter of survival, for the industry is under strong competitive pressure.

The changing environment was reflected in the report of the Commission of Inquiry into the Hinton Train Collision. Justice Foisy stated his concern that Government is not keeping apace with the need to modernize rules and regulations. The railways have simply changed but not the legislation. It is becoming more and more difficult for the railway safety regulator to respond to the changing environment while working under the existing Railway Act.

As I said earlier, the Railway Act was created to cover all aspects of railway regulation. It combines in a confusing mélange safety regulation, economic regulation and accident investigation, along with an assortment of sections governing telegraph systems and railway corporate affairs. The combination of safety and economic regulations and accident investigation in one agency of Government is now recognized not to be in the public interest. There is a potential for conflict among these responsibilities. While I hasten to add that no such conflict was evident in the performance of the Canadian Transport Commission it is a possibility, and thus the policy of the Government, to separate these responsibilities.

The existing legislation is riddled with anachronisms. For instance, the Railway Act legislates the weight of bells for steam locomotives. The railway of the last century was in many respects a dangerous workplace. Legislative protection for employees was created in areas that would cause surprise today, such as in a specific Railway Act provision prohibiting the oiling of steam locomotive valves while the engine is moving. This questionable practice, not to mention the steam locomotive itself, disappeared many years ago.

Railway construction a century ago was often a hit and miss affair with public and employee safety sometimes taking second place. What the industry could not or would not do, the Government of the day had to undertake. The result was a legislated requirement for the regulator to become directly involved in the details of railway construction. This placed a burden of evaluation and approval of routine construction projects on the Government. Now, with universally-accepted standards of engineering, more protective labour legislation and a stable and mature railway industry, many of these regulatory activities are unproductive.

A review of railway accidents over the past 10 years to 20 years or more shows that the construction of railway track and structures is not the source of safety problems on the railways today. Resources, which now must be committed to approval and inspection of construction projects, could be used to far greater safety effect elsewhere. Performance of these duties by

the regulator can even be interpreted as removing some of the responsibility for compliance with safety standards from railway management, which is where it really belongs.

The existing legislation imposes on railway rule making the review of publication procedures for government regulations. These procedures were designed to protect the rights and privacy of individuals. They were not intended to deal with technical aspects of railway operations. The Government regulator and the industry face serious delays when making needed changes to operating rules, simply because the Railway Act requires it. Mr. Justice Foisy was sufficiently concerned about these delays to specifically recommend that the Government "take immediate steps to make the uniform code of operating rules current, and to maintain it in that condition". It is difficult, if not impossible, to do so under the provisions of the existing Railway Act.

• (1130)

Today our safety concerns focus on how the railways operate and maintain heavy density main lines involving the movement of 15,000 tonne freight trains, and passenger trains carrying hundreds of people. Yet the Railway Act only created powers of inspection for engineers.

The penalties found in the Railway Act make interesting reading. An engineer can be fined $8 for failing to blow his whistle at a crossing, while a multimillion dollar corporation may face a fine of $100. The Railway Act also contains the somewhat quaint threat of punishment by hard labour.

The message is obvious. Railway transportation and the transportation environment have changed in the past, and are changing rapidly today. The legislation must meet the challenge.

When the Minister tabled the railway safety Bill, he also released a report on drug and alcohol abuse in the railway industry. The Minister has asked for comments from the public on recommendations in that report dealing with mandatory drug testing before proposing any government action to Cabinet. Nevertheless, he indicated that this was an issue that should also be discussed by members of the standing committee when they are hearing evidence on the Bill.

Members should be aware that this Bill does not include any provisions for mandatory drug testing in the railway industry. However, it does include amendments to the Criminal Code with respect to the operation of railway equipment while impaired, as well as dangerous operation; the same rules that apply to us all in our cars, trucks, and boats.

Every one of us knows that it is a criminal offence to drink and drive, or to drive dangerously. The public has a right to expect that these prohibitions apply to the operation of trucks, airplanes, ships, and trains. While this true of the first three, many would be surprised and dismayed to know that criminal prosecution for those offences does not apply to persons responsible for the movement of railway equipment.

This curious situation probably arose because railway companies own and control the railway equipment and the tracks over which it moves, employ the persons who operate the equipment, and even have their own police forces. A combination of railway operating rules and internal enforcement may have been the justification for an otherwise unacceptable omission.

The best known and long established rule in the railway industry is "Rule G" which states:

> The use of intoxicants or narcotics by employees subject to duty, or their possession or use while on duty, is prohibited.

This actual prohibition is more restrictive than that of the Criminal Code, which is only triggered after a threshold level of alcohol has been exceeded. "Rule G" has clearly been an effective measure in ensuring that alcohol or drugs do not constitute a hazard to safety. The record shows that few railway accidents have been attributed to the use of these substances. Nevertheless, railway operating employees work difficult hours and spend much of their time away from home. Research into use of alcohol and the increasing problem of drugs indicate that these working conditions create a high risk of substance abuse. Therefore, in developing the concepts for the railway safety Bill, it was clear that more was needed than only a company rule, albeit a largely effective one, to prevent the possible operation of trains while impaired.

Train crews are routinely responsible for the safety of several hundred passengers. They control the movement of freight trains valued at many millions of dollars which, to an increasing extent, include a wide variety of dangerous commodities. The public is exposed to the operation of trains throughout the country, not only as passengers or motorists at grade crossings, but as individuals living and working near railway lines. It is essential that train crews be alert on the job and that their vigilance be not in any way impaired by alcohol or drugs. For this reason, the Criminal Code provisions that apply to truck drivers, ships' captains, aircraft pilots, and to every motorist, should also apply to railway employees.

There are certain fundamental principles on which the regulation of railway safety in Canada must be based. As I stated earlier, safety regulation must be separated from responsibility for economic regulation, and further separated from accident investigation. The roles and responsibilities of the regulator and railway management must be clearly defined. The regulator must have the power to protect public and employee safety. Management must be responsible and accountable for the safety of operations. Consultation is essential, including full public inquiries on important issues. Regulation must be flexible and responsive in an environment of rapidly changing services and technology. Unnecessary and unproductive regulations should be eliminated, and penalties for offences must be meaningful.

The Bill before us has been drafted to deal with these many concerns. I will highlight the major aspects of the Bill which correct the deficiencies of the existing legislation and create a

better legislative framework for the regulation of the railway industry.

This Bill provides a clear focus on safety by placing in a single Act all the federal Government's powers for the regulation of railway safety. Unlike the existing Railway Act, decision making under this Bill is concerned only with questions of safe rail operation which, by definition, includes the safety of the general public. By allocating those powers to the Minister of Transport (Mr. Crosbie) and leaving economic regulation of railways with the National Transportation Agency, the Bill will achieve that needed separation of responsibilities. The same separation will be achieved for accident investigation by the Transportation Accident Investigation Bill, soon to be tabled.

The Railway Safety Act will give the Government all the powers necessary to ensure safety on the railways. For the construction, maintenance, and operation of the system, the railways must satisfy the Minister that each element has been planned, executed, and controlled in a manner that is consistent with regulations and rules. The Act clearly makes the railways responsible for developing and implementing these measures and does not place the Minister, or government officials, in the position of making management decisions. The Minister will have the essential power to accept or reject management's proposals.

The Governor in Council will establish the basic regulations for the safety of the system, without limitation of the power to determine the content of those regulations. The Minister will have the power to impose rules of operation where railway companies have failed, for whatever reason, to develop rules which are acceptable and where these rules are essential for safe operation. The Minister will also the power to order companies to cease using, and to remove, structures whose existence pose a threat to safety.

These are extensive powers. In order to ensure that they are used effectively, the Bill provides for regular consultation by the creation of a railway safety consultative committee. The committee will comprise representation from the railways, railway unions and shippers, as well as persons having special interest or expertise in railway safety matters. This will create a forum for exchange of ideas and views, and a means to anticipate and solve problems in order that the proposed regulatory changes be carefully thought through. In this manner, the Minister can use consultation to avoid confrontation.

The anachronisms that exist in the Railway Act are the result of including detailed technical subjects in legislation. The railway safety Bill establishes the basis for effective regulation, leaving the determination of technical details to regulations and rules. It will not rapidly become outdated.

The vast majority of engineering work on Canada's railways is routine and repetitive. The new Bill will allow the regulator to designate those items of construction and alteration which cannot be undertaken without the express approval of the Minister. By limiting procedures for other routine projects to selective filing of affidavits which attest to the safety of the completed work, a significant burden of unproductive regulation will be lifted from the Government. But the responsibility of railway management for safe operation will remain undiminished, while the powers of inspection under the Railway Safety Act will enable the Government to monitor the safety of any of these projects at any time.

• (1140)

Mr. Justice Foisy recommended that the government take steps to keep railway operating rules up to date. This Bill provides a streamlined rule change process which permits regulations and rules to incorporate other material by reference, including automatic update of that reference, and establishes time limits to encourage prompt decision making by the regulator. These provisions, along with the exemption of railway rules from review and publishing requirements of the Statutory Instrument Act will provide for the timely updating of the rules under which the railways operate.

The Foisy Commission also called for separation of rule making and accident investigation and for prosecution for breach of rules, both of which have been provided for in this Bill.

Finally, Mr. Justice Foisy recommended that railway legislation require the reporting of employee medical conditions which may jeopardize railway safety. Hon. Members will find this provision in Clause 35 of the Bill.

By dropping unnecessary and unproductive regulatory activities, and by simplifying and speeding up the evaluation and approval process, the Railway Safety Act will permit the redirection of existing resources into more productive areas.

Clearly, in today's environment, the emphasis must be on inspection for compliance, with the powers of inspection broadened to cover all disciplines, not just engineering. Regulatory staff can be placed anywhere on the system where they are needed. Inspectors appointed under the Railway Safety Act will have the full power to order railways to stop any operation that may prejudice safety.

Since this power could cause serious interruptions in railway operations, railway companies and shippers have concerns about the potential for unnecessary or, indeed, improper use. There will be no compromise on the ability of inspectors to issue these orders.

At the same time, however, the Bill requires the inspectors to do so through railway supervisory staff, unless this is impossible, and to notify the Minister when an order of this nature has been issued. The Minister will then be in a position to judge if these powers are being exercised as intended and will be able to rescind any order which is inappropriate.

I should like to bring to the attention of Hon. Members the penalty provisions of this Bill. Fines of up to $50,000 for corporations and up to $10,000 or imprisonment for up to one

year for individuals are created, along with the power to treat continued violations as separate punishable offences for each day incurred. These constitute meaningful penalties to any organization or individual. The railway safety Bill fills the gap that exists in the current legislation.

We have taken the opportunity presented by this Bill to create new powers for Government to protect the security of the system. Sadly, threats to security are an increasing problem world-wide, often with transportation systems as the target. Provisions were made in the Aeronautics Act to deal with security in the air. The railway safety Bill includes similar powers which will help the Government to react to such threats on the ground. While we hope that it will never be necessary to use these powers, it is essential that we create them now to protect the system in the future.

Finally, the railway safety Bill introduces a number of amendments to related legislation. Of particular importance are the amendments to the Criminal Code. As I noted earlier, these amendments will add railways to the list of modes which are subject to prohibitions against dangerous operation and operation while impaired. The Bill also repeals the Railway Relocation and Crossing Act, but retains and expands the essential powers of that legislation which allow the Government to promote improvements to safety.

The Bill before us was prepared after thorough consultation with provinces, municipalities, railways, railway unions, shippers, shippers of dangerous commodities, owners of private railway equipment, and of course public interest groups.

We received excellent co-operation and major contributions from all participants. While we believe that the provisions of the Bill have widespread support among the persons consulted, obviously not everyone got everything they wanted. I expect that we will have the opportunity to discuss any such concerns as the standing committee reviews the Bill.

As the Minister of Transport has said on every Bill which has been referred to a legislative or standing committee, if the committee after hearing the evidence has any amendments which can help the Bill and they are within any reasonable possibility, he is more than happy to accept them. Indeed, he has a history of accepting them. I think, in my experience here, that he has accepted more amendments to more Bills than any Minister with whom I have worked in this Government as well as in the previous Government.

Public perception of railway safety is conditioned overwhelmingly by the accidents in Mississauga, Hinton, and the train collisions of last month. These accidents have sensitized all of us to the potential dangers of any railway accident.

In his press conference after tabling the Bill, the Minister took the opportunity to reassure Canadians that our railways are basically safe. Moreover, progressively over the recent past, they have become safer. As I said earlier, in seven of the last eleven years, CP Rail has been the safest class one railway in North America. Over the same period, CN Rail has been consistently within the top six. This is a good record, which extends to include the smaller railway companies as well. It has been achieved and maintained at a time when the safety performance of all major North American railways has been improving.

The Government keeps a close watch on how the industry performs. As examples, over the period from 1979 to 1986, the total number of train accidents decreased by some 38 per cent, while fatalities decreased by 23 per cent and injuries by 16 per cent. What is more, the statistics for 1986 include the tragic number of deaths and injuries at Hinton. The latest results show no deterioration in this performance during 1987, even though railway freight traffic increased dramatically over levels in 1986.

While there have been major improvements in safety performance in 1986, still 116 persons died and 3,523 persons were injured in railway accidents. These numbers are unacceptably high, and we must act to reduce them. To do so requires an understanding of what is happening. Of the total fatalities, over 40 per cent are due to accidents at grade crossings and, almost without exception, these could have been prevented by the motor vehicle driver. Another 40 per cent of the fatalities include trespassers struck by moving train equipment. That was a figure which was much higher than I would have thought in my capacity as a layperson. Excluding 1986 and the Hinton collision, from 1979 to 1985 fatalities from train collisions and derailments have averaged two per year. In terms of injuries, 75 per cent of these involved employees, the vast majority being minor injuries sustained in performing duties and not related to accidents involving trains.

To place railway statistics in perspective, Hon. Members should be aware that while 116 persons lost their lives in railway related accidents during 1986, 90 people were fatally injured in aviation related accidents, 35 lost their lives in commercial shipping and fishing accidents, some 200 persons were killed in pleasure craft accidents on our waterways, and some 4,071 persons died on our roads. There is no room for complacency in respect of any mode of transportation. Any life lost is one too many. The message is that while railway safety can and will be improved, we are dealing with a controllable situation, not an industry in crisis.

While all Canadians are aware of major railway accidents, they are seldom as well informed about the follow-up. Our record is good. The Government established the Toronto area dangerous goods task force and the task force on the shipment of dangerous goods through the B.C. Lower Mainland. Both these groups have involved provincial and municipal Governments and have consulted widely throughout the areas under study. The task forces will be reporting to the Minister later this year on major questions surrounding the movement of dangerous goods through urban areas. The work has already provided insight into the risks and alternatives for transporting hazardous materials, and the results should be relevant for all communities throughout the country.

• (1150)

As mentioned earlier, the Government quickly commissioned Mr. Justice Foisy to carry out a full investigation into the tragedy at Hinton. You will recall that the Minister released Mr. Justice Foisy's very thorough report to the public and also made public the progress on implementing his recommendations. Members will be delighted to know that the railway safety Bill includes all of the legislative recommendations of Mr. Justice Foisy.

Significant changes have been made to rules governing areas of rest for trained crews. The unsatisfactory "deadman pedal" is now a thing of the past in mainline operations and will soon disappear from all locomotives, having been replaced by the more reliable and tamper proof reset safety control device.

Wherever possible, the recommendations of the Foisy report have already been implemented. Other longer term proposals are under active consideration. One example is Mr. Justice Foisy's conclusion that the advanced train control system holds great promise for improved railway safety. The Government agrees and, as I noted earlier, the Minister recently announced on behalf of the Minister of Regional Industrial Expansion (Mr. de Cotret), a $15 million program to support the development of this technology by the Canadian railway supply industry.

I have spoken of the terrible toll taken at our grade crossings. Members are probably aware of the Government's long-term program to assist provinces and municipalities in reducing these accidents. Funding has been made available for improving the safety of grade crossings by installation of warning lights, bells, and automatic barriers or by physical changes which will improve the safety of crossings.

A companion program has provided financial assistance for the construction of grade separations. It is encouraging to note that grade crossing injuries and fatalities have decreased radically in recent years. The federal Government's funding programs have played an important role in maintaining this trend.

Of equal importance is the joint federal-provincial Government and railway industry program called Operation Lifesaver. Operation Lifesaver is devoted to educating the public about the dangers associated with railway lines and railway operations. Originally targeted at making drivers aware of the hazards of grade crossings, the program also has shown great promise in teaching school children that trespassing on railway property can lead to tragic results, as we have too often seen. The Minister is enthusiastic about the results of Operation Lifesafer and hopes to increase this essential educational activity.

In conclusion, Mr. Speaker, there are many areas in which the Government has acted to improve safety on our railways. While great progress has been made, much more remains to be done. The introduction of this Bill into the House is an important step in continuing and accelerating this work. While the safety performance of our railways is good, there is a need for improvement and we are committed to seeing that changes are made. The Railway Safety Act is the means to achieve that objective, and I am sure that all Members of the House will assist by giving this Bill speedy passage.

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I am pleased to rise in my place today to participate in debate on the Railway Safety Act. In making my comments today I cast my mind back to another transportation Bill, one of those listed by the Parliamentary Secretary as being marks of achievement by this Government and Ministers of Transport in the last two or three years, that is, Bill C-75, the Canada Shipping Act.

I recall that when that Bill was undertaken, circumstances were very similar. The Parliamentary Secretary has told the House about some of the current archaic provisions in legislation with respect to regulation of the railway; the minimal fines which are available under the current Act, and the fact that there are not provisions, for example, for someone operating equipment under the influence of alcohol because the Bill is literally many decades old. Any Bill has to be an improvement on something that was drafted in the 1940s.

I will, therefore, begin by acknowledging that any Bill which brings us into the 1980s and lifts us decades beyond the forties when the current legislation was drafted must be an improvement. However, having acknowledged that this is an improvement, I must say that I hope the Government will approach the Railway Safety Act with an attitude similar to that which was displayed during the course of debate and, in particular, in committee hearings on Bill C-75, the Canada Shipping Act. That Bill as well replaced a very old piece of legislation. It brought the Canada Shipping Act into the 1980s. It took account of modern technology and modern means of managing and operating shipping equipment.

When we dealt with that Bill the Government was open to amendments which would improve the first draft of the legislation. In fact, as I recall, there were 11 or 12 amendments made to Bill C-75 which I believe were substantive and important amendments. There was one very dramatic change made to Bill C-75 in that Clause 4 was dropped.

I hope that with regard to the Railway Safety Act the Government will show the same degree of interest in having the strongest possible Bill passed by Parliament and will not merely be satisfied with pointing to improvements made only because we are replacing a Bill which is decades old. It is very easy to give the appearance of making improvements when replacing a Model T with a 1980 Cadillac. We want to put forward the best legislation possible.

In examining the legislation we must ask ourselves why we are here today discussing the Railway Safety Act. What was the catalyst which brought us to this point? It is true that this legislation ought to be have been dealt with a long time ago. As a Liberal and a supporter of the former Government I can

say that it should have been dealt with by the former administration. That is an honest comment. However, now that we are dealing with the Bill, let us cast our mind back to the catalyst which seized the Government and the House of this issue.

More than anything it was the train derailment in Hinton, Alberta, on February 8, 1986, which took 23 lives that focused Parliament and the Ministry on the issue of railway safety. That derailment, coupled with the new transportation environment in Canada, namely, deregulation, is what focused this House on the issue of railway safety.

Two days after the Hinton derailment and the tragic loss of 23 lives the Ministry appointed the Foisy Commission to look into all aspects of railway safety and operations. We applauded the Minister for that then as we do now. Indeed, I think all Members of Parliament would agree that Judge Foisy produced an excellent piece of work, a thorough review of the operations of the railways in this country with particular emphasis on the regulations necessary for the safe operation of railways.

Upon looking at the Bill before us today one would have to agree that the vast majority of the recommendations of the Foisy Commission report, with a few exceptions, can be found in whole or in part within the provisions of Bill C-105. I say "in whole or in part" because there are a couple of areas which I believe are exceedingly important in which I believe the recommendations have not been implemented in the spirit in which they were intended by Judge Foisy. The primary concern of the Liberal Party with Bill C-105—and I would hope the Parliamentary Secretary would pay attention because he might want to consider amendments—is the whole notion proposed by the Government that there is finally to be a split between the economic regulation of the railways and the safety regulation of the railways. The Parliamentary Secretary has very clearly said today that a prime consideration for the Government, and in fact a prime recommendation of the Foisy Commission report, is that there be a split between those who are in charge of economic regulation of the railways and those who are in charge of the safety regulation of the railways, for obvious reasons.

• (1200)

If both responsibilities are contained within one agency, the NTA, there is a clear conflict of interest. There is a conflict between those concerned with the economics, the commercial aspect of railway operations, and those concerned with safety. The Government, quite rightly, and Mr. Justice Foisy, quite rightly, said that there must be a split of those responsibilities.

The Government is telling us that we have accomplished that split in this Bill because those responsible for safety regulation will be transferred from the NTA to the Ministry of Transport under the responsibility of the Minister of Transport (Mr. Crosbie) and there will no longer be a conflict of interest. That move takes a step in the right direction, but it does not fulfil the purpose the Parliamentary Secretary outlined when introducing this Bill today.

How can we possibly conceive of the notion that putting those responsible for safety regulation under the jurisdiction of the Minister of Transport will solve the conflict of interest problem? After all, it is the Minister of Transport, as a matter of political policy, who has introduced deregulation in Canada. In the last year and a half, this is the Minister who has introduced the concept of deregulation in all modes of transport. He has abolished the independent nature of the CTC and has set up the NTA which takes directives from the Minister.

If there was a conflict of interest within the NTA because people making economic regulations and people making safety regulations were sitting in the same room, then surely to goodness there must be a conflict of interest when the Minister of Transport, who himself is the author of deregulation, is also the person responsible for safety. It is our belief that we have avoided one conflict of interest and have created another.

The Minister must now wear two hats. The primary proponent of and cheerleader for deregulation who is telling the railways to get lean and mean and to be competitive will, because of the provisions of this Bill, be the same gentleman who has responsibility for those people who will enact and enforce safety regulations. That is a conflict of interest for the Minister of Transport himself. I submit that it is perhaps a worse conflict than that which currently exists within the NTA.

I have raised this with the Parliamentary Secretary because I believe that when this goes to committee, we can develop amendments to the Bill that will ensure that the regulatory arm that operates under the jurisdiction of the Minister operates in some kind of quasi-independent manner. That is not specifically spelled out or clear in the Bill as it reads now. We do not know if a group of employees will be given a suite of offices down the hall from the Minister. We do not know if they will operate under the directive of the Minister on a daily, weekly and monthly basis. It is not clear, and as long as it remains unclear, the Minister of Transport, perhaps unwittingly, has been put into a terrible conflict by those who have drafted this piece of legislation.

On the one hand, the Minister will be telling the railways to compete, to cut costs, to make the operations lean and competitive, to be on an even footing with our friends south of the border in hauling traffic east and west, and on the other hand that they have to be safe. It is a difficult role for one single individual to play. That is why we recognized it as a conflict within the NTA. It is puzzling, then, why we would put the Minister in exactly the same conflict we wanted to avoid in the NTA itself.

That is one area of major concern to the Liberal Party. I say that with the knowledge that according to CTC figures, both CN Rail and CP Rail have cut their strength from a joint total of 88,478 employees in 1981 to 78,249 in 1985. If we had more

recent figures, we would see that the cuts are even deeper. More than 10,000 people have been cut. The railways ascribe these cuts to technological change, and to some extent, I suppose that could be substantiated. However, the unions charge that many of these cut-backs have reduced safety by lowering inspection and maintenance standards.

We are living in an age of deregulation. One need only look South of the border where there has been 10 years of experience with deregulation, particularly on the air side, since 1978 and at what has happened to safety standards there to appreciate the enormous new pressures that will be on operators to function.

Bearing in mind this new conflict for the Minister and the Minister's ability to wear two hats, one as cheerleader for modernization and streamlining and the other as cheerleader for safety, I would like to bring to the attention of the House Clause 41 of the Bill, the offences clause. This clause provides that on indictment, in the case of a corporation like CN or CP, a fine of not exceeding $50,000 is payable. In the case of an individual, the fine is not to exceed $10,000 or imprisonment of one year. On summary conviction, the fine is $25,000 for the corporation and $5,000 for the individual.

When the Parliamentary Secretary introduced the Bill, he talked about existing regulations and said how silly they were. The maximum fine for a company was $100 and for an individual it was $8. He said that that needed to be upgraded. Well, this is the upgrade on the fines.

The maximum fine for an individual employee making $25,000 or $35,000 a year is $10,000 and the maximum fine for a billion-dollar corporation is $50,000. At a time when we expect these companies to cut their costs and to be mean, lean and competitive, the temptation to scrimp on safety expenditures and to cheat is stronger than ever. However, the maximum fine for a billion-dollar corporation is $50,000 and for an individual is $10,000. The fines and offences contained in Clause 41 are out of whack. We had exactly the same problem under the Canada Shipping Act which provided for fines which were ridiculously low.

I suggest to the Parliamentary Secretary that this is another area we ought to explore in committee. We may be able jointly to come to some agreement on amendments. I say frankly to the Parliamentary Secretary that we cannot always assume the goodwill of individuals or corporations. That is why we provide for offences in law.

Frankly, when faced with the possibility of a maximum fine of $50,000—but it could be $5 or $50,000—for a safety offence or with a million-dollar cost for fixing a problem, some companies might decide that it would be cheaper to take a chance on a $50,000 fine than it would be to spend the funds necessary to solve the safety problems. I think this $50,000 fine, given the scheme of things—

• (1210)

**Mr. Thacker:** Per day.

**Mr. Tobin:** It only takes one day to lose 23 lives, such as on February 8, 1986. In just one day many people can be killed. The fact it is $50,000 a day does not assure me that there is a satisfactory deterrent to the people operating our railways to try to cheat the system. I would like to see that number increased dramatically. I hope we can discuss this in committee and come to a mutually agreed upon sum and have this amended. We were able to do that with respect to a number of offences under the Canada Shipping Act by all-Party agreement. I would like the Parliamentary Secretary to take a note of that and give consideration to it.

There is another part of this Bill which I have some trouble with the way it is drafted. It concerns the railway safety consultative committee and Clause 44 of the Bill. There are five positions on the committee guaranteed for business, the railways and shippers. Four positions are at the discretion of the Minister. There is one position for labour. It seems to me that that committee is awfully heavily loaded in favour of the railways. Yes, they should be substantially represented, but not, I submit, overwhelmingly represented. I do not think one labour representative is an adequate voice to balance the competing and sometimes different views of the railways themselves.

Neither do I see a position on this committee for the public. What do I mean by the public? Many Members will remember the Mississauga spectacle of 1979 when 250,000 people had to evacuate their homes. No Party has a monopoly on virtue in its desire to prevent a repeat of that kind of incident. In fact, I see a member of the government Party who is frequently on his feet with respect to the transportation of dangerous and hazardous materials through populated centres. Yet it seems to me there has to be a provision for a public group on the committee, someone with a non-vested interest. There should be an opportunity for the public's voice to be heard; those who live in communities where dangerous and hazardous materials are shipped on a regular basis should have a direct say in this committee. I submit to the Parliamentary Secretary that this is an oversight which I hope can be corrected when we get to committee stage.

There is an organization in Toronto which arose out of the Mississauga derailment of 1979 called M-Track. That group has played the role of a public advocate on a regular basis, dealing with the speed of trains, the kind of material being moved, the way the material is secured. That kind of voice needs to be heard on the committee. I hope the Parliamentary Secretary will agree that this is an amendment we must make. I hope as well he will give consideration to the weighting of the committee. Surely, as presently constituted, it will not lead to an effective and well-functioning committee.

There were a couple of recommendations made by Mr. Justice Foisy in his excellent report which are not found in this

Bill. One of those is the notion that there ought to be, in addition to the technology now in place, an oral notification of train meets by radio. I understand there has been consultation between the unions, the companies, the regulators, and a general agreement that the recommendation, while made with Mr. Justice Foisy's best judgment, is not one that would contribute to safety. We accept that that recommendation is not found in the Bill. However, there is a second recommendation covering hours of work scheduling. Again, we understand the Government is in a difficult position because in talking about work scheduling, you are talking about the collective bargaining process. Until some of those issues have been resolved at the bargaining table, it is difficult for Government to impose, in essence, part of the contract through legislation. However, I would note that recommendation and hope that the Government intends, when it is appropriate and the parties have come to some resolution of the question, to come back and amend the legislation at a later date.

I have tried in these remarks to raise a number of areas where I believe the Bill can be improved. These are matters to which members of all Parties should be able to lend their support. I now want to come back to the primary concern I have about the Bill, and its primary motivation which, as the Parliamentary Secretary rightly says, is the notion of setting up a separate, independent safety organization within the Department of Transport.

Currently the economic and safety regulators are in the same offices. That gives rise to at least a potential of a conflict of interest. The Government says it is going to solve that by moving the safety regulators away from the economic regulators. Yet they have been put in the office of the Minister of Transport, and that puts the Minister in an even worse situation of conflict of interest. On the one hand he is the proponent of the regulation, and on the other he is responsible for safety because there is no quasi independent agency.

It was very illuminating that in the Standing Committee on Transport a few days ago we had Mr. Barbeau, the Assistant Deputy Minister for Surface Transportation in the Department of Transport, and we asked him questions about the Foisy report and this Bill. We were concerned specifically with the question of whether or not we were splitting economic regulation from safety regulation. Here is what he said:

> A second element was recommended by Justice Foisy, and that is the split between accident investigation and safety regulation. Again, the new Bill will do this in part. What is happening with the new Bill is that we are splitting off safety regulation from economic regulation, which now remains with the National Transportation Agency, and then in a Bill that will be introduced in the House some time soon, we hope, there will be further split between regulation and accident investigation.

● (1220)

Introducing a multimodal accident investigation board through a new Bill, after the fact, will not permanently resolve the problem of safety regulation in this country.

While this Bill generally enjoys the support in principle of the Liberal Official Opposition, until amendments are made to the railway safety consultative committee, until amendments are made to reflect proper fines for offences by corporations, and until there is a proper separation of economic regulation and safety regulation so the Minister is out of the conflict of interest in which this Bill would place the Minister, we cannot endorse it as now drafted.

We have had experience with transportation matters in the past of seeing the House work as a cohesive unit, putting aside partisanship, and delivering good legislation. If the Minister and his Parliamentary Secretary accept my remarks in the spirit in which they have been given, I hope that we will produce a good Bill at the end of a proper and thorough investigative process at the committee stage.

I equally say to the Parliamentary Secretary that without some of these fundamental matters being addressed, the Bill will not get the kind of timely passage that at least in concept and principle it deserves.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, we are finally seeing some movement on legislation which has been called for at least since the mid 1940s. During the years that my colleagues and I have been here, and prior to that when former colleagues in the CCF and NDP were here, our Party annually called for this kind of legislation.

I recall being with the railway between the mid 1940s and early 1960s, and going to union meetings where this matter was discussed every time we met. Union officers would recite how they made repeated efforts with the railroads and the Government of the day to get a national railway safety Act. It is unfortunate that it has taken so long for Governments to see the light.

The NDP recognizes the urgent need for railway safety legislation. We will do all we can to assist in passing the legislation, hopefully in an amended way to make it even stronger.

I believe the motives of all Members from all Parties in the House will be above suspicion when it comes to dealing with safety, about which we all say there should be no compromise.

Bill C-105 represents the first opportunity Parliament has had to consider legislation responding not only to the Foisy report, which was released over a year ago, but responding to many other demands in this area. We are all aware of the rash of rail accidents in recent weeks, in which lives were lost. Of course, it is these types of accidents that make national headlines even though many more people are killed at railway crossings and in highway mishaps. Highway mishaps and railway crossing accidents do not attract as much attention as train wrecks or plane crashes, and I suspect that has made the public and the legislators complacent about other areas of safety.

I agree with some of the remarks of my colleague from the Official Opposition. We are in a type of vacuum at the moment. The Government's headlong rush into deregulation before the implementation of all these other measures has left us a situation in which the CTC and the Rail Transport Committee of the CTC have ceased to exist as of December 31, while the new National Transportation Agency is still be reorganized after coming into place January 1. Many of the employees of the CTC are going to the new National Transportation Agency and the Department of Transport, and others are probably retiring early. In the meantime, the regulating authority for the devising of regulations, enforcing of regulations and the investigation of mishaps is spread throughout the NTA and the Department.

Over two years ago we pleaded with the Government not to implement Bill C-18 and Bill C-19 until all the accident and investigation boards were in place and the highway, railway, marine and air safety codes with their respective agencies were established. Even the Canadian Truckers Association pleaded with the Government, both privately and in appearances before the Transport Committee, to delay the implementation of Bill C-19 for at least a year, preferably two years, until the new national highway safety codes were in place with the jurisdictions that have control over highway traffic. The Government refused to listen.

Officials of the Department were present at a committee hearing on January 16. I asked: "With the National Transportation Agency being responsible for the devising and promulgating of regulations, until such time as a national accident investigation board is set up that covers rail, air, marine, whatever, who will be responsible?" I went on to say: "This may take another year or two before all this happens. In the meantime, who is responsible for the regulatory regime for investigations, inspections, enforcement and all the things that go with the regulations that will be in place?"

The answer I received was: "There are really three things going on with the creation of the National Transportation Agency with the Bill. The whole question of rail safety, including both the regulation of rail safety and accident investigation function has been left with the National Transportation Agency as it presently stands". The answer goes on: "The reason is there is no way the responsibility for railway safety can be transferred, for example, to Transport Canada without a piece of legislation". He went on to say that this brings into play the proposed Railway Safety Act. As soon as it is proclaimed, then the responsibility for railway safety will come over to Transport Canada with the function of accident investigation. It is all a matter of timing. As soon as the National Transportation Accident Investigation Act is proclaimed, the responsibility for action and investigation will then be split off from Transport Canada into the new agency. He ended up by saying: "It is a matter of things falling into place one after the other".

• (1230)

That sort of proves what I said two years ago, and several times since then, with respect to the Government's headlong rush into deregulation before having these three things in place. Now the scramble is on. The best I can say for the Government is that it is better late than never. However, the Government could have avoided a lot of the difficulties that have been there, presently are there, and will continue to be there for at least another number of months, if not a year or two. In fact, on January 19 the Atlantic district director of the National Transportation Agency, Rail Safety Branch, who chaired a meeting in Halifax, admitted that there is at present no agency empowered to investigate accidents or make other inquiries into matters related to railway safety. He said that rail safety in this country is in a state of flux. He is sure right about that.

I suppose we could give the Government some credit for trying to clean up the mess it made. People should have to clean up their own mess. Bill C-105 is an attempt to allow some sort of regulation to be put in place to deal with what is quickly becoming a critical situation.

We have to look at this Bill to see what it does for rail safety and we find that by itself it does not do very much. The most important provision in this Bill gives the Government the power to pass regulations having to do with the safe operations of railways, but by itself this Bill does not provide for high standards of safe railway operating practice. There are no specifications for adequate frequency of inspections. There are no specifications for maintenance of track and equipment. Therefore, by itself the Bill does little for safety. It just legislatively allows someone else to do it.

Much will depend on what regulations the Government passes following the passing of this legislation. I feel that the legislation should contain some general and specific principles in each area of maintenance, inspection, investigation and enforcement so that there are some firm legislative requirements put upon those who draft regulations and enforce them and those who carry out inspections and investigations and enforce their findings.

I hope the Government will at some point present to the House a draft of its proposed safety regulations pertaining to Bill C-105. If it does not, perhaps it would consider—and I ask the Parliamentary Secretary to raise this matter with the Minister—to at least give a draft of the proposed regulations to the standing committee so that we can look at it while dealing with the Bill and while we are hearing from witnesses. In fact, I have been on the Standing Committee on Transport for 20 years next June and I believe the standing committee could be very helpful to the Minister and to the industry in drafting those regulations. My advice is to make available to the Standing Committee on Transport, if not to all Members of the House, the substance of the Government's proposed regulations so that the committee can make its recommendations as well.

Some amendments to this Bill are necessary. The Bill as it is tabled is vague in a number of instances. I depicted the Bill as very nebulous. I do not know whether the Minister is out in space or spaced out with the nebuli. For example, Section 4 defines a number of terms introduced in the Act. One troublesome definition is for relevant associations or organizations of persons employed by a railway company. The Act says the Minister must declare by order that a particular union is a relevant association or organization. I thought that was something that the Canada Labour Relations Board did. All the railway brotherhoods, as far as I know, are certified as railway employees by the Canada Labour Relations Board. I do not know why the Minister needs to have an additional authority to pick and choose which union he things is a relevant association or organization. We already know who they are.

The wording of this section of the Act could lead to some very interesting confrontations if it is left as it is now written. The Minister could leave some railway unions out of the consultation provided for in the Bill. If that is not asking for trouble, I do not know what is.

The Government does not seem to have considered employees very carefully when it drafted the Bill. That is why the railway safety consultative committee the Bill creates is structured so unfairly. We are just fed up with the unfairness of this Government in so many ways since September 4, 1984, and it continues to perpetuate unfairness in its legislation. The proposed make-up of the Bill betrays the Government's intention to allow railways to regulate themselves with minimal interference from the Government. The Minister will be represented on the committee by as many as five members. The railways will be represented by five members. The railway employees will be represented by only one. It specifies the Canadian Railway Labour Association in the Act. What if the railway brotherhoods do not want a representative from the Canadian Railway Labour Association? What is the Minister going to do then? Will he just barrel ahead anyway? That is no way to treat the 50,000 or 60,000 people engaged in the operation of railways in Canada.

This kind of set-up effectively stacks the deck against labour in any dispute that might arise in the committee. Perhaps that is what the Government wants. That is not the only example in this Bill of the Government trying to make life easier for the railway companies. Clause 11, for example, takes the responsibility to ensure that some railway works are safe from government regulators and gives the responsibility to the companies. This will no doubt make life easier for the companies, but what it does for safety is a mystery to me.

Perhaps the Government has good reasons to want to help the rail companies through some pretty rough times since both CN an CP are in a much weaker competitive position, thanks to deregulation. However, safety has to be a primary concern. It cannot be sacrificed or compromised. When a company is victimized by the bottom line syndrome under deregulation, and is faced with competing modes of transportation, and when American railroads have a licence to raid up to $2 billion of the revenues of CN or CP in any year, otherwise honest and reputable corporations are forced into a position where they have to cheat. They have to cut corners. They have to save every nickel they can find.

• (1240)

The Bill is too soft on the rail companies. It comes down hard on employees in some ways, especially in terms of the setting out of offences and the establishment of penalties for contravening the legislation. There is a relatively small difference between the penalties faced by corporations and those faced by individuals. Ten thousand dollars is a great deal of money to an individual who, as my colleague said earlier, might be making $25,000, $30,000 or $50,000 per year. A $50,000 penalty placed on a corporation which has revenues of anywhere from $1 billion to $3 billion per year, depending on how good a year it is, amounts to nothing more than a licence fee to be unsafe. I submit that the fine and the penalty should be severe enough that they are equal to or exceed the cost of the safe practices which should have been carried out before a penalty was imposed.

This type of unfairness cannot be tolerated. The penalties on the railroads should be at least 10 times as high, up to $500,000. Safety costs money. A company which has been unsafe or which has carried out an unsafe practice should be required to pay more money than it would have cost to implement a safety measure. If that were in the legislation, then the railroads would be not only more mindful but they would know that this is one area in which they cannot and do not dare cut corners or slow down especially in matters concerning maintenance and inspections. We hope that the Government will agree to accept changes in this area as well.

The fact that an individual not only can be fined but can go to prison for neglecting to tell his or her physician that he or she holds a certain kind of job with the railroad while a corporation found guilty of a flagrant violation of the Bill causing loss of life and damage to property has to pay only what amounts to small change is an imbalance of some proportion.

Clause 35 of the Bill threatens the confidentiality between patient and physician. Physicians are required to provide confidential medical information to railway employers rather than to the Minister or to the regulatory agency. How can the employer be prevented from abusing this information?

Drug and alcohol testing are not specifically mentioned in Bill C-105, but it allows for regulations governing the control or prohibition of the consumption of alcoholic beverages and the use of drugs. In other words, the Minister will be able to allow companies to administer drug and alcohol tests to its employees. There are a few points about that issue which need to be remembered.

First, drug testing will not prevent accidents or abuse. The Bill is silent on preventive and non-punitive approaches to

alleged problems of drugs and alcohol in the workplace. The Bill could have included, and I hope it will, provisions to improve employee assistance programs.

I want to recommend to all Members an article that was in this morning's issue of *The Globe and Mail*. It appeared on the editorial page and is written by Professor Brian Tucker of the University of Saskatchewan. It is entitled: "Stress rides the rails". It is not only those who ride the rails, locomotive engineers, brakemen and conductors, but those who hold a number of other high stress positions which exist in railway operations. I think particularly of train dispatchers in this regard.

I can recall a senior life insurance executive telling me a number of years ago that insurance companies would rather insure the fellow who paints the Lions Gate Bridge or washes windows on a 50 storey building than insure a train dispatcher or an air traffic controller. The difference in mortality rates and disability rates was remarkable. I have seen people in those occupations who are faced with stomach ulcers, nervous breakdowns and heart attacks when they are at the age of 40, 45 or 50. These people a number of years ago had an average life expectancy of 56 compared to the national average a number of years ago of about 72.

The whole area of stress includes as well other personal, mental and physical problems. A person in these sensitive positions has to be vigilant. They are highly trained, competent and conscientious people. It is not just alcohol or drug use or abuse that causes stress. In fact, it is my view that the rate of alcohol use or abuse or drug use or abuse among employees in those types of jobs on the railroads and the airlines is far less than among the public generally in most other occupations.

If there is any one thing that one is conscious of when one is working on a railroad, for example, is "Rule G". An employee to whom this rule applies does not consume alcohol when on duty or subject to duty. That is drilled into one's head from the first day on the job. One is reminded of it continually not only by supervisors but by fellow employees. They know that the lives and property of thousands of other people are in their hands.

I recommend this article by Professor Tucker and other studies that have been done to Hon. Members. The legislation should provide for, and require, sufficient funding for employee assistance plans. I am confident that in this respect the full co-operation of the employees and of their unions will be obtained. The federal Government and the railroads should share in the funding of these types of programs.

It is unsafe to send a man to work to run a locomotive or dispatch trains when he is having severe difficulties at home. Those problems are on his mind when he should be concentrating on his work. Dealing with this is called risk management. Without those types of programs being carried out and a requirement in the law there is not sufficient risk management.

I wish to point out a regrettable omission in the Bill. In Bill C-105 there is no protection given to railway employees who report unsafe practices or conditions to the Minister or to a regulatory agency. The Bill can be improved by adding a provision which states that an employee cannot be dismissed because of disclosures of unsafe practices and conditions to authorities outside of railway management. It is called whistle blowing, if Hon. Members will pardon the expression, on the railway.

I remember a train wreck near the station where I was working in Saskatchewan. The section foreman had won the prize for the best section in the whole Medicine Hat Division. He had received merit marks, awards, certificates on several occasions and even a handshake from the General Manager of Western Lines on several occasions. He was a man from Czechoslovakia who escaped that country in 1939. All his life in Canada he worked on the CPR rails, on the tracks. He became a section foreman, a very good one. The investigation showed that that mishap was due to a broken rail. Who received 35 demerit marks and was taken out of service for two weeks? That section foreman. Several times a year, year in and year out, that section foreman would plead with the roadmaster, the division engineer, and write to the superintendent of the division, pleading and asking for some more rails, or some newer rails, if not new ones. He knew the track and he knew what the rails were like. He could not get them; it cost too much money. Because he was doing a conscientious job, even though he had the best section in the whole Medicine Hat Division, he is the one who was made the scapegoat. The railway management did not even receive a slap on the wrist from the Canadian Transport Commission.

• (1250)

We have had reports given to us of a carman "bad ordering" a car, and his supervisor takes the "bad order" tag off and says to leave it on the train. If the carman objects, he is considered to be insubordinate and a trouble-maker, so he keeps his mouth shut. But there is an unsafe practice going on. Trying to document something like that is next to impossible.

The regulations have to include some procedures that protect the employee on the ground on the job, and protect the employee in his employment if and when he blows the whistle on unsafe practices by railway management. That is a must. It is not that the employee wants to get even with the company or get even with some foreman or superintendent; it is because the safety regulations require them, as well as him, to operate safely and carry out their duties in order that the railway operation be more safe.

I wish to say to the Parliamentary Secretary through you, Mr. Speaker, that it will require the help and the maximum co-operation of 50,000 to 60,000 railway employees for this to work to its maximum best. To pay so little attention to their conditions, and to have some unfair provisions in there, will not generate their co-operation and assistance. It will only worsen morale further and make bad attitudes worse.

I hope that the consultative committee is given a little muscle. The employees' representation on it should at least be equal to—I submit that it should be larger—than the representation by the railroads. The railroads continually have the ear of the Minister. They continually have the ear of the National Transportation Agency. The employees do not. When they did, they did not get very far.

There are a couple of other things that are or will lead to further unsafe conditions. I have mentioned stress and fatigue, and physical and mental problems of an employee and the help that they need and deserve. That should be funded jointly by the railroads and the federal authority. But there are a couple of other things. The Parliamentary Secretary stated that the Railway Crossing Act is repealed and will be covered in this Bill, if I heard him correctly. I do not know the figures, but over the years thousands of people have been killed at railway crossings. Our country runs approximately 30 years behind European countries in the situation that we have with railway crossings, compared to them.

To maximize railway safety and safety to the public, something has to be done about level crossings. It will cost money. I estimate a minimum cost of $100 million a year for six to ten years to really do something about level crossings. There are thousands of locations where flashing red lights and the arms across the track are not sufficient. There will have to be an overpass or an underpass. The last one that was done in Regina cost $11 million, but it is a beautiful job. Six lanes of traffic move under the double track main railway line. It was jointly funded by the federal, provincial, and municipal Governments. That has to continue, and it has to be substantially increased. The funds are woefully inadequate. It is a disgrace.

There are more than 100,000 level crossings in this country, some of which could be completely done away with. For example, there are areas on the Prairies where a crossing every mile is not needed. In many areas one every two miles would be fine. But it would mean that a road would have to be built parallel to the track for that extra mile in order to do away with one crossing. There is an area where rail safety can be substantially enhanced when we start removing tens of thousands of level crossings and replacing them with overpasses or underpasses, grade separations as they are called.

I want you to visualize, Mr. Speaker, an 80-car freight train of grain moving from Moose Jaw to Assiniboia. On the Prairies there are thousands of farm fuel trucks owned by oil companies or contractors delivering fuel to farmers all over the three prairie provinces. In every location each truck makes a dozen or two dozen trips a day. They cross railway tracks a dozen or two dozen times a day. Visualize this, Mr. Speaker. It is still dark or it is getting dark, and that 80-car train of grain from Assiniboia to Moose Jaw—I will bring it the other way around in the right direction—ploughs into that farm fuel truck. The locomotive bursts into flames. The consist of the train is on the locomotive. The only communication that the train has beyond that locomotive is in the locomotive. Who is going to phone whom about what? If there are any carloads of dangerous goods on the train, who knows where they are? The locomotive is in flames, and it is miles from nowhere. Do you know why, Mr. Speaker, there is no one to do anything? The cabooses are going to be taken off. There will be no cabooses.

I find that the most incredible decision of the Canadian Transport Commission that I have ever seen, and they have made some dandy messes that contribute to unsafe practices. No matter what the railroads say about saving money—Mr. Speaker, I would like to have a few extra minutes, if I may have permission of the House after three o'clock.

**Mr. Deputy Speaker:** The Hon. Member has two minutes left in his speech. Would the Hon. Member prefer to complete it now, if the House wishes?

**Some Hon. Members:** Agreed.

• (1300)

**Mr. Benjamin:** Thank you, Mr. Speaker, and I thank my colleagues. I will wind up quickly by referring to some things the Bill should do but does not do. It is nebulous. It is too vague. It is not strong enough in terms of what it requires of the railroads. It is unfair in terms of what it does with, for and to employees. Too many things are not in it that should be in it.

I hope the Parliamentary Secretary meant what he said about the Minister being willing and amenable to changes and improvements to the legislation. I hope that he is right and that he will forgive me for being a little bit doubtful, since of the 130 amendments moved to Bill C-18 and Bill C-19 I think the Government accepted 7 or 8 of them. Big deal. They were mostly ones dealing with minor details, but on the ones that really meant something, government Members sat there like sheep. Some of them even agreed with some of my amendments, but they sat there like sheep and followed their marching orders. So much for the independence of the committee.

My Party supports the railway safety Bill in principle, for we have been calling for such legislation for many years. We are sad that the Bill is so deficient, but we appreciate that it is a long overdue first try.

We will all be groping around in terms of what more we can do, but I think we could make that effort in committee. I plead with the Parliamentary Secretary to prevail upon the Minister to make available to us a draft, no matter how rough or incomplete, of regulations they are envisioning bringing in. The committee can be very helpful. We can hear the views of witnesses as well, which will make it even more useful in the finalizing of the new regulations.

Again I thank you, Mr. Speaker, for the extra time. I hope the Bill will receive the many more improvements it so badly needs.

**Mr. Deputy Speaker:** It being 1.04 p.m., I do now leave the chair until 2 p.m. later this day.

At 1.04 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*English*]

## REFUGEES

PRE-SCREENING OF CLAIMANTS—NEWSPAPER REPORT OF GOVERNMENT POLICY

**Mr. Sergio Marchi (York West):** Mr. Speaker, yesterday *The Globe and Mail* reported on a confidential government memorandum which, unfortunately, outlined the Government's true agenda on refugee applications, namely, to utilize the pre-screening stage Bill C-55 to eliminate nearly two-thirds of all claimants. In doing so the Government is revealing a very diabolical and despicable streak.

For months the two Ministers of Immigration have stated that the Bill contains no pre-screening at all. Yet, at the very same time, they are designing, in secret, a strategy that is based purely on the opposite, on pre-judging applications. The Government's intent is to maximize the efficiency of the system by indiscriminately keeping people from ever accessing the system. This is paramount to a hospital turfing out needy patients in the name of achieving greater efficiency.

I call upon the Government to abandon its deceitful calculations and to end its wishful role of trying to play both judge and jury. It should instead establish an independent process to judge these claims fairly and honestly, and provide Canadians with policies which they can respect and trust.

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## THE ECONOMY

REDUCTIONS IN GOVERNMENT DEFICIT

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, the Government is leading the Canadian economy into the 21st century despite the incredible debt left by the Liberals. In the four years prior to 1984 spending grew by 15 per cent per year, effectively mortgaging the next generation. The interest payments on this debt amount to 30 cents of every dollar of federal revenue.

The Government has reduced the annual deficit from a high of $38 billion in 1984 to an estimated $29 billion this year, which represents the first consecutive three-year decline in 30 years. Yet the Opposition continually calls for increased public spending, not caring about the long-term damage this will cause.

The Government has responded to Canadian needs with initiatives like the Special Grains Program and the National Day Care Strategy in a responsible manner, while the Opposition asks Canadian taxpayers to spend even more. Just think, Mr. Speaker, how huge the deficit would be if either opposition Party were allowed to implement its irresponsible spending plans.

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## AGRICULTURE

BILL C-92—PROCEEDINGS IN STANDING COMMITTEE

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, the Prime Minister and his Cabinet take every opportunity to protest the independence of standing and legislative committees. Too often, however, these protestations simply hide reality. We have just had another example of this in the Standing Committee on Agriculture.

As you know, Bill C-92 was referred to the Standing Committee on Agriculture instead of to a legislative committee. There is a serious flaw in Bill C-92, a Bill to amend the Wheat Board Act, which flaw government members on the committee recognized. Despite this recognition, the majority members of the committee were unwilling to recommend any changes to the Bill without the approval of the Minister. You have guessed it, Mr. Speaker, the Minister gave the government members their marching orders—there are no amendments.

The Bill will be reported to the House to allow producer car rebates without recognition of the cost of those cars to the grain moving system. This, Mr. Speaker, is not the way parliamentary reform was supposed to operate.

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[*Translation*]

## THE MEDIA

JOURNALISTS—MEETING DESIRED IN ORDER TO AVOID CERTAIN INCIDENTS

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, there is a lot of competition among the various tv stations in Ottawa. We had a very good example of this yesterday when the Hon. Michel Côté left the House after his statement.

Well before Question Period, we had trouble getting into the House. I had to ask Officer Desforges to let me through, and I had to do the same thing after Question Period.

Yesterday, members of the press who are in Ottawa on a regular basis did not stand in Mr. Côté's way, but there were

journalists and cameramen who only come here once a year and would not let us through. Mr. Speaker, no Member from Quebec is going to leave this House by the back door.

To prevent any recurrence of incidents of this kind, it would be useful to meet with representatives of the media and the cameramen, to find a solution.

Mr. Speaker, I may add that if I were a hockey coach today, I would immediately recruit some of the reporters and cameramen who were here yesterday, considering their muscle and the incredible speed with which they were able to move.

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[*English*]

## EXTERNAL AFFAIRS

UNITED STATES—CONGRESSIONAL VOTE AGAINST FURTHER FUNDING FOR CONTRA FORCES IN NICARAGUA

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, I want to congratulate the American House of Representatives for giving peace a chance in Central America. Yesterday, the United States House, by a vote of 219 to 211, turned down the President's request to provide further military funds to the Contra rebels in Nicaragua.

• (1405)

The President's paranoic policy with respect to Nicaragua is totally wrong. It is an unwarranted, illegal interference by a superpower in the internal affairs of a small, poor country. It is a failure to recognize the principle of self-determination and it is a distortion of the real situation in that country. Nicaragua is not and never was a threat to the United States.

Finally, the President's policy was contrary to and undermined the peace plan agreed to by all Central American countries on the initiative of President Arias of Costa Rica, an initiative for which he won the Nobel Peace Prize. This is a good day for Central America and a good day for peace.

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## CHARTER OF RIGHTS

OMISSION OF RIGHTS OF UNBORN BABIES

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, where is our country heading? For many generations Canadians endeavoured to make laws in harmony with Holy Writ, but now our laws have to conform to the Charter of Rights, a document in which we had to fight to even get the name of God mentioned, a document that leaves out property rights and, even worse, makes no mention at all of the rights of unborn babies.



We lost the Sabbath Day as we knew it for many years because it did not conform to the Charter. Now we have abortion on request and unborn babies can be butchered in the womb simply as a birth-control measure. To our shame, we now let the convicted murderers live and permit the murder of unborn babies. It is enough to bring tears to the eyes of the Statue of Justice that stands silently in front of the Supreme Court of Canada.

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## PROVINCIAL AFFAIRS

BRITISH COLUMBIA—MINING EXPLORATION ACTIVITIES IN STRATHCONA PARK

**Mr. Ray Skelly (Comox—Powell River):** Mr. Speaker, I would like to call the attention of the House to a proposal of the B.C. Government to expand mining in Strathcona Park. The Government has changed provincial park boundaries to allow extended mining and exploration activity in the park.

Exploration activities by Cream Silver Mines Ltd. will lead to further mining in the park. Serious danger of contamination and destruction of major salmonid enhancement projects in the Great Central Lake and the Oyster River systems are a definite potential.

We in the NDP demand that the Minister of the Environment (Mr. McMillan) and the Minister of Fisheries and Oceans (Mr. Siddon) use their powers under the Fisheries Act to suspend any further exploration and mining in Strathcona Park, to launch an in-depth investigation of the potential damage to fisheries systems in that park, and to hold public hearings to ascertain the wishes of the public in this matter.

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## CANADA MORTGAGE AND HOUSING CORPORATION

LACK OF AFFORDABLE HOUSING IN TORONTO—GREATER USE OF SCARBOROUGH LAND BANK SUGGESTED

**Mr. Alan Redway (York East):** Mr. Speaker, last week the Minister responsible for Canada Mortgage and Housing Corporation announced that 1,808 non-profit housing units have been approved for Metropolitan Toronto in 1988. One of the projects approved at St. Mark's Presbyterian Church in my riding will provide 62 family units and 14 special-purpose units.

That is good news, until we recall that there are at least 17,000 families, seniors and single people, now on waiting lists for affordable housing in the greater Metro area. That makes us realize that 1,808 new units will help but certainly will not solve the problem.

It is time for CMHC to use more of its Scarborough land bank for housing, to redevelop its own Toronto branch-office

lands on Lawrence Avenue for housing, and to explore the housing potential of other federal lands in Metro as recommended by the McLaughlin report.

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## RAILWAYS

NEWFOUNDLAND RAILWAY—REPORTED NEGOTIATIONS ON ABANDONMENT

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, it now seems that the federal Government is renegotiating with the Province of Newfoundland for the abandonment of the Newfoundland Railway. This was negotiated before, but the parties could not reach an agreement that the Province of Newfoundland would accept.

Now it seems the province will accept an agreement. If the province is satisfied with it, I wish it well. However, I wish this agreement had been negotiated in public and not behind closed doors.

When the Terms of Confederation were brought forward in 1949, Newfoundlanders were promised a link with the mainland which would extend from North Sydney to Port aux Basques. I assume the people of Port aux Basques will be looked after by the Province of Newfoundland in the settlement with the federal Government. However, I do not want the federal Government to forget the obligation it took upon itself in the negotiations for the town of North Sydney and for the workers of Marine Atlantic. I would suggest to the federal Government that it treat the people of North Sydney fairly.

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[*Translation*]

## PUBLIC DEBT

HERITAGE FROM THE PAST

**Mr. Marc Ferland (Portneuf):** Mr. Speaker, in yesterday's editorial, the *Globe and Mail* reported the most shocking scandal we have known in the past 25 years, one that has an impact on Canadians today and will go on affecting us for the next 25 years. During the lengthy Liberal reign over this country, when the Liberals were unfortunately often supported by members of the Socialist Party, this country was spending money left and right, getting involved in frivolous expenditures and then having to borrow to buy the groceries.

That is why today, Canada has the largest per capita debt in the world. Canada ranks second after the United States in terms of absolute figures. We owe $172 billion abroad, that is, half the U.S. debt, for a country with one-tenth the population of the U.S. Mr. Speaker, that is a legacy we received from the Liberal big spenders. Lest we forget, the present Liberal Leader was there at the time, with his present team, and they were there thanks to the Socialist Leader's support.

Something to think about for Canadians, Mr. Speaker.

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• (1410)

[*English*]

## EXTERNAL AID

ETHIOPIA—THREATENED FAMINE—NEED FOR UNIMPEDED ACCESS TO HUNGRY POPULATION

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I would like to begin on behalf of all my colleagues in the NDP caucus by joining with the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) in celebrating the vote in Congress last night on funding for the Contras. I would like to express my regret that the Canadian Government could not show as much distance from the policy of President Reagan as obviously a majority of U.S. Congressmen were willing to do; I suppose they are anti-American, too.

Let us turn our attention to another country torn not only by war but by famine, the country of Ethiopia. Many of us are disturbed by persistent reports that indicate food relief is being used as a political weapon by the Ethiopian Government. The problem of safe passage for emergency food supplies is of increasing concern. In that respect I draw attention to an all-Party motion passed in the West German Bundestag calling for safe passage of those supplies. It specified that the impending famine must not be misused for political or military objectives; that the international humanitarian aid agencies must be guaranteed free and unhindered access to the needy population in all parts of Ethiopia; that relief convoys must be identifiable as such and it must be possible to check that they are not being misused for military purposes; and that food assistance and logistic support must not be misapplied for forced resettlement and villagization programs, nor misappropriated for the Ethiopian Army.

Those are the kinds of concerns on which we need a response from the Government. I hope the Minister in charge of this program will soon make a statement with respect to these charges and the effect they have on Canadian policy in that area.

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## FEDERAL-PROVINCIAL RELATIONS

MEECH LAKE AGREEMENT—ONTARIO PREMIER'S REFERENCE TO NEW CO-OPERATIVE SPIRIT

**Mr. Bob Horner (Mississauga North):** Mr. Speaker, it is not very often that a Progressive Conservative Member of

Parliament from Ontario has an opportunity to applaud a statement made by Premier David Peterson. However, being one who gives credit where credit is due, I am delighted to have such an opportunity today.

*The Ottawa Citizen* reported that during a speech in London, England, to the Canada-United Kingdom Chamber of Commerce, the Premier praised Prime Minister Brian Mulroney and applauded what he referred to as a new co-operative spirit in Canada. He called the Meech Lake Agreement an example of the new co-operation taking over federal-provincial relations. He stated in his comments: "I don't believe our Confederation has been stronger in the last 20 years."

It is my hope that such expressions of praise and good will by the Premier of Ontario will continue upon his return to Canada.

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## IMMIGRATION

PARENTS' SPONSORSHIP OF UNMARRIED CHILDREN OVER 21 YEARS OF AGE

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, on August 11, in this House, the Minister of Employment and Immigration (Mr. Bouchard) announced that he proposed to change regulations so that parents could sponsor unmarried children over 21. Last week he issued a release which was not only disappointing but patronizing in its tone. It chided those who have been making inquiries and said that he would issue a release when he was ready to move on the regulations.

I find it absolutely heartless that the Minister would raise expectations in August and then, six months later, the best he can say is: "Don't call us, we'll call you."

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• (1415)

## ABORTION

SUPREME COURT DECISION—OPPORTUNITY TO ENACT NEW HUMAN LIFE ACT

**Mr. Patrick Boyer (Etobicoke—Lakeshore):** Mr. Speaker, seen in positive terms, the Supreme Court decision on abortion now gives Parliament an historic opportunity to enact a comprehensive new statute, one that we might call the Human Life Act.

A Human Life Act would deal not only with abortion, genetic engineering, surrogate motherhood, and new forms of reproductive technology, but also euthanasia, suicide, and similar instances of intentional intervention in the human life cycle.



The Human Life Act should provide a legal framework within which particular decisions can then be reached by the individuals concerned and their medical doctor.

The sanctity of human life makes it appropriate to deal with all these questions as variations on a single theme, even though the medical procedures and individual circumstances vary dramatically.

My hope is that we can move beyond the current level of debate and analysis of this subject by placing the abortion issue in this broader context of a full-field concern for human life.

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# ORAL QUESTION PERIOD

[*English*]

## THE ADMINISTRATION

RESIGNATION OF FORMER MINISTER OF SUPPLY AND SERVICES—AWARDING OF GOVERNMENT CONTRACTS

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, my question is directed to the Acting Prime Minister. Yesterday the Prime Minister characterized the offence of the Minister he fired as technical, the failure to report his true financial situation, and a matter that, if reported, would have been acceptable.

Today it seems that the Prime Minister has not told the Canadian people everything he should have. Will the Acting Prime Minister confirm that the fired Minister obtained substantial benefits from an individual who was awarded contracts and did work on a government project?

Was the undisclosed loan for approximately $250,000? What was the interest rate charged on that loan to the Minister, and how much interest did the Minister pay to the lender? Was the lender the individual whose companies did substantial work on Crown land development at the Port of Quebec?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member is quite right. The Minister was dismissed for failing to comply with the disclosure as is required under the conflict of interest guidelines outlined by the Prime Minister, namely, the failure to disclose the existence of a personal loan. When it was confirmed that the loan was in existence, the Prime Minister took the necessary steps consistent with the spirit of the guidelines.

With respect to the individual with whom the former Minister made the loan, whether there are in fact any government contracts or whether he or his subsidiaries do any work for the Government, I am not completely aware, but that is a matter that is being looked into. Quite frankly, if the Hon. Member is suggesting that there is some sense of wrongdoing here—and I suspect that is what he is doing when raising the

question—I would appreciate if he came forth with that information.

[*Translation*]

QUERY WHETHER PRIME MINISTER KNEW CERTAIN FACTS

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, yesterday when the Prime Minister himself talked about a minister who neglected to report a loan, was he aware of the facts that I mentioned in my previous question?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, to the best of my knowledge, when the existence of the loan came to the attention of the Prime Minister, and the fact that it had not been disclosed and filed with the Deputy Registrar General in accordance with the guidelines, that indeed was a breach of the spirit of the Code. It was on that basis that the action was taken.

QUERY WHY MINISTER WAS DISMISSED

**Hon. Bob Kaplan (York Centre):** Is the Government prepared to come clean with the House and the Canadian people, and tell us all the reasons why that Minister was fired, not just a superficial, if valid, reason?

• (1420)

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am not sure what reasons the Hon. Member has in mind. If he has some pertinent or specific allegations or reasons, for instance, I wish he would bring them to the attention of the House. What I am telling the Hon. Member is the information we have and upon which the Prime Minister acted. If the Hon. Member has other information, I would certainly invite him to impart it to the House.

* * *

## CANADA ELECTIONS ACT

APPEARANCE OF FORMER COMMISSIONER OF ELECTIONS BEFORE COMMITTEE—REASON FOR NOT LAYING CHARGES AGAINST MINISTER OF ENERGY, MINES AND RESOURCES

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, the Prime Minister told us to wait for Mr. Gorman's appearance before pursuing further explanations about the Minister of Energy, Mines and Resources. Mr. Gorman has stated he was in the position to lay charges under the Criminal Code but that he did not want to do that because of the Minister's last election victory, and also because he was reluctant to use the Criminal Code to deal with an infraction under the Elections Act.

I want to ask the Deputy Prime Minister, because it certainly throws the ball back into his court, how he can still keep the Minister in his Cabinet in view of Mr. Gorman's evidence that he was in a position to lay charges against the Minister under the Criminal Code.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, Mr. Gorman can say before the committee or outside the committee whatever he chooses to say. I suppose the Member can distort and put any interpretation he so wishes on that.

**Mr. Gauthier:** That is a lot of nonsense!

**Mr. Mazankowski:** The fact is, as the Prime Minister indicated yesterday, and as I indicated, today the Minister of Energy, Mines and Resources wrote to the chairman of the committee requesting—requesting—that he appear before the committee so he can set the record straight and respond to some of the false allegations that are emanating from Members across the way.

[*Translation*]

QUERY WHY PRIME MINISTER IS HESITANT TO DISMISS MINISTER

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, lately the Government has asked us to direct our questions to Mr. Gorman, and that is what we have done. He told us he had all the information to lay criminal charges against the Minister. He said he did not do so because of the Minister's big majority in the last election, and especially because he was reluctant to use the Criminal Code in the case of a violation of the Canada Elections Act. I therefore want to ask the Prime Minister, now that the ball is in his court, why he was so reluctant to fire the Minister, considering the statements we heard by the Commissioner of Elections, to the effect that he had the requisite information to lay criminal charges against the Minister.

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member was at the committee, I was not, but my interpretation of the evidence presented by Mr. Gorman is that he did not find the Minister guilty of an offence under the Elections Act. In fact, I understand he said that, with the benefit of hindsight, it would have been a letter he should have never written.

**Some Hon. Members:** Oh, oh!

**Mr. Mazankowski:** So, quite frankly, there are these kinds of bits and pieces of testimony that are picked up in the committee that are selectively chosen to form the basis of questions on the floor of the House. It makes it very difficult, not having had the benefit of being in the committee, to determine what in fact is going on there. This makes it very difficult, with due respect, Mr. Speaker, to respond to these questions when some Members have the advantage of being in the committee while others have not.

[*Translation*]

## THE CABINET

MICHEL CÔTÉ AFFAIR—REQUEST THAT ALL DETAILS BE DISCLOSED

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is directed to the Deputy Prime Minister. The Prime Minister's press release concerning the resignation of the Hon. Member for Langelier was very brief. The Prime Minister did not mention the name of the person who made the loan. He did not mention the amount. He did not give a list of the contracts this person received from the federal Government. These questions are very important to Canadians and to the Members of this House. My question is just this: Can the Deputy Prime Minister guarantee that the Government will provide all this information and, more specifically, information concerning any contracts Mr. Laberge has received in the past from the federal Government?

• (1425)

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I can tell the Hon. Member that I am not aware of all the details of any contractual arrangements or any work the individual in question may be conducting with the Government of Canada. That is being looked into. I will certainly report to the Hon. Member in due course.

REASON FOR DEMANDING MINISTER'S RESIGNATION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I want to ask the Deputy Prime Minister this. Considering that it was the Prime Minister who alluded to possible conflict of interest in the guidelines, and he said specifically that there was a neglect to report the loan in question, will the Deputy Prime Minister tell the House in response to this question, in a way that he did not to an earlier question, was the sole ground for demanding the resignation of the Hon. Member for Langelier that he had failed to report the loan? Or was there any other possible view about a potential conflict of interest of a different kind?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I want to repeat to the Leader of the New Democratic Party, and for the benefit of the House, that what we are dealing with here is a breach of the Code and not necessarily a conflict of interest. It was on the basis that the personal loan that was arranged for by the former Minister was not disclosed, as is required under the Code.

REQUEST FOR INFORMATION ON GOVERNMENT CONTRACTS

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, since the Prime Minister knew about the information which he used to ask for the former Minister's resignation approximately two days ago, is the Deputy Prime Minister telling the House that in the intervening 48 hours the federal Government has not yet obtained information about all the contracts that the person who issued the loan had with the federal Government? The basic point is that the Government has not obtained that information in the past 48 hours. If it has not done so, which we find a little bizarre, when will the Government have this information?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I think I said that the Government was in the process of compiling that. I repeat again, there is no evidence on the basis of information that we have that there was a conflict of interest.

If the Hon. Member has some suggestions of impropriety or wrongdoing I hope that he will raise them. I sense that his question is presented in the best of tenor, and I want to respond to it in the same manner.

[*Translation*]

MICHEL CÔTÉ AFFAIR—QUERY WHY GOVERNMENT REFUSED TO DISCLOSE ALL FACTS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is directed to the Deputy Prime Minister. Does he expect the public to believe that the Government has waited for the resignation of the Hon. Member for Langelier before investigating the facts? Mr. Speaker, this is incredible. I therefore ask the Deputy Prime Minister why he and the Prime Minister are refusing to give the House and the public all the facts on which they based their request for the resignation of the Hon. Member for Langelier. Why the urge to hide the whole truth about this matter?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, there is no desire to conceal or hide the truth as the Hon. Member is suggesting. I want to remind him again that what we are dealing with here is a breach in the compliance with the guidelines rather than the assumption that there has been a bona fide breach in terms of conflict of interest.

On the basis of the failure of the former Minister to comply with the Code, by not disclosing the details of a personal loan, he was in violation of the Code. It was for that reason that he was dismissed.

• (1430)

GOVERNMENT INVESTIGATION—AWARDING OF CONTRACTS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I wish to begin my supplementary question by asking the Deputy Prime Minister, if he and the Prime Minister are certain that we are dealing only with a technical breach of the guidelines and not a conflict of interest, why is it necessary for the Prime Minister and the Deputy Prime Minister to carry out further inquiries?

**Some Hon. Members:** Oh, oh!

**Mr. Gray (Windsor West):** This certainly suggests that there is some reason why they are not willing to tell the whole story about this matter to the Canadian public.

I want to ask the Deputy Prime Minister specifically, will he tell us today whether or not René Laberge of Quebec, or any company in which he has an interest, received any government contracts, loans, or grants from this Government since it took office? Can he at least answer that specific question linked with this matter?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I want to be as fair as I can. The Hon. Member wants to know why we are carrying out inquiries, and then he asks a question as to whether in fact there was any business done by this individual. That is precisely why there is further examination in this case. That is what I responded to his seat mate, and that is precisely the response that I gave to the Leader of the New Democratic Party. We have undertaken to do that.

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## CANADA ELECTIONS ACT

EVIDENCE GIVEN BY FORMER COMMISSIONER OF ELECTIONS—REASON FOR NOT LAYING CHARGES

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, my question is directed to the Deputy Prime Minister. All Members of Parliament, and I suspect that all Canadians were flabbergasted when Mr. Gorman indicated in testimony yesterday that he made his recommendations regarding the alleged violations of the Canada Elections Act and the Criminal Code because the Minister had such a huge majority. It seems that if someone has a huge majority, and in that sense is very popular, no charges would be laid; but if someone was narrowly a winner, charges would be laid.

Will the Deputy Prime Minister do the right thing and indicate on behalf of the Government, and on behalf of the Parliament of Canada, that this type of decision is wrong, that this type of justice is inappropriate, and that the Government of Canada will not stand for any type of decision of this nature?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I thought that that is what the work of the committee was seized with. This individual is an officer of Parliament, and if he has conducted his mandate—

**Mr. Gauthier:** You are wrong.

**Mr. Mazankowski:** I'm sorry, he was.

If in fact he did conduct the mandate of his office in an improper manner, in the opinion of the committee, or if he exercised bad judgment or used his discretionary powers in too broad or in an improper fashion, I think that that is clearly something for the committee to report on. Perhaps in the course of that, there may very well be ways and means in which the legislation could be changed to ensure that this type of thing does not happen again.

GOVERNMENT POSITION

**Mr. Nelson A. Riis (Kamloops—Shuswap):** I think it is very important that the Deputy Prime Minister send a very clear signal right at this moment that, in no way, is this type of justice tolerated. Surely the Deputy Prime Minister of Canada does not have to wait for a committee to examine this type of statement, that if you win by a huge majority you can presumably break the law.

I wish the Deputy Prime Minister to stand up now and state that this type of decision and this type of justice are unacceptable and will not happen again.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** I may very well share the views of the Hon. Member. But the fact of the matter is that this individual was authorized to carry out a job as sanctioned by the Parliament of Canada. I certainly would not want to usurp the role of individual Members of Parliament who may want to render a decision or a judgment on the basis on which Mr. Gorman conducted his stewardship.

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## NATIONAL PAROLE BOARD

SUPERVISION OF PAROLEES IN METROPOLITAN TORONTO—REQUEST FOR MINISTER'S RESIGNATION

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my question involves another scandal, this one involving the negligence of the Solicitor General. Four months ago on October 2, 1987, here in the House I brought to the attention of the Government a series of leaked memos on parole supervision in Toronto which described the system as being at the breaking point. I warned the Government that the situation was a powderkeg ready to explode and that the safety of Metro residents was at risk.

The response of the Government was that "The situation is well in hand". The situation was not well in hand. A young woman was murdered in Metropolitan Toronto last week. My question to the Deputy Prime Minister is the following.

In view of the gross negligence of the Solicitor General, will he immediately ask for his resignation?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I am certainly not aware of any gross negligence on my part or those in my Department. I believe that the Hon. Member is referring to the Stanton case in Toronto. I am certainly relieved that he has been recaptured and is back in custody.

As Hon. Members will know, there is an ongoing police investigation into this matter, charges have been laid, and I cannot comment on that aspect of it as it is before the courts.

With respect to what responsibility, if any, Correctional Services and the National Parole Board have, as the Hon. Member well knows, I have directed that there be an inquiry into the circumstances surrounding that under Section 12 of the Penitentiary Act. That has already commenced.

RELEASE OF CONVICTED RAPIST ON UNESCORTED PASS

**Mr. John Nunziata (York South—Weston):** On October 2, 1987, I brought to the attention of the Government the memorandum from Mr. Max Stienburg, who is a senior member of the National Parole Board, to Mr. Olé Ingstrup, the Chairman of the National Parole Board. In the first paragraph he states:

> It is becoming very apparent that major problems exist in the area of supervision in Toronto and vicinity. We continue to lose jurisdiction in cases . . . due to late reporting to see evidence of very shoddy work and to see signs of impending major problems.

The Solicitor General was warned about the serious nature of parole supervision in Metropolitan Toronto. Can he explain to the House how it was possible for a convicted rapist to be given an unescorted pass from a federal penitentiary, and how it was possible for that individual to escape from a half-way house, and for it to take the half-way house eight hours to notify the police?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, as I have already advised the Hon. Member, there is a police investigation under way. Therefore, I cannot comment on that.

I can tell the Hon. Member that there will be a public inquest into this matter, and that I have already initiated an inquiry under Section 12 of the Penitentiary Act into all aspects surrounding the involvement of the National Parole Board, Correctional Services of Canada, and the half-way house itself, in this particular incident.

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## GENERAL AGREEMENT ON TARIFFS AND TRADE

EFFECT OF DECISION ON WINE INDUSTRY AND GRAPE GROWERS

**Mr. Joe Reid (St. Catharines):** Mr. Speaker, my question is directed to the Minister responsible for International Trade. The Minister knows the impact of the free trade agreement with the United States upon the grape and wine industry of both the Niagara region and the Okanagan Valley. More serious than that, and of greater concern, is the recent GATT trade panel report. This report is under discussion in Brussels.

Would the Minister be good enough to advise the House of the status of those discussions that are going on, or have been going on, whether there is any opportunity for a compromise agreement, and what might be done as an alternative to save the Niagara region and the fruit growing belts of Canada?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I would like to thank the Hon. Member for St. Catharines for his question and for his efforts on behalf of the wine industry and the grape growers in his region.

I do want to point out that this is a provincial matter in the sense that the procedures in question are provincial pricing practices. I want to assure the Member that every effort was made by our federal negotiators to secure as long a period of adjustment as possible. Unfortunately, in these negotiations with the European Community the Europeans were not prepared to take into account the need to have a satisfactory period of adjustment time, and they set unacceptable conditions as a basis for continuing to negotiate.

We are involving the provinces in this discussion. We are involving the industry. We will continue to do so while we evolve our response to the GATT panel decision.

* * *

[*Translation*]

## THE CABINET

MICHEL CÔTÉ AFFAIR—REQUEST FOR DETAILS OF ALLEGED LAND SALES

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, my question is also directed to the Deputy Prime Minister. Mr. Marc Lefrançois, Conservative Party organizer, told the media this morning that Mr. René Laberge purchased property from the federal Government for $1,008,000 about two years or eighteen months ago. Could the Deputy Prime Minister confirm to the House today that Mr. Laberge purchased federal land from the federal Government, and could he release all the details of this transaction? Finally, Mr. Speaker, could he give the House the assurance that the usual bidding process was followed? Mr. Speaker, it is time to be open and honest with the Canadian people.

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I am able to confirm that Mr. Laberge had an interest in a company or companies which has purchased lands from the federal Government, in particular in the old Port of Quebec.

• (1440)

I do not have all the particulars today. I can confirm that the purchases were further to calls for proposals which were done according to a tendering system. There was an adjudication process involving not only directors of the Old Port of Quebec but also representatives from the community, universities, and business, to determine who should be awarded the contracts.

I do not have all those particulars, but I can confirm, in general, that the general thrust is that Mr. Laberge was involved.

GOVERNMENT CONTRACTS—REQUEST FOR FULL DISCLOSURE

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, in light of that, I go back to the Deputy Prime Minister and ask him whether or not the inquiry that he is talking about will be broad enough in scope to deal not only with some contracts that Mr. Laberge may or may not have had with the federal Government but also details about the land. Will he make public what Mr. Laberge paid for the land? Will he also make public all details that are relevant *vis-à-vis* this particular transaction?

Can he say to the House whether or not the inquiry is an inquiry of the Government internally, or whether or not the police are also doing an investigation?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, once again may I simply reiterate that there is no evidence of a conflict of interest here. There are allegations and suggestions being raised such as the one the Hon. Member raised earlier.

I indicated to the House earlier that we were compiling any relationship the individual may have, or his subsidiaries may have, with the Government in terms of doing business. As soon as that is available, I will certainly provide it to the House.

CONFLICT OF INTEREST CODE—ACCEPTANCE OF GIFTS OR OTHER BENEFITS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday the Prime Minister said in the House that the Minister of Supply and Services was kicked out of Cabinet because of a technical breach, namely, the failure to report a loan.

In view of the fact that Section 33 of the Conflict of Interest Code, tabled in the House by the Prime Minister on September 9, 1985, says that public office holders in their judgment and performance of duties shall decline gifts or other benefits, could the Deputy Prime Minister admit to the House that it is not only the failure to report the loan that is at stake here? It is the fact that the benefit or the loan in question was accepted at all. It is far more than a technical breach.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I think that that has been adequately answered by the Prime Minister. I really have nothing further to add other than the fact that I should point out to the House that on January 29, 1987, as the Prime Minister indicated, I instructed the Associate Secretary to Cabinet to review with each Minister the arrangements made to ensure his or her compliance with the Conflict of Interest Code. As a result, a very detailed questionnaire, some 19 pages in length, was submitted to each Minister. It was on that basis that the Associate Secretary to Cabinet did a complete and thorough review and analysis of all cabinet Ministers.

Unfortunately, in this particular case there was a breach of the Code, which we discovered this week and on which the Prime Minister acted immediately.

**Mr. Boudria:** The Deputy Prime Minister still has not told us what section of the Code has been breached.

[*Translation*]

CONFLICTS OF INTEREST—PRIME MINISTER'S RESPONSIBILITY

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Yesterday, the Prime Minister claimed he found it very difficult to get his Ministers to observe the code of conduct on conflicts of interests, because, as he said, he had inherited this code from the previous Liberal Government.

Considering the fact that the present code was tabled in the House by the present Prime Minister on September 9, 1985, why doesn't the Prime Minister take the responsibility instead of trying to sell Canadians a bill of goods? And when is the Prime Minister finally going to stop blaming others for the Conservative Government's improprieties?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I do not think any Government has to take any lecture from this particular individual. The fact of the matter is that the guidelines which are in existence today are much, much more stringent than those of any other previous administration, any previous Government. The fact of the matter is that the guidelines are working.

**Some Hon. Members:** Oh, oh!

**Mr. Mazankowski:** We have proof positive as a result of what happened this week.

## MEDICAL CARE

MANAGEMENT OF HEALTH CARE SERVICES—EFFECT OF CANADA—UNITED STATES FREE TRADE AGREEMENT

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, I have a question for the Minister of National Health and Welfare. I am wondering how the implementation of the free trade agreement with regard to the specific area of health care facilities management services affects the already widely diverse method of health care management found throughout the country.

Specifically, could it have any effect on the principle of universal access to health care services?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, in response to the Hon. Member, this matter has come up before in respect of the discussion on the free trade agreement. Hon. Members of the House will recall that I very specifically referred to hospital management at that time, and I am referring to it again.

Private sector management of health facilities is not inconsistent with the medicare tradition in Canada. It has been supported and promoted by various provinces to various degrees. The Canada Health Act, while requiring provincial plans to be administered on a non-profit basis, does not close the door on private sector management.

The free trade agreement, therefore, is simply a recognition of the current way of doing things in Canada and has not changed anything from present practice or the future.

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[*Translation*]

## ENVIRONMENTAL AFFAIRS

PRESENCE OF DIOXINS IN MIRAMICHI RIVER—GOVERNMENT POSITION

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, my question is directed to the Minister of the Environment and concerns the level of dioxins in the Miramichi River near the Domtar plant. Is the Minister aware that in the past 20 years, studies have shown levels of very toxic dioxins in the water near Domtar? What is his Department doing to protect the environment, public health and the fisheries industry in this area?

[*English*]

**Hon. Tom McMillan (Minister of the Environment):** Yes, Mr. Speaker, we have been working with the company, hand in glove, on a clean-up. I am advised that Domtar itself is launching a major excavation and that a clean-up is under way with the full backing of the Government of Canada through my Department.

REQUEST FOR ASSURANCE ADEQUATE MEASURES WILL BE TAKEN

**Ms. Lynn McDonald (Broadview—Greenwood):** Mr. Speaker, it is certainly welcome to hear that a clean-up is under way. Could we have some more details about it? Can we understand what his responsibility is and what checking there has been with Agriculture, for example, with the possible presence of dioxins in cattle in the area and with the evidence of dioxin in fish?

Can we be assured that comprehensive attention will be paid to the matter and that the clean-up will be adequate for all these problems?

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, if I had for my own answer alone the remaining time in Question Period, I probably could not do justice to all the questions that were asked. However, suffice it to say, the plant in question has been closed. A clean-up is under way. The Government of Canada is providing every technical back-up possible. We are monitoring it as an issue of first importance. As for the detailed information the Hon. Member has requested, I would be glad to provide it to her either directly or in response to any question she might wish to put on the Order Paper.

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## THE ADMINISTRATION

FORMER MINISTER OF SUPPLY AND SERVICES—PERSONAL LOAN—REQUEST FOR DETAILS

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my question is for the Deputy Prime Minister. I say to him that there is absolutely nothing wrong with the guidelines. It is the people who administer the guidelines, that is the problem with this particular Government.

Yesterday there was no information forthcoming from the Prime Minister regarding the details surrounding the firing of his Minister. Today, on the floor of the House, the Deputy Prime Minister was not prepared to give any details and in fact only said "we are compiling information", only to have, 15 minutes later, the Minister of Public Works admit, on the floor of the House of Commons, the relationship of Mr. Laberge and the Government of Canada in certain contracts.

I want to ask the Deputy Prime Minister, on the basis of honesty and integrity, will he not now tell the House the amount of the loan, the interest rate which was charged, and all details which are in his possession in the *aide-mémoire* which lies in his briefing book?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if the Hon. Member asks a specific question he will get a specific answer, as did the Hon. Member

for Yorkton—Melville. It was a very specific question and he got an answer.

• (1450)

I can confirm that the loan is in the order of $250,000. The identity of the lender is Adelard Laberge Incorporated and I understand the owner is René Laberge. I am not aware of the interest rate. I do not have that information available at this time.

INTEREST RATE CHARGED ON LOAN

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, in view of the importance of knowledge and the impact which it has on the whole discussion of this issue, will the Deputy Prime Minister now give an undertaking to the House that no later than tomorrow at Question Period he will have, for the benefit of all Members, the precise information as it relates to the interest on this particular loan?

In addition to that, will he not now give a clear and unequivocal undertaking that he will stand in his place and give a detailed description of all of the information which is in his possession and the possession of the Prime Minister relating to the dismissal of the former Minister of Supply and Services? Will he not now do that?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I have no desire to conceal any information on the facts that I have at my disposal. That which I am giving to the Hon. Member today is the information which was provided to me. I have absolutely no desire to withhold such information, as he would suggest.

I will provide any pertinent information as it becomes available to me. I want to assure the Hon. Member that I would not want to give him an undertaking and not be able to fulfil that undertaking. As I have indicated to other Members of the House, as the information becomes available I will be prepared to provide it.

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## CANADIAN NATIONAL RAILWAYS

MEMORANDUM ON ACCELERATING LAY-OFFS

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Deputy Prime Minister as well. He knows that Mr. Fletcher, senior Vice-President of CN, has indicated through a memo that he wants lay-offs to continue at an accelerated rate because during a federal election that may not be possible.

The Deputy Prime Minister knows that as a result of Bill C-85 which was passed six months ago workers cannot negotiate job security or anything else. Since there is no arbitration ongoing even now after almost six months, how will those workers be able to protect their jobs in light of the CN memo?

[*Translation*]

**Hon. Monique Vézina (Minister of State (Transport)):** Mr. Speaker, as I have said before, Canadian National is a Crown corporation that competes on the open market, and the Government cannot interfere with its corporate plan. As a member of this Government, I regret that a rationalization program is having an impact on the workers themselves, but the Government as such cannot intervene.

[*English*]

REQUEST THAT GOVERNMENT PROTECT JOBS

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is directed to the Deputy Prime Minister. It does not relate only to transport but to the back-to-work legislation introduced by the Minister of Labour and passed by this House.

That legislation prevents the shop craft workers from exercising their right to strike. They cannot get an arbitration at the present time because the other group is in arbitration. They are losing their jobs because of legislation passed by this House. What is the Government going to do to protect those workers?

**Mr. Joe Price (Parliamentary Secretary to Minister of Labour):** Mr. Speaker, I want to inform the Hon. Member that the arbitration proceedings are proceeding quite well with respect to these unions. Among the outstanding issues, the issue of job security is front and foremost in the arbitration proceedings. Three of the six issues which were put before the arbitrator have now been resolved by an interim award made by the arbitrator. The three outstanding issues will indeed be resolved in very short order as a result of the excellent arbitration process.

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## THE ADMINISTRATION

ALLEGED ROLE OF FORMER MINISTER IN FUNDRAISING ACTIVITY

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Deputy Prime Minister. According to an article in today's *Ottawa Citizen* the former Minister of Supply and Services was also the chief fundraiser for the Conservative Party in the Province of Quebec. Notwithstanding the circumstances surrounding the Minister's departure from Cabinet in the last two days, does the Deputy Prime Minister deem it appropriate that a Minister of Supply and Services in charge of administering government contracts would also be given the responsibility by the Prime Minister of being the chief fundraiser in the Province of Quebec?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury**

**Board):** Mr. Speaker, my colleague, the Minister of Energy, Mines and Resources, says that the allegation is totally false.

**Mr. Speaker:** Order. The Hon. Member's question has been answered in a way. I must advise that the Hon. Member, who is a skillful debater in this place, has probably asked a question which is, on strict interpretation of procedure, out of order. Before the Hon. Member rises to ask a supplementary question I would ask him to keep that in mind. The question seems to be directed at an area of activity outside the responsibilities of the Ministry.

**Mr. Tobin:** Mr. Speaker, the Member is trying to understand the way in which the ethical standards of the Government are being enforced. We are trying to determine how the Government determines a benefit.

CIRCUMSTANCES SURROUNDING MINISTER'S RESIGNATION

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, how is it that the Deputy Prime Minister has no information at the beginning of the day and the Minister of Public Works has a great deal of information in the middle of the day? The Minister subsequently told the House that "if you ask specific questions you will get specific answers".

What kind of cat and mouse game is he playing with the people of Canada and the Parliament of Canada? When will he make a full statement disclosing all the information the Government has with respect to all of the circumstances surrounding the resignation of the former Minister of Supply and Services and, we are told, the chief fundraiser for the Conservative Party in the Province of Quebec?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I have already responded to that question.

* * *

[*Translation*]

## IMMIGRATION

REUNIFICATION OF FAMILIES—REQUEST THAT MINISTER KEEP HIS PROMISE

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question is directed to the Minister of State (Immigration). Considering that on August 11, 1987, the Minister of Employment and Immigration promised that single sons and daughters, whatever their age, would be able to immigrate to Canada as relatives of permanent residents, when does the Minister intend to keep his promise and allow Canadian citizens to reunite their families?

[*English*]

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, I thought for a moment that the Member was rising to compliment us on the 148,000 immigrants and refugees this country welcomed in 1987.

**Some Hon. Members:** Hear, hear!

**Mr. Weiner:** That is 60,000 more than the 88,000 that were admitted by the previous administration. That is our commitment to keep increasing immigration levels to this country and to continue to allow immigration to contribute to the economic, social, and humanitarian growth of the country.

BACKLOG IN PROCESSING APPLICATIONS

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question concerned the Minister's promise made last summer for which he says the regulations are not yet ready. My supplementary question concerns the fact that normal immigration applications have so surged that there is a heavy backlog, not in refugee matters, but in immigration matters.

Therefore, when will the Minister apply sufficient staff to carry out the obligations he already has and the promises he has made to the people of Canada?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, when we came forward with the planning figures for 1987—which we indicated, were targets and not quotas—Members of the Opposition said we would not meet those figures. Well, we did, and we will meet the planning figures again this year.

There is a productivity review under way by a small internal committee comprised of ourselves, the Solicitor General, Health and Welfare, and External Affairs, to learn whether there are more expeditious ways of processing. We are improving our procedures in terms of advancing new technology. An example is the new technology in Hong Kong where we have quadrupled the number of visas we are issuing on a monthly basis.

• (1500)

**Mr. Speaker:** This will be the last question of Question Period. I would ask the Hon. Member for York West to make his preamble short.

* * *

## REFUGEES

PRESCREENING OF CLAIMANTS—GOVERNMENT MEMORANDUM

**Mr. Sergio Marchi (York West):** Mr. Speaker, my question is also for the Minister of State for Immigration and it relates to Bill C-55. The Minister said, as reported at page 7330 of *Hansard* of June 18, the following:

> Every claimant will have an opportunity to argue why his or her claim should be heard. It is not correct that the initial hearing before an immigration adjudicator and a refugee board member is a prescreening.

*Business of the House*

Yesterday, *The Globe and Mail* quoted a confidential government memorandum which unfortunately outlines the true government agenda which is to use prescreening to eliminate nearly two-thirds of all applicants.

How can the Minister justify earlier statements to the House and to Canadians that there will be no prescreening and at the same time use a secret strategy that is based on prescreening and prejudging? Why is the Minister using a systematic prejudging approach rather than allowing the system to be independent, fair and honest?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, the Hon. Member is certainly not quoting from a secret document. The letter he has referred to was sent to officials around the country. It was one hypothesis. There are some planning and resources that have to take place. It is hypothetical because we do not know what the flow of claimants may be in the future.

We said clearly that we will protect those who do not have a safe haven. There will of course be eligibility criteria that might render some ineligible for access to the system, but of course there will be subjective criteria, and an individual, on a credibility basis, will be given access to the board.

REQUEST THAT MINISTER ESTABLISH NEW PROCESS

**Mr. Sergio Marchi (York West):** Mr. Speaker, what the Minister is saying now and what he said before in public are not the same as what that memorandum is suggesting. He should be ashamed of employing that double standard.

Given that the Government, in this memorandum, is clearly planning to prejudge, eliminate and discourage claimants without the facts, will he not reassure the House that he will abandon this Machiavellian strategy and will establish a process that can fairly and objectively judge claimants without him trying to be both judge and jury?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, the Hon. Member knows that we brought forward a process that will identify and welcome real refugees in an expeditious fashion. Today we do not have such a process. With the complicated, unfunctioning system the Hon. Member's Party left to us, individuals do not know when they can be protected in our system.

My advice is that at least 70 per cent of those people coming now are making what might be inappropriate refugee claims. They may be very good immigrants, but they should be applying in that stream. In a recent survey we took, 80 per cent came from a country which was not the country from which they fled out of fear of persecution.

Canada alone cannot solve the refugee problems of the world. We will do it in concert with our allies. Yes, we will return some to the safe havens they have had, to the homes in which they have lived or to the places from where they could have sought protection.

## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I would like to ask the Minister of State to give a statement of the government business for the coming week.

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I will try to outline the agenda for government business from now through until next Friday in view of the fact that we will then be breaking for a week.

We intend today to continue with Bill C-105, the Railway Safety Act. If Bill C-105 is not completed, we will call it again on Friday. Once that is completed, we will continue debate on Bill C-54.

On Monday, February 8, we will commence debate on Bill C-72, the Official Languages Act. We will debate that Monday and probably Tuesday.

As Hon. Members know, Wednesday is the day of the Budget presentation by the Minister of Finance (Mr. Wilson) which will take place at 4.30 in the afternoon. After the presentation by the Minister of Finance, we will on Thursday deal with what is normally known as the Opposition's reply to the Budget and have a full debate on Thursday on the Budget.

What we will do on Friday has not been determined at this time. We may do some housekeeping legislation at that time.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question also relates to House business. Yesterday in Question Period, it was brought up that the Standing Committee on Elections, Privileges and Procedure was looking into the Canada Elections Act with regard to the Hon. Member for Frontenac (Mr. Masse). In response to many questions, the Prime Minister (Mr. Mulroney) and the Deputy Prime Minister (Mr. Mazankowski) said that one route for resolving the impasse was to have a House order.

The Minister of State recognizes that the only reason the committee is conducting its business at the present time is that the majority of the committee overruled the Chair and decided to proceed despite the Chair's ruling. That is not a great way to do business. I wonder if the Government would reaffirm its commitment to allow the committee to call all witnesses and to ask all necessary questions on this matter and confirm that there will be a House order forthcoming to allow that to happen.

**Mr. Lewis:** Mr. Speaker, I am not sure I have here the committee reference. Just to refresh the memory of Hon. Members, after the Speaker's ruling with respect to this matter on a question of privilege last week, we indicated that the Government was content to have this matter discussed in committee and that there were two ways of doing this, either by a House reference or by having the committee decide on its own just exactly what it wanted to do. We felt, quite frankly,

that we would be better advised to allow the committee to form its own reference, which it did.

The committee is now in the process of examining witnesses in the process of deciding whether or not it ought to proceed under the Elections Act with a formal charge. It is my understanding that the committee has seen Mr. Hamel and Mr. Gorman and that their testimony will continue at 3.30 this afternoon.

The point made yesterday was a question of the Minister of Energy (Mr. Masse) attending committee to answer questions put by the committee. I have not read the committee transcripts, I must admit. I am getting my information from the print and electronic media. As I understand it, there was some question about whether or not the committee could compel the Minister of Energy to attend. It is my understanding also, and I have seen a copy of the letter, that the Minister of Energy has cleared up that problem and has offered to attend in order that he may give testimony. That will happen, I believe, some time next week.

I think the House should let the committee do its work and follow its reference. I believe we are meeting all of the tests required. The Minister will be there of his own volition, and that is the best way to get a witness to answer any questions.

**Mr. Deputy Speaker:** I would like to remind Hon. Members that Question Period has ended. We are on the Business of the House question.

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, we are on Business of the House, certainly, because we are discussing a House order to determine the terms of reference of the committee. The Minister cannot hide behind the fact that the committee is now operating under very narrow terms of reference.

**Mr. Deputy Speaker:** I have just said that Question Period had ended.

[*Translation*]

If the Hon. Member for Saint-Jacques (Mr. Guilbault) has a question about the business of the House as it relates to the Government's plans, we could perhaps dispense with further comment, except for the specific question to the Hon. Minister about the business of the House.

The Hon. Member for Saint-Jacques.

[*English*]

**Mr. Guilbault (Saint-Jacques):** Mr. Speaker, let me put a straight question by asking whether the Minister is now ready to cause a motion to come before the House to determine the terms of reference to be used by the Standing Committee on Elections, Privileges and Procedure to look into the election expenses in a proper way. That would allow for all persons concerned to be summoned and for all documents to be obtained so that the committee would not have to operate in the narrow fashion in which it is forced to operate at this time.

**Mr. Deputy Speaker:** I understand the Hon. Member for Kamloops—Shuswap (Mr. Riis) has a question on House business. If the Minister of State would like to comment, of course he may do so, but I think it would probably be better if there were to be a House Leaders' meeting to settle this matter. It would be easier, I believe.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I simply want to conclude this discussion by indicating that there have been discussions between the House Leaders. I simply want to seek clarification from my hon. friend.

• (1510)

The discussions were to the effect that we would see how things proceeded with the committee on the assumption that a complete and thorough investigation would occur. There was the caveat that if there were problems, for whatever reason, I believe the Deputy House Leader indicated it would be his intention to consider seriously a reference from the House to clarify the terms of reference in order to allow a thorough investigation to occur.

**Mr. Lewis:** Mr. Speaker, I am reluctant to negotiate on the floor of the House on something like this. We made it very clear that we want the procedures of the commissioner in investigating these charges to be fully investigated by the committee. We have no intention of standing in the way of a thorough examination of the procedure involved in investigating charges. I want that to be very clear to everyone.

The committee is seized of this issue. It is not House business. However, I want to make it perfectly clear that the Minister has agreed to go and answer questions. That clears up that problem. The Government has done everything possible to make sure that the committee can do its work.

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, last week the Government projected Bill C-33 on the Order Paper as a substitute Bill. I think it was on Monday or Tuesday last. We heard thereafter that the Government was not going to present that Bill because it wanted to amend it. We know that the scope of the Bill does not allow for amendments. Can the Minister tell the House whether the Government is going to bring in a new Bill? That is, is it going to withdraw Bill C-33 as it stands now and amend it as it wishes, and can we expect the Government to bring this legislation forward soon or not?

**Mr. Lewis:** Mr. Speaker, Bill C-33 is on the Order Paper. I have advised my hon. friend of the government business from now until the break. If my hon. friend wishes to ask a question in Question Period about Bill C-33, we are open for answers.

**Mr. Gauthier:** I will accept that invitation.

## GOVERNMENT ORDERS

[*English*]

### RAILWAY SAFETY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-105, an Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

**Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine):** Mr. Speaker, in resuming debate on Bill C-105 I would like to say, having listened to the debate that has taken place, that the important thing to note is that we are in complete agreement. It is an essential Bill and important to Canadians. In the debate so far much information has been given, and in my brief remarks I want to touch on two main areas of the Bill because I believe all Canadians should know what is included in the Bill.

With respect to railway construction, Part I of the Bill establishes the Government's powers and procedures related to construction and alteration of railway works. Under this part of the Bill the Governor in Council will have unlimited power to make regulations which establish standards for these activities. Equally important is the fact that through this provision the Bill makes it possible for the Government to select which construction and alteration projects it wishes to evaluate in detail. As a result, for the first time the regulator can focus on projects which may affect the safety of railway operations or may cause concern to the general public. There will no longer be a requirement to process a multitude of project approvals which have little or no bearing on safety.

The Governor in Council will also be empowered to designate kinds of railways works which cannot be undertaken without the proposer, in most cases a railway company, giving prior notice to persons who may be affected. The Bill makes full provision for any objections to be considered before a decision is made to allow the work to proceed. By putting the onus on the railways to notify potential objectors, the Bill removes the burden of ensuring public input which is now placed on Government by the existing Railway Act.

Bill C-105 creates three categories of construction and alteration projects for regulatory purposes. I would like to comment on those. First, projects which must have ministerial approval before work can begin. Second, works which may be undertaken without ministerial approval provided no objections are received but for which an affidavit certifying the safety of the completed work must be filed with the Minister. Third, projects which may be carried out without reference to the regulator.

The first category of works includes projects for which engineering standards have been prescribed and which depart from those standards or those which meet standards but are objected to by other persons on the grounds of safety. Section 10 of the Bill sets forth the procedures to be followed in seeking authority to proceed. The Minister may seek advice, hold an inquiry into the proposal, and must consider legitimate objections before rendering a decision. The bottom line is that the Minister has the necessary power to deny authority to proceed if he or she, as the case may be, is not satisfied with the proposal on the grounds of safety.

The Minister will not be placed in the position of ordering the proposing party to proceed with the project or to carry out the project in a certain manner. It is up to the proposer and, as usual, the railway company concerned, to come up with a plan that satisfies the Minister's requirements. If a railway company uses the rejection of a proposed work by the Minister as a reason to abandon the service, appeals for restoration or service may be made to the National Transportation Agency on the grounds of public convenience.

I should add, with the introduction in this House of Bill C-18 and Bill C-19, steps the Government has taken we are continuing with Bill C-105 to complete and complement the work already done.

Members should note that the Bill creates an assessment period of 60 days within which the Minister must advise the proposing party that their request is approved, rejected, or that more information is required. The Minister may extend the assessment period indicating the length of time of the extension and the reasons for doing so. Also, the 60-day period excludes any time taken for an inquiry. In this manner the Bill establishes a normal term for rendering decisions but provides flexibility in the event that the proposal is particularly complex or controversial.

For the person proposing the project there is assurance in the legislation that applications will be handled expeditiously and that the time limit for decisions will be known. This has been the subject of considerable criticism in the past with proponents often facing difficulties in scheduling work in the absence of any indication of anything to the contrary. The new procedures may place pressure on the regulator to make decisions quickly, but this will provide a more equitable system for everyone concerned.

As regards the Railway Safety Act, for any project requiring ministerial approval, and for certain other types designated in the regulations, the completed works may not be placed in operation until an affidavit has been filed with the Minister. This affidavit must testify to the safety of the works and be signed by the professional engineer in charge of the works. This provision requires the proposing party to confirm in writing that works have been carried out in accordance with applicable standards or are otherwise consistent with safe railway operations. The onus to operate safely is placed squarely on the management of the railway companies or any person who undertakes railway work.

• (1520)

There remains a third category of work which may be carried out without reference to the regulator. These would include minor construction or alteration projects which do not have a significant impact on railway safety and which do not have potential to raise objections from other persons on the grounds of safety. The objective in creating these options is to eliminate the processing of routine applications for approval which do not yield benefits in terms of improved safety.

However, Members should note that even in the case of this third category of projects which can be carried out without reference to the regulator, there remain full powers of inspection under the Bill and the power for either the railway safety inspector or the Minister to stop or put restrictions on any operation if a threat to railway safety should rise.

Furthermore, the Minister would have powers to order modification or removal of railway work which is not in accordance with the requirements of the Act.

In providing for the establishment of standards, the Bill states that these may include physical specifications or they may be performance related. This reference to performance standards is intended to encourage a departure from the use of physical specifications, which are usually highly detailed and tend to lock the regulator and the industry into a particular technology. Standards based on performance establish what the railways must achieve in the interest of safety, but do not dictate the method for achieving it.

For example, the existing standards for train brakes are expressed in detailed specifications which are based on the conventional air brake system. In fact, the concern of the safety regulator should only be that a braking system is provided that is capable of stopping moving trains within certain limits. Whether that system be based on air brakes, electric brakes or any other means of stopping a train, depends only on whether the technology does the job safely. The railway safety Bill encourages the regulator to accommodate technological changes which enhance safety without having to change regulations.

Part II of the Bill gives the Governor in Council broad powers to make regulations governing the operation and maintenance of railways. These powers include controls over the safety of railway equipment and the standards to be met by persons employed in positions designated as being critical to the safety of railway operations.

Under these regulations, the Minister will have control over the essential area of operating rules. These rules, which control every facet of the safe operation of railways, include how trains are dispatched and operated by train crews, how equipment is designed and manufactured, and how equipment and track is inspected and maintained.

Members are aware that railway accidents are sometimes ascribed to human error. These almost always involve a violation of the rules which will be covered under Part II of the Railway Safety Act. By simplifying the procedures and removing these rules from the requirements of the Statutory Instruments Act, this Bill will enable the Minister to implement changes rapidly in the interest of safety and to keep the rules up to date. This was a point of great concern to Mr. Justice Foisy after the collision at Hinton. I am pleased to note on behalf of the Government and the Minister of Transport (Mr. Crosbie) that Bill C-105 will make it possible for the Minister to respond to Mr. Justice Foisy's recommendation.

The railway safety bill provides flexibility in rule making so that the Minister can tailor rules to special requirements of individual companies. This is particularly desirable in the case of the smaller railways under federal jurisdiction which have no need for many of the rules which have been written with the large main line railways in mind. Nevertheless, the Bill seeks retention of uniformity in rules wherever it is reasonable and practical to do so.

Bill C-105 also allows exemptions from regulations to be granted for specific reasons. This flexible approach will be of particular benefit for carrying out research projects of short duration. The exemption process also could be used to relax certain rules to allow a demonstration of new technology, such as a trial operation of a new rail bus. These exemptions would only be permitted under controlled circumstances which would ensure that there is no threat to safety.

I had the honour of serving as Vice-Chairman of the Standing Committee on Transport and having worked with the Minister of Transport and the Minister of State. I have had the pleasure of working with the transport critics of the Official Opposition and the New Democratic Party and listened with great interest to their debate on Bill C-105 this morning. New Members of Parliament sometimes lack experience and can learn from those more experienced Members. Bill C-18 and Bill C-19 are a reflection of the complexity of our country.

[*Translation*]

—whether we come from Quebec or from out West, the key to promoting regional development, and this is important, is transportation. For years, we have seen that in some areas, there is a definite lack of transportation. Whether we are looking at a Crown corporation—whether it calls itself CN or VIA Rail—or at a private company, and in the past we had CP and I think we still do, but the important thing is that we must keep our priorities straight for developing this country from east to west, and we should be sensible, both about safety and the way we spend the funds available.

Mr. Speaker, being on the Transport Committee, I had an opportunity to make the trip between Paris and Lyon on the TGV super express.

Mr. Speaker, it was fantastic. But don't misunderstand me. I am not asking for a train like this for the regions, whether we are talking about the Gaspé, Bonaventure or the Magdelen Islands. We don't need one, but we do need transportation

across this country because that is the secret of our success, and it is vital for investment.

• (1530)

[*English*]

There were a couple of points made in the debate which raised questions in my mind but we must realize that transportation is not political. It is an essential service for Canadians. For myself as a Member of Parliament, the transportation system between Charlo, New Brunswick, and the Gaspé is important because there is not a direct line from Ottawa to my office in Carleton. The fact that I do not have direct transportation is not important. What is important is to increase communication and investment in our areas.

We always hear doom and gloom from the Opposition Parties. But there are no politics, as I said, in transportation. The Prime Minister (Mr. Mulroney), the Minister of Transport (Mr. Crosbie) and all members of the Conservative Party will listen to recommendations made by the Opposition with respect to the Railway Safety Act. There is no Conservative, no Liberal, no New Democrat, in fact no one in this country who would want another accident such as the one in Hinton, Alberta. Politics must be put aside. We must hone the Bill. We must respect the recommendations of Mr. Foisy, and we must give the Minister flexibility in the Bill, under special circumstances, so that he can react and react directly. We cannot produce legislation that will cover every possible accident, which is why the Minister will have these powers.

I cannot respond to all the points made in the time I have left. The Hon. Member for Regina West (Mr. Benjamin) this morning mentioned whistleblowers and unions. He talked about fines, accidents and U.S. deregulation. I believe Hon. Members should know that with deregulation in the United States the accident rate went down, according to the figures I have here, for the year 1984. The percentage of accidents has gone down as it concerns railway activities in the United States. In closing I will say I am proud that we have a new Railway Safety Act in Canada for freight and passengers and I am sure that with the co-operation of all Parties, Bill C-105 will be developed into a great Bill.

**Mr. Benjamin:** Mr. Speaker, I would like to ask my hon. friend and colleague on the committee if he would care to express his views as to the adequacy of the Bill in terms of the amount of representation on the consultative committee, which is, one from the union, five from the Government and five from the railroads. Does the Hon. Member consider that fair? Also, would he agree that employee representation should be substantially increased and made at least equal to that of the railroads? Will the Hon. Member also tell us his views as to the disproportionate size of the penalties; $10,000 for an individual and $50,000 for a large railroad? Does he consider that a fair proportion?

**Mr. Gray (Bonaventure—Îles-de-la-Madeleine):** I thank my hon. colleague for the question. I am sure he realizes that in terms of railway safety we must ensure that we have equal representation, whatever that might imply. Railway safety, be it on the union side, the railway side or with respect to public input, is very important, and I am sure the Minister has taken that into account in drafting the Bill. At the same time I believe it is very important to note that during the travels of the Standing Committee on Transport to Europe, we found there is more and more an ongoing process there where the employees become part shareholders in the company, which I think would be a very interesting proposition to look at. I do not presume to go beyond what the Minister might say at a later date. Safety cannot be regulated in a sense that we will work 10 per cent of our time on safety and the rest of the time will be spent on other parts of productivity. I believe it is very important that the consultative body be there and be representative of all Canadians who use the service, be it cargo or passenger.

I would like to say at the same time that because of my interest in transport I had the opportunity, as did the Hon. Member for Regina West, to work for several years in the railway business. My father worked for CN for 33 years. So we take this subject very seriously. We want an ideal system for all Canadians so that we can all be happy with our transportation system.

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, the Act to ensure the safe operation of our railways is one which commands attention and is of an importance that goes well beyond the title of this Bill. What struck me in reading the first few pages of the Bill is the fact that the Bill does not contain a very important aspect that surrounds the operations of a railway, that is, the environment through which it travels. On not one page was I able to find a reference to the environment, any words with respect to our natural resources, nor any words to show that in drafting the Bill the Government was not only sensitive but receptive to environmental issues.

The Bill makes reference in Clause 5 to compliance with the Navigable Waters Protection Act almost as an afterthought or as an add on. For that one can be grateful. However, as we examine the Bill, over some 75 pages, we have to come to the conclusion that the environment has been forgotten. One wonders where the Minister of the Environment (Mr. McMillan) was when this Bill was drafted. Was he consulted? Did he ask to be drawn into the discussions to ensure that environmental concerns were included in Bill C-105? For that matter, where were Members of the Progressive Conservative Party from British Columbia when this Bill was drafted?

**Mr. Blaikie:** Mr. Speaker, I rise on a point of order. I think it is absolutely offensive that on the first day we are debating railway safety legislation there is not a person, not a body, not a soul, not even a mirror image on the Government side. There is a completely empty panorama there. I call for a quorum count. It is disgusting.

[*Translation*]

**Mr. Deputy Speaker:** We shall proceed with a count of Members present.

*And the count having been taken:*

**Mr. Deputy Speaker:** We do not have a quorum. Ring the bells.

• (1540)

[*English*]

*And the bells having rung:*

**Mr. Deputy Speaker:** We do now have a quorum. The Hon. Member for Davenport (Mr. Caccia) has the floor on debate.

**Mr. Caccia:** Mr. Speaker, the powers of the bell are remarkable. Indeed, we are glad to resume this debate.

**Mr. Blaikie:** It is such a good speech, we want others to hear it.

**Mr. Caccia:** I wish to thank the Hon. Member for Winnipeg— Birds Hill (Mr. Blaikie) for ensuring that there be an audience on this intervention on the environment.

The fact is that in Bill C-105 the environment has been forgotten. One can legitimately ask in the Chamber as to where the Minister of the Environment was when this Bill was drafted, considering the fact that railway transportation does affect the environment in a number of ways. One can also ask where the British Columbia members of the Tory caucus were when this Bill was drafted, considering the experience that they had directly in British Columbia when it came to the twin-tracking of Canadian National in the Fraser River Valley. As a matter of fact, there are two of us in this Chamber now who travelled to British Columbia in 1985, together with a considerable number of Tory Members from B.C., to investigate first-hand that very situation because of the environmental impact imposed by the proposed twin-tracking of CN in a certain section along the Fraser River.

On page 5 of the Bill, where Clauses 7 and 8 are found, which clauses relate to regulations and to the notice in particular of proposed railway works, there is not one reference to the desirability—indeed I should say necessity—of initiating an environmental impact study or an environmental impact assessment in relation to works coming under this particular legislation and related, of course, to railway works. The environment and the experience made thus far in the environment has been forgotten by the drafters of this Bill. The Government has to carry that responsibility for having ignored this very important aspect.

Every year tracks are widened, as are bridges, and railway works are undertaken. It is high time that when works of this type are proposed, before they are initiated and even considered for approval, environment impact be considered as an essential part in the legislation that covers these types of works. It is therefore not too late, since I think it would be unacceptable to see this Bill go through the House at third reading, to make amendments in committee to Clause 8 in particular to the effect that environmental impact studies and assessments be made mandatory when it comes to railway works that have an impact on the environment.

In reading through the Bill one comes across some other environmental impacts that deserve attention in this day and age since Bills of this type do not receive approval and passage every year. Usually it is every 10 years that a measure such as this is put forward. Therefore I draw Your Honour's attention to Clause 24 of the Bill which is headed "Regulations" as they affect the removal of trees, brush and weeds along railway lines. A subclause here is desirable which would indicate the Government's readiness to consider the use of alternatives to pesticides when it comes to the clearing of weeds, brush, trees and the like along railway lines.

It is a well established fact that jobs can be created by way of manual clearing as an alternative to the removal by pesticides with chemical substances. The reason that manual removal is preferable is due to the fact that conventional pesticides eventually find their way into water and contaminate our water supply. Over the years we have gradually come to the conclusion that the fewer pesticides we use and the more we reduce our dependence on them the better it is for the quality of our waters. I am sure that that conclusion is one that the Minister of the Environment is aware of and one that he should advance in Cabinet when considering amendments to this Bill, as they will inevitably have to be considered in the not too distant future.

If we move to Clause 44(1) of the Bill, which I am sure has been discussed by previous speakers, Hon. Members will see that there is a description of the consultative committee to be established by the Minister. The public affected by rail transportation is not represented in Clause 44(1). In the clause is the provision for a representative of the Minister, of the Canadian National Railway Company, Canadian Pacific Limited, VIA Rail, one to represent the other railway companies to which this Bill will apply, one member to represent the shippers of rail freight and, finally, one member to represent the Canadian Railway Labour Association. However, the public affected by railway transportation, be it VIA Rail, the transportation of goods in general and, in particular, when it comes to the transportation of dangerous goods, is completely missing. One wonders why it is that there is such an oversight. This clause has to be modified in committee. The consultative group to the Minister, as envisaged in Clause 44, must be expanded to ensure the presence of the public affected by, I would say, at least two members to make any sense. We see that in the Bill there is a provision for representatives of various sectors and for specific interests representing what amounts to seven people.

What I would urge you to do, Mr. Speaker, at this stage is to ensure that an amendment to Clause 44 is carried to make

this consultative committee representative of the public interest, the very public that is affected by the operation of railways. In too much of this Bill do we find the mind-set of the railway companies which seem to be operating in a vacuum, not aware that whatever they do in the end affects the public. They are there to serve the public. Therefore, if it comes to a consultative committee, I submit to you, Mr. Speaker, that the public has to be represented.

• (1550)

In looking at Clause 50, and this is the time to do so because we are at second reading debate, again in this clause the citizens or non-governmental organizations that are interested in transportation matters have to be included in this specific clause for the reasons I stated when discussing Clause 44.

Let me briefly comment on a matter that concerns the city I come from, Metropolitan Toronto, where for some time now the citizenry has been increasingly worried about the safety of neighbourhoods should an accident take place as a result of a derailment or an explosion in a train that is moving dangerous goods.

Over the past four or five years since the Mississauga accident of 1979, an organization called M-TRAC has done a remarkable job of sensitizing public opinion and governments to the potential dangers that do exist, in virtually every large metropolitan urban area across the country.

The Government has appointed a special task force on the Toronto area dangerous goods railway matters. Public hearings have taken place and submissions have been made to that task force. In essence, the issues at stake are the following.

It is desirable to start planning and putting aside the funds necessary to relocate rails that go through densely populated areas. This is a costly operation, but it must be done. It is in the interests of large numbers of the population, particularly in downtown Toronto, because the railway line travels through areas where the number of schools is incredibly high. Apart from that fact, over the decades apartment buildings and low-rise residential areas have developed both north and south and east and west of the downtown railway lines. Hence the necessity for beginning to plan the removal of those railway lines to outside the densely populated areas, and specific alternative routes have been recommended to the task force. Therefore, we hope that the very clear and specific recommendations that have been made to the task force will soon reach the Government for its consideration.

There is also the question of the maximum allowable speed. When it comes to the movement of dangerous commodities through densely populated areas, it is important that the speed does not exceed 40 kilometres per hour. This should apply not only to cars that are full, but also to those that are marked empty. Very often with certain commodities cars that are marked empty are not completely or truly empty, and therefore potentially explosive and dangerous.

We have to respect what could be called a vital function of human observers. Here what stands out as an offensive item of neglect is the recent decision of the CTC to abolish the caboose. We are convinced that, for the basic elements of safety, a train that is hauling dangerous goods and is perhaps half a mile long does require a caboose in order to facilitate signalling to the front in case something goes wrong and can be seen at the end of that moving train. The decision made in December, 1987 by the CTC to remove the caboose must be revisited and reversed.

It is important that funds are available to the railway lines to perform the maintenance and the quality repairs that are needed, particularly in relation to hot boxes, the maintenance of rolling stock, the inspection of tracks and switches and, of course, last but not least, the training of employees.

Submissions have been made to the task force in relation to the transportation of dangerous goods. It is just completing its public hearing in Toronto, and it is in a well advanced stage.

I recognize the fact that Bill C-105 may not be intended to cover the transportation of dangerous goods. But at the same time it contains clauses of consultations with the Minister and the composition of committees for the purpose of consultations, which need to be expanded to include the public, particularly those organizations that are interested in dangerous goods. We welcome the idea of a consultative committee to the Minister, but we are saying that that concept has to be expanded to include interested and competent citizens.

Also, in a Bill like Bill C-105 which deals so intimately with the safe operation of railways, the environment must be included and taken into account, particularly in those clauses of the Bill that deal with railway works, alterations, and changes which are a matter of grave concern to neighbourhoods, farmers, native people, and to other activities that directly or indirectly impinge on the environment. For that reason, it is important that the discussion in committee include considerations that are of an environmental nature, and particularly in light of the experience in recent years, considerations that will permit the inclusion of environmental impact studies and environmental assessments.

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, it is particularly timely, or perhaps even ironic, that we are debating this legislation today. Earlier the Hon. Member for Regina West (Mr. Benjamin) spoke about the relationship between stress and safety. He referred to an article entitled, "Stress rides the rails" by Professor Tucker who teaches organizational behaviour at the University of Saskatchewan's College of Commerce.

I mention this at the outset because at this point in time there are other things going on within the railway industry which are adding to the stress to which Professor Tucker relates so well in his article. I am referring to the prolonged period of arbitration which has followed the back to work legislation of August 27, 1987.

• (1600)

I am also referring to the fact that there is another group of railway unions in limbo at this point to the extent that the railway has now refused to negotiate with them, has taken the position that the second group will receive whatever is awarded to the first group, and is therefore, no longer willing to bargain, relying instead on the willingness of the Government to play the railway's game. The minute the second group, the railway shopcraftsmen, go on strike, if they were to exercise that option, the railway is confident that the Government would proclaim the sections of the Act that would make the strike illegal. They would have to return to work, with binding arbitrations and eventually have imposed on them the settlement which is being imposed on the ARU, or Associated Railway Unions, the group that precipitated the strike in August 1987.

**Mr. Benjamin:** It is a stacked deck.

**Mr. Blaikie:** Mr. Speaker, it is what the Hon. Member for Regina West has called a stacked deck. Rail workers know that.

As I told Hon. Members of the House on August 27—and it is even worse now—the morale within the railway industry and on the part of rail workers is at an all-time low for very good reason. It is no wonder when we see the time it has taken the current arbitrator, Mr. Larson, plus the effect of rumours about the extension of the arbitrator's period to as late as even September 1988. In the meantime, while things such as job security are being arbitrated by Mr. Larson for the ARU and are not being arbitrated or negotiated at all for the Shopcraft Unions, the railway is proceeding with what it calls "downsizing". Jobs are disappearing all over the place before any arrangements, contract, or agreement can be reached in respect of job security.

On the front page of *The Globe and Mail* today we see a story about a memo by senior Vice-President of CNR, Doug Fletcher, indicating to his subordinates that they had better get on with the downsizing of each and every aspect of the railway, anything targeted for downsizing, because of the fear that as we get closer and closer to a pre-election political context it would become more and more difficult for the railway to do so.

On the one hand we see accelerated downsizing while at the same time the hands of the rail unions are tied either by extended arbitration or refusal to negotiate on the part of the companies, depending upon which group of unions we are talking about. It is no bloody wonder that these people are angry and frustrated and talk about taking job action.

**Mr. Benjamin:** It is a marked deck.

**Mr. Blaikie:** It is a stacked deck. It is a marked deck. Rail workers have just about had it with the attitude of the Government toward them as working people. All the Bill does is reinforce that impression. What else could such a Bill do except to reinforce that impression when it talks about setting up a consultative committee of nine to eleven members and only one of them is to be a representative of rail workers themselves? The rest are to be representatives of the Government or of the railways.

One would have thought that the Government would have had the common decency to have at least a five, five, and five arrangement or something like it. It is an insult. It is just like kicking rail workers in the face to say: "Look, guys, we have a good idea. We will have a consultative committee of 11 people. You can have one of them and the rest will be government and railway people. The committee will be giving advice, giving the railways advice, and you will have a big say in the matter". One would have to be an idiot to think that the proposal of the Government in respect of the consultative committee was anything but an insult to railway workers.

The Bill, whatever good may come of it in the sense that it at least establishes the notion of the Railway Safety Act, which is something the NDP and the CCF before it advocated for years, is greatly overridden by the fact that it is stacked against the employee. I have already mentioned the consultative committee. However, let us consider the question of fines. If an individual is found to be in violation of the Act, he or she can be dinged for $10,000. If the CPR is found to be in violation, it can be fined for $50,000. Wow, a $50,000 fine to the CPR! As the Hon. Member for Regina West and others indicated earlier, this is no more than merely a licence fee to be unsafe. Individuals are to take the rap. Employees are to take the rap. The companies not only get light fines, but they have, along with the Government, majority representation on the consultative committee.

Employees have the dubious privilege of being compelled to tell on themselves when it comes to the relationship with their doctors. They have to tell their doctor what is their job, if they are a locomotive engineer or whatever the case may be. Presumably the doctors also have some responsibility pursuant to the legislation. However, rail workers still have no freedom, no protection, no incentive, and no provision whatsoever within the Bill to tell on the railways when they are practising in an unsafe way.

What has been the case for years, and what has actually worsened, will continue. Railway employees will be in a position where, if they are asked to do something unsafe and report it, or if they are compelled to do something unsafe and report it, they will be subject to harassment by management and persecution by management. It goes on believe me. In fact, over time they are liable to lose their job because they are marked and people are out for them. Or, if they go ahead and do the unsafe thing they were asked to do and an accident happens, then they are really in trouble. Then it is the employee who has to take the rap and the company gets away with murder, literally in some cases. This kind of bind that employees are in, where they are damned if they do and damned if they don't, is completely beyond the scope of the

Bill. It does not try to address that very difficult situation in which railway employees find themselves whatsoever.

For that reason I predict that many rail workers will simply see the Bill not as the golden opportunity it could have been for the Government to have done something substantial in the area of railway safety but as more evidence of the fact that in some strange and cruel way they have been targeted by the Government as scapegoats in one series of decisions after another, going back to decisions like the one allowed by the Government in respect of the running of cabooseless trains, to the whole deregulation policy of the Government that has created a situation in which railways will be cutting corners and trying to do everything they can to save a few dollars here and there. In the long run it will cost Canadian taxpayers even more in respect of the cost of derailments and of social and other consequences of this short-sightedness.

I would have liked to have had the opportunity to rise today to debate a set of comprehensive safety measures put before Parliament. We do not have either a set of comprehensive measures or the regulations. We do not even have a set of principles that we could debate on rail safety and its relationship to other things like economic criteria, et cetera. We have nothing laid out. It would have been nice, in the Railway Safety Act, to have had a preamble which stated clearly the supremacy of safety over economic consideration. Is it only oversight that we do not have that, or is it further evidence that the railways, along with a lot of other organizations unfortunately, are being instructed basically to adopt this uncritical, excessive, I would say extremist, bottom-line view of how companies ought to operate, that is, in such a way as to make their employees feel that they are disposable commodities which will be eliminated at the first opportunity?

• (1610)

It is pretty hard to work for a company which is constantly sending out messages that it is nice to have one as an employee but if we could figure out a way to get rid of you tomorrow, we would. That is basically the message which CN and CP have been sending to rail workers for four or five years. The story in *The Globe and Mail* today reinforces that.

It is no wonder that people are as angry as they are and I can tell you that they will be angrier and that we will have more trouble. The Government will have sat idly by doing the bidding of the railways and the bidding of their own ideological fantasies about deregulations, bottom line, and competition while a very good transportation system went down the drain before their very eyes. I was very glad to see the Hon. Member for Davenport (Mr. Caccia) raise the matter of the environment. I see that the Minister of the Environment (Mr. McMillan) is here. The fact that there is no reference to the environment in this Bill is evidence of the fact that in spite of all the rhetoric the notion that environmental considerations, pursuant to the Bruntland report, the national task force on the environment and the economy, and all the other fancy documents to which the Government has affixed its name, should work themselves into all aspects of government policy has not been absorbed by the Government.

If I were the Minister of the Environment I would be somewhat embarrassed to sit there today knowing that there is no reference to the environment in this major piece of railway legislation. That is not something I would like my counterpart in other countries to know about given some of the things I might have said at international fora with regard to how the Canadian Government was moving ahead to incorporate environmental considerations into all its legislative actions.

**Mr. Cassidy:** They had an option.

**Mr. Blaikie:** The Member for Ottawa Centre (Mr. Cassidy) said that they had an option. They could have done it otherwise. They could have done it better but they did not. They left out the considerations which were mentioned by the Hon. Member for Davenport.

I have received complaints in my riding. The railways think they are a law unto themselves. It has been tough enough trying to regulate the railways without having a Government which is committed to the view that they can do whatever they like and that it is somehow good for everyone if the railways do whatever they like. Without regard for public safety or the environment, in clearing rights of ways beside tracks through residential areas the railways spray whatever herbicide they got the best deal on. All hell would break loose if municipal governments tried to do that without hearings to find out who was allergic, et cetera. The railways just do whatever they like.

The Government has basically said that that is okay, that it will not even cover such things in this legislation. The Government says that if anything comes up there will be a consultative committee to deal with it made up of representatives of the railway, the Government, and one member from labour.

This Bill will do very little indeed unless it is accompanied by very strong regulations. I am sorry, but I have absolutely no confidence that that will be the case. I believe that these regulations will be drawn up by the railways for the railways and, according to this legislation, will even basically be enforced by the railways. Rather than an improvement in rail safety, in the sense that this legislation reinforces all the stress and low moral-related problems on the railway, one could even argue, although only time will tell, that this will actually contribute to lack of safety rather than advance the cause of safety. The Government is to be roundly condemned for that.

**Mr. Thacker:** Mr. Speaker, I cannot let some of the comments of the Hon. Member go by without response. He has a way, without having really looked at the Bill or knowing some of the factual background, of making excessive statements which are simply not factually correct.

This Bill has needed amendment for many decades. The Member was not in Parliament at the time, but his Party was virtually the Government of the day from 1972 to 1974 and it

did not put forth any bills for railway safety, railway workers, or anything like that, and they cannot get around that.

**Mr. Cassidy:** That's the most ridiculous thing I've ever heard.

**Mr. Thacker:** The fact is that the Liberals were right under the thumb of the NDP as they always have been.

With regard to the consultative committee, I indicated in my speech this morning, which I guess the Member did not hear, that the Minister is prepared to expand that committee. The fact is that the Bill was put together after broad consultations by officials with provinces, municipalities, and all sorts of other organizations and they came up with the proposals. We have studied it and have signalled to the opposition Parties that we would be happy to hear views on how the committee should be structured. The Minister can appoint four members of that committee and maybe they can be more clearly specified. However, I have already indicated that.

With regard to whistleblowers, there are all sorts of cases of individual workers reporting anonymously to the CTC, which has followed up on the matter and kept the names of the workers anonymous. On occasion workers have reported to the Department and the Department has kept names anonymous. In my speech this morning I indicated that we are prepared to consider a clause which will give better coverage in this area. I cited the example of the Canadian Aviation Safety Board. Why is the Member standing up and making these outrageous statements? It is an exaggeration which goes beyond even that which is fair in terms of debate. I do not understand him saying that.

The Member is also leaving the impression that increased costs with regard to deregulation will make it less safe. In fact, as a result of deregulation in the United States the air is still becoming more safe and more people are using it. There is more rail traffic in Canada than ever, yet the number of accidents, the number of people injured, and the number of fatalities is dropping. That is factual. We have all the data yet the Member implies quite the opposite.

In terms of the environment, he is saying it is not included in the Bill. In fact, Bill C-74, the Environmental Protection Act, is in committee right now. Things are being done and we, as a nation, are becoming more and more conscious of the environment, as we should. It is not only the New Democratic Party which is concerned about the environment. All sorts of people are concerned, including members of the government Party. As a result, there is a Bill in committee today. Why was that not done between 1972 and 1974? When the NDP was controlling the Liberals during that period of time, I do not remember hearing it proposing a Bill on the environment. I do not think it did.

• (1620)

**Mr. Blaikie:** Mr. Speaker, some things are very hard to take seriously. Sometimes replies from the Hon. Member for Lethbridge—Foothills (Mr. Thacker) are hard to take seriously as well.

I am complimented by the great expectations the Hon. Member had of the Parliament in which the NDP held the balance of power for a year and a half. We were expected to do all kinds of things that the Conservatives feel that they should not be criticized for not doing now that they have been in Government for twice that long. They are still in the habit of asking why the Liberals did not do the kinds of things people are asking the Conservatives to do.

Between 1972 and 1974, a Railway Safety Act was one of the commitments the NDP had extracted from the Liberals just prior to the calling of an election. Unfortunately, Liberals being what they are, once they had a majority in the House in 1974, they went on to abandon that commitment. That is unfortunate—

**Mr. Thacker:** In 1979, you put them back in.

**Mr. Blaikie:** The Hon. Member is talking about 1979. The Conservatives still have not accepted the fact, and I think they need therapy on this, that they defeated themselves in 1979. No one else defeated them. It is only human nature for them to blame others for it and they continue to do so. They continue to be psychologically damaged by that event and that is not something we can do anything about.

The Parliamentary Secretary has said that the Minister might be open to amendments regarding the consultative committee. That is good, but we will believe it when we see it. In the mean time, it is outrageous that the draft of the Bill, if that is what it is, appeared in the way it did. I make no apologies for being downright angry about the fact that it is only at this stage that the Parliamentary Secretary has said that. If we have been waiting for this legislation for so long, why would the Parliamentary Secretary say at this time on the floor of the House of Commons that the Minister might be open to it? Why could that consideration not have been in the legislation?

The same is true with respect to whistleblowing. The Parliamentary Secretary said that the Minister might be open to some of those amendments. Surely to God government Members have been thinking about this long enough. The fact that it is not in the draft tells us something about the mind-set of this Government.

The fact is that rail workers look back on the period of 1972 to 1974 fondly. When there was a rail strike in August of 1973, instead of bringing in back-to-work legislation to send them back to work without any increase or settlement and with an arbitrator who is taking forever and ever to do his job, Parliament, led by a New Democratic minority, sent those people back to work with an agreement that even we could vote for because it was just. It was a just settlement both for workers and the railways, and there are plenty of rail workers who look back on that time with a great deal of fondness. When the NDP had anything to say about it, rail workers were

not treated in the callous manner that they were treated by this Government in August of 1987.

Concerning safety in deregulation, all the evidence points to just the contrary of what the Hon. Parliamentary Secretary said. The experience with deregulation in the United States has not been increased safety. I do not know where the Parliamentary Secretary gets the nerve to say that.

The Parliamentary Secretary says that government Members are all concerned about the environment. If they are so concerned about the environment, why is the environment not in the Bill? We were only asking for a little evidence that some of the rhetoric we have heard from the Minister of the Environment and the Parliamentary Secretary would have legislative reality and would translate into government policy. We do not have that.

## MESSAGE FROM THE SENATE

[*English*]

**Mr. Deputy Speaker:** I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-108, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988.

## THE ROYAL ASSENT

[*English*]

**Mr. Deputy Speaker:** I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

February 4, 1988

Sir,

I have the honour to inform you that the Honourable Gerald Eric Le Dain, Puisne Judge of the Supreme Court of Canada, in his capacity as the Deputy Governor General, will proceed to the Senate Chamber today, the 4th day of February, 1988, at 4.45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Anthony P. Smyth
Deputy Secretary,
Policy and Program

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Algoma (Mr. Foster)—Farm Credit Corporation—Lack of financial resources/Farm foreclosures; the Hon. Member for York East (Mr. Redway)—Hazardous substances—Dioxin in paper products—Chlorine bleaching process; The Hon. Member for Cape Breton—Richmond East (Mr. Dingwall)—Pharmaceutical industry—Drug price increases/Bill C-22—Minister's position.

## GOVERNMENT ORDERS

[*English*]

### RAILWAY SAFETY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crombie (for the Minister of Transport) that Bill C-105, an Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof be read the second time and referred to the Standing Committee on Transport.

**Mr. Alan Redway (York East):** Mr. Speaker, it is a pleasure for me to have this opportunity to participate in the debate on the Railway Safety Act, Bill C-105. I do not think it comes as much of a surprise or shock to Hon. Members that I have an interest in this area which dates back to the time I served in municipal Government, the time of the Mississauga train derailment.

On November 10, 1979, a freight train which was bound from London, Ontario, to the Agincourt marshalling yards in Metropolitan Toronto derailed in Mississauga. Of the some 106 cars on that train, some 19 cars were filled with dangerous materials. Three of those 19 cars were tankers that were loaded with propane and at the time of the derailment, they exploded, shooting great balls of fire into the sky. Another car was filled with chlorine and was ripped apart. The chlorine gas seeped out and spread throughout the entire community.

As a result of that derailment which caused the three cars of propane to explode and the one car of chlorine to be ripped open, some 250,000 people had to be evacuated from their homes and businesses for up to five days. In addition, there were substantial economic losses in connection with that derailment. In fact, when the total bill was in and all of the costs added up, losses were estimated at something in excess of $68 million.

That derailment occurred in an area of Mississauga which, in 1979, was a relatively undeveloped area. Notwithstanding that, a quarter of a million people had to be evacuated from their homes and almost $70-million worth of damage was done. If the train had stayed on its tracks for another 20 minutes or so, the derailment would have occurred right in the heart of the City of Toronto, obviously an area of much denser development. One can imagine the economic losses that would have resulted if that had happened and the number of people who, if evacuation was possible in an area of that density, would have had to have been evacuated.

If the train had stayed on its tracks for slightly longer than 20 minutes, perhaps for half an hour, the accident would have occurred right in the heart of my own constituency. As I have indicated in the House on a number of occasions, the main lines of both the CPR and the CNR run right through the heart of my constituency.

That accident occurred some eight years ago now. That seems like a long time ago and some of us are starting to forget it and think perhaps it did not happen or, if it did, the whole problem has been dealt with and solved.

• (1630)

Much to the credit of the Government of the day, led by the Right Hon. Secretary of State for External Affairs (Mr. Clark), who was then Prime Minister, a royal commission was appointed to investigate that derailment and see what could be done to ensure that nothing like that would happen again. The commission was headed by Mr. Justice Samuel Grange. It investigated the matter thoroughly, made recommendations, all but two, I believe, of which were implemented. One would think that the problem was solved and we would not have any more problems of that sort. The Grange Commission had apparently discovered what went wrong, made its recommendations, and there should not be any more problems.

In spite of that, approximately two rail accidents occur each year in Metropolitan Toronto involving trains carrying dangerous goods. It has become particularly evident to me that this problem has not been solved because, as I brought to the attention of the House last summer, on July 14, just six or eight months ago, another derailment occurred in my own constituency, very near to the densely populated intersection of Don Mills Road and Wynford Drive. At that time 31 cars of a 103-car train derailed. Fortunately, only one car was carrying dangerous goods, car number 87. Also fortunately, although it was carrying a load of vinyl acetate, it did not derail. If it had, the fire chief for the City of North York indicated he would have ordered an evacuation of people within 2,500 feet of the accident site.

I do not know whether you are familiar with that site or its nature and the number of people and businesses located there, but I can tell you it is very substantial. The apartment communities of Wynford Heights have perhaps upwards of 10,000 residents. The apartment community immediately to the south, Flemingdon Park, has somewhere in the neighbourhood of 20,000 residents. There are numerous businesses in the area, including a number of major oil companies such as Esso, Shell and Texaco. They all have major facilities there. IBM has its major Canadian plant with about 2,000 employees in that area. All of this, to name just a few. We were looking at a very substantial evacuation and very substantial damage if that one car had been part of the derailment.

That made the whole issue quite clear to me. In spite of the fact that we had a royal commission investigate the Mississauga derailment, in spite of the recommendations which had been made and accepted, in spite of all the new procedures instituted, new technology, and efforts to make sure that a Mississauga derailment could not happen again, in 1987 a derailment of a similar nature occurred again.

One factor that was pinpointed at that time was the speed of the train, which was approximately 40 miles per hour. Immediately to the south of that location by just a few kilometres, there is a voluntary speed limit, self-imposed by CPR, of 25 miles per hour. That voluntary speed limit does not apply where this derailment occurred.

At present about 2,000 hazardous commodities used by Canadian industry are transported by rail every day of the week. They include propane, sulphuric acid, butane, and chlorine. I could go on with a long list. Every day of the week about 25 freight trains carrying those hazardous goods pass through my constituency and Metropolitan Toronto. If a derailment occurs today or tomorrow or the next day, what sort of risks would we be running?

It has been estimated that people within one-quarter kilometre of the line would be at the greatest risk. It has been estimated as well that those within one kilometre on either side of the accident site would have to be evacuated because of the problems of escaping gases. In the Mississauga derailment you may be aware that people within 10 kilometres of the track in either direction were evacuated and that damage was experienced within a half a kilometre of the track on either side. We are looking at a very substantial area of potential damage and potential evacuation, especially when you are talking about a heavily built-up area such as in my constituency and in the bulk of Metropolitan Toronto.

What can be done about this situation other than what has been done to date as a result of the Grange Commission? Another Member of this House referred to the fact that in March of 1986 the then Minister of Transport, now the Deputy Prime Minister (Mr. Mazankowski), created a task force to look into the problems of the transportation of dangerous commodities in the greater Toronto area. I think that is to the credit of this Government and to the particular credit of the Deputy Prime Minister. That task force has been gathering information, done a number of studies, 12 or more, on the problem, and has been holding public hearings. I had an opportunity during the Christmas break of appearing before it to make representations, as did a great many other people.

That task force is looking at things like the potential rerouting of dangerous goods, potential relocation of the rail route itself, and other things like imposing a speed limit on trains carrying dangerous goods.

It is not an easy matter to solve that problem because there are a number of different points of view. There are those who believe that a relocation of the railroad tracks would in fact be shifting the burden from one part of the country to another. However, there is evolving a consensus which I believe will go to Metropolitan Toronto City Council for its endorsement tomorrow. That includes the relocation of the tracks to an area north of the city relatively free from development at this time.

• (1640)

There would be the creation of a buffer zone around the track in conjunction with that, similar to the one they have in the City of Regina. That is a 1,000-foot buffer zone. It could be similar to the one in Edmonton which is an even greater buffer zone of approximately 3,000 feet around the main railroad line that carries dangerous goods. That is the kind of long term solution being considered and around which a consensus is developing.

It is being suggested that in the interim period before such a policy can be implemented, a 25-mile per hour speed limit be imposed on all trains carrying dangerous goods through the Greater Metropolitan Toronto area. That is one way we can deal with this kind of problem. But the other obvious solution is through the Bill before us today.

Bill C-105 specifically deals with railway safety. I believe it gives us another opportunity, as the Parliament of Canada, to address the issue of railway safety and ensure that we are doing everything possible to ensure that there are no accidents of the kind that occurred in the Mississauga derailment.

I was pleased to see and learn that in developing the Bill that is before us today there was a consultative process as with Bill C-74, the Environmental Protection Act. The Minister of the Environment (Mr. McMillan) is in the House at the moment. He followed a consultative process with industry, environmental groups and labour in developing the Environmental Protection Act. That is a great credit to the Minister. The Minister of Transport (Mr. Crosbie) has followed exactly the same procedure in developing this legislation. He also consulted with a wide number and variety of groups.

During his remarks, an Hon. Member mentioned a citizen group in the Metropolitan Toronto area which he commended to the Minister of Transport as a citizens group which should be involved in this process. In fact, it was involved in the process. It is the M-TRAC group which stands for Metro Toronto Residents Action Committee. They formed as a citizens action group after the Mississauga derailment and have been actively involved in promoting rail safety, particularly as it applies to the transportation of hazardous goods, since 1979.

I would like to point out that there are some people in the M-TRAC group who have given of their time and effort on a constant basis to promote rail safety for close to nine years. The group include people like Harold Morrison, Harry Behrend, Rose Dyson, Norm Dyson, Phil Wade and Ying Hope. They are shining examples of citizens who are prepared to give their time and effort on behalf of their fellow citizens, on a voluntary basis, to see that there is safety in our society, our community and our country. They were part of the consultative process and I think we can congratulate them on the effort that they and others have made in helping develop this Bill.

I understand that the Bill implements virtually all the recommendations of the Foisy Commission that looked into the derailment in Hinton, Alberta. I believe that is a major step in the right direction.

Other Members have pointed out their concerns about different parts of the Bill, including the question of the consultative committee and the representation on that committee. I certainly endorse the comments that there should be citizen participation. I would urge the Minister to either amend the Bill or, within the confines of the Bill itself, since he has the right to appoint other people, ensure that there is adequate citizen representation on this consultative committee. I recommend to the Minister that representatives of the M-TRAC organization be included in that.

I know that the Bill is not perfect, and that while it goes a long way there will be criticism. I understand that the Federation of Canadian Municipalities believes there could be improvements, as do the unions. As well, M-TRAC believes there could be improvements.

I am sure that when the Bill goes to committee improvements will be made. I know from past experience that the Minister of Transport has been most willing to see legislation he has put forth improved.

I am convinced that this will be another major step forward in rail safety in this country. I am very pleased with the initiative taken by the Minister of Transport and compliment him for it. I look forward to seeing him strengthen the Bill in committee before it receives third reading.

**Mr. Langdon:** Mr. Speaker, first I want to compliment the Member on what I believe is a very effective and hopefully influential speech on this issue.

I have three questions which arise from my discussions with rail workers and others in the Windsor area who have been very concerned about the question of rail safety there. Many of them have suggested that there will be a great increase in north-south traffic if the trade deal which has been signed goes through. They suggest that this will result in a considerable increase in run-through traffic from the United States, especially if trains, due to lax standards in many states, are not up to safety standards that we hope to have operating in our

rail systems here. In fact, various people have given me some examples of the terrible state of some run-through trains.

Does the Hon. Member believe that this Bill needs to be strengthened so that it is clear that control over the safety conditions of run-through trains from the United States into Canada will be very closely regulated, with teeth to back up those regulations?

Second, reports I have had from people in my constituency and my part of Ontario suggest that there have been lay-offs of inspectors. For example, according to reports I have received, an extra seven inspectors have been laid off in Sania. Does the Member feel that reducing the number of inspectors is the way to achieve greater safety, or does it not obviously make sense that an increase in inspectors is a crucial part of establishing greater rail safety in this country?

Finally, what is the Member's opinion about the points which have been raised about the role of the whistleblower? For instance, I have a letter that was sent to the chairperson of the negotiating committee in the Windsor area, dealing with points that he raised with respect to rail safety in Windsor during the lead-up to the recent strike. There is a letter from the company which employs him. Among other things the letter states: "I want to inform you at this time that similar irresponsible conduct will not be tolerated in the future and will prompt a more formal complete investigation".

• (1650)

Is this effort on the part of railway workers to back up safety, to give it publicity, to fight for it publicly, not in fact something that is crucial to assuring safety on the railways and something that should be guaranteed in the Bill itself?

**Mr. Redway:** Mr. Speaker, I thank the Hon. Member for his comments and also for his questions. Dealing with the questions in the order they were asked, he indicated he felt, and that some of his constituents also feel, there will be a substantial increase in north-south traffic as a result of the Canada-U.S. trade agreement. I certainly would hope that would be the case because obviously one of the intentions is to try to open up the American market to Canadian businesses and ensure that we increase the number of jobs in this country. I would see this as a vehicle for doing that. I expect there would be more traffic on the part of Canadian railways going south than there would be on the part of American railways coming north. However, I certainly agree that regardless of what railways these might be, we must insist on safety, and the highest level and degree of safety.

As the Hon. Member knows, there are a number of American railways which operate in our country at the moment. As far as I am aware they have to comply with all of our safety regulations.

With respect to the number of inspectors, that is a matter that has been raised with me as well from time to time in the Metropolitan Toronto area. Certainly, on the surface I would have to agree that it would seem that more inspectors rather than less mean better safety. I would have to be convinced by the railroads in their representations that there was another way of providing for railroad safety other than with more inspectors before I would be prepared to agree that we should have a reduction rather than maintaining the ones we have or in fact increasing the ones we have.

With respect to the whistleblower legislation, the Member may be aware, and I hope he is aware, that I in fact introduced a motion on whistleblowing into this House in Private Members' Hour. I wish I had been able to have the support of the Hon. Member and his Party, and the support of other Members of the House at that time. Perhaps we would now have whistleblower legislation on a general basis. My particular proposition applied not only to federal Departments and agencies but also applied to all businesses that were federally regulated, which would include the railroads, and it applied to businesses contracting to the Government as well. So I do hope that when I bring forward the proposition again, the Hon. Member will be here to speak in its support.

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## THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

And being returned.

**Mr. Deputy Speaker:** I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

> Bill C-104, an Act to correct certain anomalies, inconsistencies, archaisms and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes of Canada—Chapter No. 2, 1988.
>
> Bill C-108, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1988—Chapter No. 3, 1988.

It being five o'clock, the House will now proceed to the consideration of Private Member's Business as listed on today's Order Paper.

• (1700)

# PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

## PARLIAMENT HILL

### PROPOSED ERECTION OF STATUE OF QUEEN ELIZABETH

The House resumed from Tuesday, December 15, 1987, consideration of the motion of Mr. Tupper:

That, in the opinion of this House, the Government should consider the advisability of commissioning the structure of a statue of Her Majesty, Queen Elizabeth II, to be placed on Parliament Hill in commemoration of the thirty-fifth anniversary of Her ascension to the Throne.

**Mr. Joe Reid (St. Catharines):** Mr. Speaker, on the last day that Motion 135 in the name of the Hon. Member for Nepean—Carleton (Mr. Tupper) was debated, I was indicating my support and the support of others in the House with respect to this measure. I had been saying that after this length of time we should commission the building of a statue of Her Majesty, Queen Elizabeth II.

I was telling of the visit, as was my friend from Welland, of Her Majesty to the Niagara area in 1973. I remember that it was a rainy day. She buckled her coat around her against the rain and wind. She walked through puddles of water to shake the hands of many a senior citizen, Girl Guide and ordinary citizen of our community, to win the hearts of the thousands that were there gathered. All the while she was doing that, the Duke of Edinburgh was paying his respects to the veterans and the Legions gathered there as well.

Her Majesty has won the respect of many peoples. She has a reputation among senior statespersons as a well informed resource person. Even such distinguished people as Churchill and Charles De Gaulle greatly respected her as a leader and as a person.

General De Gaulle once said that in his time Her Majesty was the most effective statesperson in Europe. The Queen and her family have very frequently been visitors to Canada. Officially, she is the one person who is a non-political person and in a non-partisan way she has travelled from coast to coast. As she travelled from one end of this country to the other, she gained the respect of the people who therein lived; a tradition of democracy in action, a democratic monarchy. She had the support of all democratic peoples wherever they lived and whatever their political or party affiliation might be. Hers was a sympathetic ear, and even in just the telling there was some ease and comfort given to many.

• (1710)

Her Majesty the Queen has built up a rapport with the peoples of Canada. It started with a visit by Her father and Her mother in 1939 when daily that telephone call went home to Princess Elizabeth and Princess Margaret telling them of Canada, its changing climate, and how each day the tour took them to a different region or different part, and those stories were told to those daughters of the then sovereigns of this country.

Then as now, in troubled times royalty gave us strength, encouragement, and unity to face the challenges that confronted us. Later as Queen, she made her first television broadcast in 1957. "Industry and commerce may bring wealth to a country", she told Canadians, "but the character of a nation is formed by other factors. Race, language, religion, culture and tradition all have some contribution to make. I feel proud and happy to be Queen of such a nation".

I wish to join those who think it appropriate to commemorate the thirty-fifth anniversary of the reign of Her Majesty, Queen Elizabeth II by erecting a statue here on Parliament Hill. To those Members who have reservations about erecting a statue to someone who is still alive, it should be pointed out that the statue of Queen Victoria which now adorns the Hill was proposed and agreed to in 1897 to mark that sovereign's diamond jubilee.

To those Members who feel that such a gesture could be construed as a slight to Canadians of French culture, it should be pointed out that both the man who sculpted the statue of Queen Victoria, the famous Louis-Philippe Hébert, and the Prime Minister of the day, Sir Wilfred Laurier, wanted the monument in an even more conspicuous place than it now is. They wished it to be located on the prestigious site that marked half way between where the Centennial Flame presently is and the entrance to the House of Commons.

Both those French Canadians understood that the British monarchy has nothing to do with ethnicity, race, or language, but everything to do with the constitutional liberty that is ours, and the very words inscribed on the scroll that the Queen extends before her for all to read.

I am pleased and proud to join in support of this motion to commission the erection of a statue to commemorate our great sovereign, the Queen.

**Mr. Brian White (Dauphin—Swan River):** Mr. Speaker, I am very pleased to take part in the debate this afternoon on Motion M-135 brought forward by my colleague, the Hon. Member for Nepean—Carleton (Mr. Tupper). I wish to begin by congratulating my colleague for the work that he has done in bringing forward this motion before the House. It is an important one, and it is important to all Canadians. I am pleased to take part in the debate and lend my support to the motion.

I do not have to remind anyone in the House that, when the Fathers of Confederation set about framing our Constitution, they chose to make the new nation a constitutional monarchy. That means we have a Queen of Canada. By an Act of our own Parliament in 1953, and our own deliberate decision in this Chamber, Her Majesty, Queen Elizabeth II is officially the Queen of Canada.

The motion we are discussing today is of special interest to me. I am only the second generation of my family who was born in Canada. My grandfather immigrated to Canada early in the 20th century. I learned a great deal from my grandfather about Her Majesty, the Queen. Perhaps it means a little extra to me, although it is important to all Canadians.

Her Majesty is much more than a symbol. she brings a unique perspective to public life. The Queen has a reputation among senior statesmen as one of the best informed and most sensible public servants at that level in the world. As well as being a very charming person Her Majesty inspires affection, along with the respect that she carries throughout the world.

The assets of Her Majesty are non-partisan. she provides knowledge, advice, and encouragement to Ministers of the Crown, as well a being an official patron of the Opposition. Her Majesty's influence in Canada is exercised in two ways, the first being through the activities of the Governor General and the provincial Lieutenant Governors, and secondly Her Majesty's personal visits and participation in special Canadian events.

I can go back to 1970 when my home Province of Manitoba celebrated its one hundredth anniversary of being part of Canada. Her Majesty, Queen Elizabeth II visited my home town of Swan River, which is located in west central Manitoba. That was quite an event. For the entire town of approximately 4,500 people it was something that we looked forward to for many months. she arrived in Swan River on the train and spent the better part of an afternoon with us. We are well known in Swan River for having one of the largest rodeos in western Canada. she spent two or three hours viewing some special events put on for her at that time. Virtually everyone from the town and the area came to visit Her Majesty. It was something that the people of the Swan River Valley still talk about.

Again in 1984, shortly after I was elected to the House of Commons, I had the special opportunity of greeting Her Majesty when she paid a visit to Canada's National Ukrainian Festival in Dauphin, Manitoba, also in my constituency. That occasion was the second time I was able to meet Her Majesty, Queen Elizabeth II. Also at that time thousands of people came out and met and saw Her Majesty as she spent two or three hours with us that afternoon. On that particular occasion, she attended Canada's National Ukrainian Festival, and was part of the grandstand audience for approximately one hour that afternoon. It made the event that much more special.

There are thousands of other Canadians from every province and territory in Canada who can tell a similar story, and who can say with full sincerity what the presence of Her Majesty means to events like this. It adds that special majesty and makes the occasion that much more memorable in the minds of Canadians across the country.

Earlier this week I read an article in a local newspaper. The article was based on the Super Bowl last weekend, but some of the comments contained in the article had a lot of truth. The gentleman who wrote the article compared Canadians and Americans. He described Americans as being a confident, energetic people, and how when they are in trouble or when they need something they depend on each other to solve their problems.

• (1720)

In his opinion Canadians are much more cautious, much more conservative, and tend to depend not so much on each other but more on government to solve their problems. Another point he made with which I tend to agree was that we sometimes tend to take ourselves a little too seriously. Sometimes we lose sight of our sense of humour and our sense of pride. In many cases we have become much too critical of ourselves, of our political system, and even of the monarchy at times. I believe these institutions deserve much more respect than we tend to give them as Canadians.

The visits of Her Majesty Queen Elizabeth to Canada should inspire and invoke celebration, happiness, and pride in our country, rather than the criticism which quite often happens.

As I mentioned, from personal experience—and I know that other Canadians have had similar experiences—with the visits of Her Majesty, Her very presence adds so much to occasions that are special in themselves. Because of her presence, they are that much better.

By passing Motion M-135, the House could send a clear message to all Canadians that indeed we have great pride in the fact that we are a constitutional monarchy. We could give Canadians no better message than passing a motion which indicates that we will commission the structure of a statue of Her Majesty, Queen Elizabeth II.

I lend my full and complete support to the motion. I hope that at the appropriate time the Chamber will lend its total support. Once again I congratulate the Hon. Member for Nepean—Carleton for bringing the matter to our attention.

**Mr. Alan Redway (York East):** Mr. Speaker, indeed I am pleased to have the opportunity to speak in support of Motion M-135 standing in the name of the Hon. Member for Nepean—Carleton (Mr. Tupper). I should like to congratulate him on bringing forward the motion which reads:

> That, in the opinion of this House, the Government should consider the advisability of commissioning the structure of a statue of Her Majesty, Queen Elizabeth II, to be placed on Parliament Hill in commemoration of the thirty-fifth anniversary of Her ascension to the Throne.

As I was thinking about my remarks this evening and what I might say in connection with the motion, my thoughts went back to my recollections of the Queen and the occasions throughout my life in which I have heard about the Queen, seen the Queen, or listened to the Queen.

I am sure that is the same with you, Mr. Speaker, as you have listened to debate on this subject for over three hours

now. I am sure that you have had thoughts running through your mind about the occasions you have experienced and the recollections you have in connection with the Queen. Mr. Speaker, you are a younger man than I am, so my recollections probably go back a little ways longer than yours do. However, interestingly enough, as I reflected on this subject, the first thing I thought about was a record that I have in my record library. I have to admit that it is an older record. These days we have tapes and we have 33 1/3 recordings; my kids have some 45s. In any event, this record is a 78. It goes back to the olden days, but it is a recording called "I Can Hear it Now". It was done by a well-known American broadcaster, the late Edward R. Murrow, who turned out three sets of records called "I Can Hear it Now" in which he extracted bits of history and put them into the form of a recording.

The very first of these recordings was of the years which encompassed the Second World War. On that recording he has an excerpt of the two little princesses, as he refers to them, Princess Elizabeth and Princess Margaret. As one listens to the recording, one can picture them standing in the rubble of London with fires and destruction all around them. They were there, little Princess Elizabeth and little Princess Margaret, to broadcast a message to the children of England, to the children of Britain, to the children of the world, from the blitz in London, England during the Second World War. Just as the name of Edward R. Murrow's records were "I Can Hear it Now", I can hear it now in my mind—Princess Elizabeth saying "Good night, Margaret" and Princess Margaret saying "Good night, children", and Princess Elizabeth saying "Good night and good luck to you all". That is really the first thing that I thought about in terms of my recollections of our Queen and the things I was to mention tonight.

Another wartime experience comes to mind in connection with the Queen. It relates to a story that was told me shortly after I came to Ottawa by a really outstanding Canadian by the name of General Shnuk.

General Shnuk was a Polish officer in the Second World War. He commanded the Polish Air Force. He took them out of Poland, escaping from the advancing German and Russian forces. They fought under his command and direction in the Battle of France. Again escaping after the Battle of France, he took them to Britain to fight with the RAF as the Polish Air Force. General Shnuk told me a story of his experiences in England during the Battle of Britain. At that time the RAF was very short of pilots and was looking for replacement pilots. They saw in the Polish Air Force a great potential source of pilots. A great number of negotiations went on between the RAF and General Shnuk on behalf of the Polish Air Force about freeing up Polish pilots to fly for the RAF. Finally, under certain conditions, the Polish Air Force agreed to lend pilots to the RAF. General Shnuk told me that he was picked up one morning and taken to RAF headquarters to sign the agreement whereby Polish fliers would fly in the RAF. About that occasion he said: "Who do you think it was that drove the Jeep which took me over to sign that agreement? It was Queen Elizabeth". That is another story which comes to my mind when I think of our Queen.

Many other stories come to mind. I remember back in 1947, I guess it was, that the then Princess Elizabeth married Prince Philip. I remember getting up in the middle of the night to listen to the crackling of the radio and the service from Westminster Abbey. That is another memory that I have.

I remember as well the newsreel shots of the time when King George VI died. Queen Elizabeth, then Princess Elizabeth, was visiting in a place in Kenya called "Treetops" with Prince Philip. People went to that resort in Kenya to watch wild animals and it was there that she received the news that her father had died and she had become Queen. I remember those scenes on the newsreels quite vividly. I remember as well her coronation in 1952. By that time our family had a television set and I can remember getting up early again to watch the coronation of the Queen at Westminster Abbey.

• (1730)

I have other much more recent memories of several of the royal tours here in Canada. On one of the last ones her route was to take her past my house. The streets were lined with people for hours in advance and for some reason they changed the route. Everyone was most disappointed, as you will appreciate. However, I have that lasting memory of a time the Queen did not show.

I have many other memories, of course, including the birth of the Queen's children; Charles, Anne, Andrew and Edward. More recent are my memories of her Christmas broadcasts. One of the highlights of Christmas Day for my family is that we listen to the message from the Queen, formerly on radio, now on television.

What sort of messages do these memories of the Queen send to me? I guess the message is that to my mind the Queen personifies everything that is good about human beings. That is the theoretic role that she plays, but in actual fact as a person she seems to do exactly that. She fulfils that role very well. She fulfils the role of a good woman, a good mother, and a good person. If there is anyone who personifies the ideal of family life in this world today I think it is Queen Elizabeth. If she is a role model for all the people of Canada, all the people of the Commonwealth, and all the people of the world, it is the role of how one should live a good life.

In support of this motion I believe that we should have something to symbolize the role model which she has been to us all. I commend this motion to Members of the House.

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I have just a few words to say in support of this motion today. I think it is certainly a good idea that if we are to have statues of royalty on Parliament Hill we have statues of members of the royalty who mean something in a contemporary context to a lot of Canadians, particularly young Canadians. I say that as someone who has never really known a reigning monarch other

than Queen Elizabeth. Having been born in 1951 the reigning monarch as far back as I can remember has always been Queen Elizabeth.

It is only appropriate that rather than having only statues of Queen Victoria and other people who have long since passed from contemporary Canadian life, a statue to commemorate the thirty-fifth anniversary of Queen Elizabeth II accession to the Throne is something which the Government should consider the advisability of. That is why I rise to speak in favour of this motion.

It was only a few days ago, on January 25, that I rose in this House on Robbie Burns Day to point out the traditional tension which exists between Scotland and England. In speaking to this motion today I have to put aside my inherited Scottish nationalist feelings, as did my grandfather when he came to this country, and say that in spite of that the British constitutional monarchy and the democratic parliamentary system which attends that is something to be valued. One can at least take some solace from the fact that through some of the marriages of the Queen's children, Scottish blood is working its way back into the British monarchy.

My own first memory of the Royal Family, although not of the Queen herself was of the Pan American Games in Winnipeg in 1967. As a member of the Lord Selkirk and District Boy Scout Pipe Band I stood for three hours in the rain waiting for His Royal Highness the Duke of Edinburgh to arrive. We spent some hours after that drying our uniforms.

I had a similar opportunity, also as a member of a pipe band, to wait for hours on end for Princess Anne to arrive at Lower Fort Garry in Manitoba. Finally, I had the opportunity to meet the Queen herself on the occasion of the patriation of the Canadian Constitution being a Member of Parliament at that time and being present for the walkabout in the rotunda of the House of Commons and in the Railway Committee Room.

Given the fact that there are so many Canadians, and that there will come to be more, whose only experience of the British monarchy is Queen Elizabeth II, the motion put forward by the Hon. Member is one which the Government should consider.

While on the subject of statues and women, we ought to be more creative in our use of statues in the parliamentary precincts. We should use them to tell the story of Canadian history. One of the women to whom the Government might also consider the advisability of erecting a statue would be the first woman ever elected to Parliament, Agnes McPhail.

It is certainly the case that the story of women, both in Canada and in the world, is undertold. At the same time as I rise to speak in favour of the motion for the Government to consider erecting a statue of Queen Elizabeth II, I would like to suggest to the House that we consider commissioning other statues to commemorate the roles which other women have played in Canadian political and social life.

I would like to ask the Hon. Member who moved this motion to think about that. It is not that he has deliberately excluded anyone—his motion has to do with Queen Elizabeth II and that is perfectly fair—but there are certainly others whom we could consider and they do not necessarily have to be Prime Ministers or monarchs. Consider, for example, the late J. S. Woodsworth who had a profound impact on Canadian political life but never became Prime Minister. I make a plea not only for the motion but also for recognition of others to the extent that it is possible. We do not want to have the parliamentary precinct cluttered with statues. However, those who are responsible for the commissioning of statues ought to try to think of ways to demonstrate that it is not just in queens, prime ministers and princes that we find human worth and what is to be valued. As Burns himself said, princes and lords are but the breath of kings, an honest man is the noblest work of God.

• (1740)

We should take into consideration in our statue policy that many of the finest achievements of Canadian men and women are achievements that, by their very nature, have put them beyond the pale of those who have come to occupy the positions to which the statues are customarily commissioned. I hope some day that that political reality will be reflected in our policy on the parliamentary precincts.

**Mr. David Daubney (Ottawa West):** Mr. Speaker, it is indeed an honour and a privilege for me to take part in this debate this afternoon on the motion of my friend and colleague, the Hon. Member for Nepean—Carleton (Mr. Tupper), a Member whose riding is the neighbouring riding of mine of Ottawa West. I congratulate the Hon. Member for presenting this motion. I believe it is a motion indicative of his fealty to the Crown and of his devotion to Canada. It is indicative also, I would suggest, of his appreciation of Canada and its place in history.

I believe that the preservation of our heritage is as important to Canada's future as good economic policies or social programs. The monarchy is an integral part of that heritage. The symbol of the Crown in Canada is important constitutionally as well as historically. The fact that we are a constitutional monarchy sets Canada apart from the United States, both politically and culturally.

It was loyalty to the Crown that led to the development of much of eastern and central Canada by the Loyalists who fled the 13 colonies following the American Revolution. Two hundred years later, it is the Crown or the Queen in whose name government institutions, from local Crown prosecutors to Parliament itself, function and give force to decisions.

Today's motion deals with a proposal to erect a statue of Her Majesty the Queen here on Parliament Hill. Her Majesty, Queen Elizabeth II, since coming to the throne in 1952, has served her Canadian subjects well, with grace, energy and devotion. Her Majesty has paid many visits to Canada over the

years, helping Canadians celebrate many milestones including Expo '67, the Montreal Olympics and the ceremonies marking the patriation of the Canadian Constitution.

I fondly remember being here on Parliament Hill on Dominion Day in our centennial year of 1967, that great and wonderful year in which Canadian nationalism came to the fore. What a memorable, glorious day that was when Her Majesty joined thousands of other Canadians here on the Hill in proudly celebrating our one hundredth birthday. How appropriate it is, therefore, that her presence be permanently celebrated here on the spot she has visited so often.

Besides paying visits to Canada, Her Majesty has travelled throughout the world. It is interesting to note that in 1957, after a visit to Canada, she paid a state visit to the United States in her capacity not as Queen of the United Kingdom but as Queen of Canada.

When Her Majesty spends time in Canada, she does so as Queen of Canada, not as the head of the Commonwealth. The title, Queen of Canada, is a relatively new one, having been created only in 1953 to reflect Canada's changing role in the world.

In 1957, shortly after she opened Parliament in John Diefenbaker's first Government, Her Majesty addressed Canadians on television and stated in part the following:

> Industry and commerce may bring wealth to a country, but the character of a nation is formed by other factors. Race, language, religion, culture and tradition all have some contribution to make, and when I think of the diversity of these factors in Canada today and the achievements that have grown from their union, I feel proud and happy to be Queen of such a nation.

Thirty years later, how much more proud Her Majesty must feel, given the Constitutional Accord of 1987 which makes Canada whole once again.

In fact, the Queen's record in regard to French-Canada is undoubtedly equal or better than that of any of her subjects. Long before bilingualism became a political catchword, the Queen was its living exponent. Able to speak French fluently, she has used both languages in speeches throughout Canada. In an address to the Quebec Legislature, she stated:

> It is agreeable to me—to think that there exists in our Commonwealth a country where I can express myself officially in French—one of the more important languages in our occidental civilization.

The character the Queen bestows upon the state goes so far as to legitimize and even honour that part of the community which opposes the Government, Her Majesty's Loyal Opposition. It is a reality then when Parliament is dissolved in the Queen's name and the Royal Proclamation reads:

> Whereas we are desirous and resolved, as soon as may be, to meet our people of Canada, and to have their advice in Parliament: we do make known our Royal will and pleasure to call a Parliament, and do further declare that by the advice of our Privy Council for Canada, we have this day given orders for issuing writs, for calling a Parliament in Canada.

There are those who suggest that the monarchy has no role in our modern society. This attitude, with respect, betrays a lack of understanding and appreciation both of history and of our Constitution. In my experience, it does not reflect the thinking of the young Canadians with whom I have come in contact since my election and with whom I have discussed the role of the monarchy.

I think of my own 11-year-old daughter Jennifer and her friends who have a keen, abiding interest in the royals, not just Di and Sarah, although I must say that they are special favourites, but the entire Royal Family. They recognize, as I think most thoughtful Canadians do, that the Queen and what she symbolizes contributes to our uniqueness and special character in the northern half of this continent and indeed in the world.

Her Majesty, Elizabeth II has always acted as a constitutional monarch, co-operating with and assisting her Ministers as well as accepting their advice. Some 36 years of direct involvement in Canadian affairs as sovereign in addition to her apprenticeship to that role have made her counsel highly valuable. I know how important that counsel has been to our own Prime Ministers over the years as it is on a weekly basis to Prime Ministers in London. As the Queen told Canada in 1977:

> My family's association with this country over many generations allows me to see and appreciate Canada from another viewpoint, that of history.

That historical perspective, perhaps helped by being viewed from across the Atlantic, is, I would suggest, a perspective that many of us could benefit from in our analysis of the issues that come before this Chamber and the Parliament of Canada.

Her Majesty, Queen Elizabeth II has made so many contributions to Canada that I think it is only fitting that Canadians honour her through the erection of a statue here on Parliament Hill, the seat of Her Majesty's Government in Canada. Once again, I congratulate the Hon. Member for Nepean—Carleton for bringing this suggestion to the House.

• (1750)

**Mr. Bob Hicks (Scarborough East):** Mr. Speaker, I would also like to congratulate the Hon. Member for Nepean—Carleton (Mr. Tupper). We are all very busy, either in our ridings or in this House helping to formulate and guide legislation through. There are many occasions when something like this passes by unnoticed, but our hon. friend and colleague did not let it pass by. He took the time to put this legislation before us and I commend him for that.

Canada is a proud country. It is proud of its history. The Royal Family has always played a very important part in Canadian history. For us, no royal figure has played a more prominent role than Queen Elizabeth II. She is truly the Queen of Canada.

When considering statues around Parliament Hill, I sometimes think we do things backwards. I do not know why we have waited so long. We have commissioned statues for Parliament Hill and we have discussed doing it for great people. Do not misunderstand, they are all deserving, but I

think a statue Her Majesty should have been considered before this. Therefore, let the Thirty-third Parliament be remembered as the Parliament which cared enough to honour our very own Queen.

I have enjoyed the debate very much. Hon. Members have reminisced so much that I have learned a great deal about their lives. I also have a sampling of the Queen's very busy life in Canada. Many Canadians on occasion regard the Queen as being way over there in Great Britain and not really attached to Canada. That is wrong. I shall not go into this at great length but the Queen succeeded to the throne on February 6, 1952. Skipping down to 1956, the Queen assigned coats of arms to the Yukon and Northwest Territories. In 1957 she became the first reigning monarch to open a Canadian Parliament. If I may quote briefly, she said:

> I greet you as your Queen. Together we constitute the Parliament of Canada.

In 1960 Prince Andrew was born to the Queen, on February 19. Her Majesty honoured the three-quarter million member Canadian Legion that year as well by giving it the prefix Royal. In 1965 the Queen proclaimed the Maple Leaf flag, on January 28. She approved the design of the flag of the Province of Ontario on April 12. In 1967 she approved the Canadian Armed Forces ensign. She presided at the Centennial of Confederation weekend and addressed both Houses of Parliament. In 1969, on Dominion Day, she invested Prince Charles as Prince of Wales at Carnarvon Castle. In 1973 she toured Ontario, Prince Edward Island, Saskatchewan and Alberta. She spent Dominion Day in Charlottetown for the province's centenary. In Toronto she made a widely-acclaimed speech, and I quote:

> I want the Crown to be seen as a symbol of national sovereignty belonging to all. It is not only a link between Commonwealth nations, but between Canadian citizens of every national origin and ancestry.

In 1977 the Queen celebrated her Silver Jubilee in Ottawa, in October, and opened the third Session of the Thirtieth Parliament. She said at that time:

> I dedicate myself anew to the people and the nation I am proud to serve.

Going down to 1981, the Queen held an investiture of the Order of Military Merit of Canada at Buckingham Palace. She declared to her Canadian Privy Council her consent to the marriage of the Prince of Wales. In March she approved a new flag for the Governor General. In 1982, as some of my colleagues have referred to, the Queen proclaimed the revised Canadian Constitution at Ottawa on April 17.

Those are just some examples of the extent to which the Queen visits and cares about Canada.

I just want to say that the Bill put forward by my hon. colleague has my unequivocal support. We very badly need a statue of the Queen of Canada for all Canadians to view on the grounds of this Parliament. It will remind everyone in Canada that Her Majesty is our Queen.

**Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans):** Mr. Speaker, I realize that the clock is running and I may not have very much time to make my remarks in this debate, but I want to begin by congratulating the Hon. Member for Nepean—Carleton (Mr. Tupper).

As one of the junior Members of this House, I speak from a slightly different perspective than some of my colleagues. I have never met the Queen, although I have had the opportunity to meet a number of members of the Royal Family. Despite the fact that I never had that opportunity, I certainly respect her role and feel she maintains the traditional relationship with Commonwealth countries around the world, which is very important to us here in Canada as well as in other nations around the world.

I recall her many trips to Canada over the last number of years, in particular her 1973 visit to Prince Edward Island where she commemorated the one-hundredth anniversary of the entrance of that province into Confederation. She was there for Dominion Day, a proud day for all Islanders and one we will long remember.

Her family has some relationship to all of us in their individual capacities. For example, I think Prince Charles is the same age as myself and so my family would relate to that particular year, and so on. I think all Canadians feel some relationship to the monarchy in one way or another. Prince Edward visited Prince Edward Island last summer. That again shows the relationship we have, and there are so many other connections we have with the monarchy and the institution. I live, for example, in Kings County, just a mile down the road from Queens County. Again, the relationship to the monarchy in our heritage is very important.

Let me just conclude by saying that I think our Canadian identity is very important. It developed because we recognize a sovereign leader. We have a Queen and that makes us different from our neighbour to the south. It influences our day-to-day policies, internal and external. The Queen has been a leading force in our development. I very much support the motion put forward by the Hon. Member and I hope all my colleagues will join us in supporting the motion.

**Mr. Deputy Speaker:** The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

*Adjournment Debate*

FARM CREDIT CORPORATION—LACK OF FINANCIAL RESOURCES/FARM FORECLOSURES

**Mr. Maurice Foster (Algoma):** Mr. Speaker, last September I put a question to the Prime Minister (Mr. Mulroney) and pointed out that the Farm Credit Corporation had slipped into a position of negative equity of $124 million, making it essentially insolvent. That was the state of insolvency of the Farm Credit Corporation on April 1 last year. I am told that by April 1 this year the level of insolvency will be over $300 million. The Farm Credit Corporation is in a terrible situation.

Many Canadians may not be too worried about the level of insolvency of a Crown corporation of the federal Government, but this corporation is charged with the responsibility of providing long term credit at stable levels in order to help some 50,000 farmers in this country who are either insolvent or facing serious financial difficulty. I asked the Prime Minister how this corporation could carry out this responsibility when it, itself, is insolvent?

The greatest failure of the Government in terms of agriculture has been the handling of the farm debt crisis. That crisis was well catalogued in the fall of 1984 by a report of the Farm Credit Corporation which indicated that thousands of farmers were in serious financial difficulty.

The Minister did little during that three and one-half year period. It took him almost a year and a half to bring in legislation for a Farm Debt Review Board. The legislation had no teeth but simply established a mechanism for consultation between farmers and their creditors. If the banks decided not to do anything, they simply waited out the stay of execution for the 120 days as prescribed, then went ahead with the foreclosure. It took years to get even that mechanism in place.

Next, the Minister introduced stay of foreclosures on people who had mortgages with the Farm Credit Corporation. He maintained that policy for some 18 months, without providing money to the Farm Credit Corporation or giving any meaningful programs to reschedule that debt.

The debt of Canadian agriculture during the last three and one-half years has grown from some $19 billion to approximately $22 billion, at a time when farm incomes are being chopped and the entire system is deteriorating.

When the Outlook conference was held and the Government announced all of its massive initiatives to help Canadian agriculture, it is interesting to note that it included the announcement that it would have to write off some $500 million more during the next three years. It is another indication of a tremendous opportunity lost, where the Government simply held on to land during the last three and a half years, rather than take a pro-active approach to find ways to reschedule debt and save literally thousands of farmers.

There are more farmers in serious difficulty now than in the fall of 1984 when the Government took office. Moreover, for over a year the chairman and vice-chairman of the Farm Credit Corporation were putting forward recovery programs. All of those were rejected by the Government. Finally, in December, it discharged the chairman and vice-chairman and brought in new people, one from the Treasury Board and another who was not an active farmer, to take charge of the Farm Credit Corporation and try to come up with a recovery program. Since then a new survey has been announced to find out how serious the financial difficulty is.

• (1805)

What we need is not more surveys. What we need is a pro-active recovery program to try to keep as many as possible of the 50,000 farmers who are insolvent or in serious financial difficulty on the farm. I hope that the Parliamentary Secretary will announce tonight a complete revamping and recovery package for the Farm Credit Corporation so that farmers who are facing the loss of their land will know the Government is finally coming to its senses and putting in place a program not only to put this Crown corporation on a sound financial footing but to help the thousands of farmers who need help today.

**Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, in July of last year the Minister of Agriculture (Mr. Wise) stated:

> We will be taking action to keep the FCC viable and to ensure that we are meeting the farm community's credit requirements.

He said further:

> —we are going to have to take steps to put the FCC on a firmer footing. I can assure the farm community that the federal Government will do just that.

These statements still apply. There has never been any question of the Government's responsibility for losses suffered by the Farm Credit Corporation. That is why the corporation has been able to continue an active lending program despite the financial losses it has suffered. There has been increasing concern in the farm community about the financial situation of the Farm Credit Corporation and it is important that this concern be allayed.

The Government has taken action. Funding for the completion for the 1987-88 lending program of the Farm Credit Corporation has been announced. This has provided additional funding of $100 million toward the past losses of the corporation and has indicated the Government's intention of addressing the remaining financial problems of the FCC once a business plan has been developed which clearly identifies the expected future financial position of the corporation.

The root cause of the financial problems of the FCC is the inability of its clients to meet their loan commitments. We have taken steps to deal with these basic problems. The commodity based loan program and funding for the FCC's participation in farm debt reviews are specifically aimed at the clients of the Farm Credit Corporation. The income support offered through the generally available Western Grain Stabilization Program and the programs offered under the Agricultural Stabilization Act and the Special Grains Program have also helped FCC clients to service their debts.

With respect to the financial position of the Farm Credit Corporation itself, I emphasize again that there has never been any question that the Government is responsible for the losses suffered by the FCC. The Government has always acknowledged this. When the full extent of the financial difficulty of the corporation is known, and the business plan is in hand, the appropriate action to address these problems will definitely be taken.

## HAZARDOUS SUBSTANCES—DIOXIN IN PAPER PRODUCTS—CHLORINE BLEACHING PROCESS

**Mr. Alan Redway (York East):** Mr. Speaker, you look like a coffee drinker to me. I will bet that, like myself, you really do not feel human in the morning until you have had your first cup of coffee. I can see by the way you are nodding your head that that is true. I do not think you should feel badly about this, Mr. Speaker, because there are thousands, probably millions of people like you and I who need that cup of coffee in the morning before we feel human. How do you go about making your coffee, Mr. Speaker? I use a Melitta coffee maker. When I get up in the morning I fill the container of the coffee maker with water and then I get out the coffee. Coffee is an awful price now, is it not, Mr. Speaker?

• (1810)

I get out the coffee and I put it in the filter. I put that into the coffee maker and turn on the switch. Before very long I have a wonderful cup of coffee. I know you would enjoy having a cup of coffee with me, Mr. Speaker.

Lately, I really have not felt the same way about my coffee as I did before. I do not really look forward to it now the way I used to. The reason for that, and I bet you probably feel the same as I do, Mr. Speaker, is because I have read in newspaper reports that traces of dioxin have been found in the paper filters for coffee makers.

Dioxin is a deadly, deadly toxic chemical. Fortunately, the most deadly kind of dioxin has not been found in the paper filters for coffee makers. But the most deadly kind of dioxin there is is very deadly indeed. Just a trace of dioxin of that sort can cause birth defects. It can cause cancer and damage to the immune system. A level of safe exposure to that kind of dioxin has never been established.

Fortunately for you and I, Mr. Speaker, as coffee drinkers, traces of that sort of dioxin have not been found in those coffee filters as yet. However, it is no wonder when we read the stories that you and I, Mr. Speaker, will look very carefully now at those coffee filters that we use in the mornings. It is no wonder that Your Honour and I watch the coffee dripping through those filters with much more intense interest than we ever did in the past. It is no wonder that Your Honour and I think twice as we sip our coffee that has come through those paper filters each morning.

It is not just the paper coffee filters in which dioxin has been found. It has been found in other forms of paper products as well. I refer to facial tissues, and I am seriously thinking of going back to the linen handkerchief. It has been found in paper plates. Just think of all the paper plates used by McDonald's and Burger King. It has been found in paper towels. In those types of paper products traces of the most deadly kind of dioxin known to mankind has been found.

When you and I think about this, Mr. Speaker, it is only logical that we feel that in using these products there is a transfer of the dioxin from the product to ourselves. What is causing this sort of thing? We do not really know for sure. However, the paper companies and the pulp and paper industry feel and suspect that this dioxin is formed in the bleaching process for paper. Chlorine is used in this bleaching process. Our pulp and paper industry uses this chlorine. The pulp and paper industry in the United States uses chlorine in the bleaching process as well.

You may remember, Mr. Speaker, that just last week the Department of the Environment conducted some tests on pulp and paper mills and found in and around a pulp and paper mill in Nanaimo, British Columbia, traces of dioxin.

In Europe, chlorine is not used in the paper bleaching process. An oxygen bleaching process is used instead of chlorine. It is used because it has been claimed that the oxygen process does not produce dioxin and that the process for paper is more safe. I wonder why it is that we are not using that oxygen process here. If it is safer and does not produce dioxin, and if we used it here, you and I, Mr. Speaker, would feel a lot better when we had that cup of filtered coffee every morning.

• (1815)

I ask you, Mr. Speaker, how about it? I put the same question to the Parliamentary Secretary, how about it, Mrs. Parliamentary Secretary? When are we going to get the pulp and paper industry in Canada to start using an oxygen bleaching process instead of a chlorine bleaching process for paper that causes and results in dioxin in paper products?

**Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, I join with you and my hon. colleague in looking forward to that cup of coffee in the morning to make myself human.

The Hon. Member asks that the federal Government require Canadian pulp and paper mills to switch from the chlorine bleaching process, now used in Canada, to oxygen bleaching, as used in many Swedish mills. The reason for this is the detection of low levels of the dioxins 2, 3, 7, 8 TCDD in paper products, and also in effluents from some U.S. mills that use chlorine bleaching.

I believe it is premature to conclude that such a conversion is immediately required. Both the Department of the Environment, which regulates environmental matters, and Consumer and Corporate Affairs, which regulates product exposure, have been advised by National Health and Welfare that, based on a preliminary risk assessment, it is unlikely that there are any

significant health risks associated with dioxins in paper products. National Health and Welfare will conduct a quantitative assessment when studies on the migration of dioxins from paper products are complete. That Department is also monitoring work which is under way in this area in the United States.

The Minister of National Health and Welfare (Mr. Epp) has formed an interdepartmental task force to address product concern issues, and is interacting with officials of the U.S. Environmental Protection Agency in this area. The Departments of National Health and Welfare, Consumer and Corporate Affairs, and Environment are represented on this task force.

In addition, the Minister of the Environment (Mr. McMillan) has formed a task force with Environment Canada to determine the amount of dioxin released from the Canadian pulp and paper industry, the levels in the environment, and to recommend ways and means of controlling releases.

It has been advocated by some, as well as my hon. colleague across the floor, that the oxygen bleaching process as a means of avoiding dioxin formation should be used, rather than the present chlorine bleaching process. Oxygen prebleaching is now fairly extensively used in Sweden. In fact, eight of the fourteen Swedish bleached kraft mills now use it. However, the Swedes use oxygen prebleaching to limit total organic chlorine discharges and not specifically dioxin discharges. The process is being implemented under a Swedish action plan that has the goal of reducing total organic chlorine compound discharges to 1.5 to 2 kilograms per tonne of product by 1991. At present, one Canadian mill uses oxygen prebleaching. That is the E. B. Eddy Mill at Espanola, Ontario.

We are seeking reliable information on the specific levels of dioxins formed and released with oxygen bleaching. It is possible that dioxin formation may still occur with the oxygen prebleaching process, as chlorine and chlorine compounds still continue to be used. However, the amount of chlorine used is less than that required for conventional chlorine bleaching.

The departmental task force within Environment Canada is charged with assessing the effectiveness of this and other technologies that may be used to reduce dioxin formation. Environment Canada officials have held preliminary discussions with the Swedish Environmental Protection Board, and will have further consultations with them and environmental authorities of other countries concerned with this issue.

• (1820)

Thorough assessments needs to be performed to determine dioxin levels in effluents and products, the risks posed, and the effectiveness of various technologies to reduce their presence. This work is now under way. Environment Canada will be reporting on progress.

## PHARMACEUTICAL INDUSTRY—DRUG PRICE INCREASES/ BILL C-22—MINISTER'S POSITION

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, on January 22, 1988, I put a question to the Minister of Consumer and Corporate Affairs (Mr. Andre), in view of the fact that the Ontario Ministry of Health published information with regard to the high cost of prescription drugs and the fact that it had conducted a survey of some 1,000 drugs and found that the prices of most of those drugs were rising beyond the Consumer Price Index. In some instances they were rising in excess of 100 per cent and, in a particular instance, in excess of 250 per cent.

As usual with that particular Minister, his answer to my question was totally unsatisfactory. In fact, I quoted for the Minister's consumption his own words as reported at page 10666 of *Hansard* wherein he said:

> One of the consequences of the activity of the Senate is to raise once again the spectre of whether drug prices will increase at a faster rate than the cost of living. They will not. I maintain that those who claim that they will are wrong and have no basis for making that claim.

Those were the Minister's comments away back then.

From time to time I have been required to purchase medication for my two daughters, Leigh-Ann and Jennifer. I have found in tracing the prices of drugs for young girls five and six years old that the prices have increased. It is not a phenomenon which has occurred only in the Province of Ontario. It has occurred in other jurisdictions as well.

What is perhaps very appalling is that the Government of Canada, in particular the Minister responsible, has not seen fit to act on behalf of Canadian consumers. He has failed to exercise the responsibilities given to him as Minister. Also, he seems to want to slough off the issue as something for which they were not responsible.

If one were to check *Hansard* and the proceedings of the various standing committees, in particular the legislative committee seized with Bill C-22, one would find clear and unequivocal statements by myself, and indeed by other Hon. Members, that in effect the mere tabling of the legislation, by providing to multinational corporations an extended monopoly of upwards to 10 years, would result in higher drug prices for Canadians both by brand name and perhaps by generic.

The reason we said so at that time was that the multinational corporations would choke off the viability of generic firms, thereby necessitating them either to float money on the markets and/or to increase the price of their particular product to generate additional revenues.

A few months have gone by since the passage of Bill C-22, and what we predicted has come true—higher drug prices for Canadians.

The Minister of Consumer and Corporate Affairs has abdicated his responsibility. He refuses to give a directive to the new Drug Prices Review Board in which I must admit I do not have much faith. He refuses to exercise the persuasive

powers that are tied into that particular board. He refuses to give it a directive to investigate, when it is up and going, the drugs which have been reviewed by the Ontario Ministry of Health.

• (1825)

There has been an abdication of the responsibilities to consumers, to young people such as my daughters Jennifer and Leigh-Anne who, through their parents, have to pay higher costs for their medication, to senior citizens, to poor people, and to people on fixed incomes across the country. This was a time for the Government of Canada to seize the opportunity and act forcibly on behalf of Canadian consumers.

I hope that the Parliamentary Secretary will stand in her place and share with us a new attitude, a new behaviour by the Government toward Canadian consumers. I hope that we will not get the same pat answers which we have been getting from the Prime Minister (Mr. Mulroney) and the Minister of Consumer and Corporate Affairs for well over a year with regard to the high cost of prescription drugs.

It is time for new action. It is time for a new attitude by the Government which is quickly losing the confidence and respect of Canadians on a host of consumer-related issues.

**Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works):** Mr. Speaker, the Government does not have to change its attitude toward consumers because it is and always has been concerned about consumers and will continue to be in the future.

It has been stated on numerous occasions that Bill C-22 has been carefully designed to balance a variety of objectives in respect of the pharmaceutical industry in Canada. Among these are increased research and development, increased chemical manufacturing, a healthy and growing generic drug industry, improved health care and, very important, the expansion of consumer protection in respect of drug prices.

Bill C-22 is both an instrument of industrial policy and, at the same time, an instrument designed to ensure that Canadian consumers have access to fairly priced drugs.

Members of the Opposition have consistently maintained that Bill C-22 fails to provide this guarantee. In fact, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) has said that drug prices in the Province of Ontario are rising faster than the Consumer Price Index because of Bill C-22. I point out that drug prices across Canada have risen more than the Consumer Price Index in each of the last 10 years. Bill C-22 did not exist then. How does the Hon. Member for Cape Breton—East Richmond answer this?

In fact, members of the Opposition have failed to see, as they usually do, that Bill C-22 for the first time provides a new mechanism which will ensure fairer prices for consumers. The instrument the Bill created to ensure that prices will not get out of hand is the Patented Medicine Price Review Board.

In fact, the Board began start-up procedures over a month ago when the Chairman, Dr. Harry Eastman, and Vice-Chairman, Dr. Robert Goyer were appointed. At this time, through the development of effective regulations, the Board is gearing up to address not only the question of increases in Ontario which were the subject of considerable press attention as noted by our hon. friend, but also to address the prices charged for all patented drugs.

This is an important distinction because Bill C-22 provides the consumer much wider protection than was available under the previous compulsory licensing system. It is interesting to note that without Bill C-22 the price increases reported by the Province of Ontario would not have been an issue as there would have been no board with the potential to address the issue. Canadian consumers would have absorbed these increases because without Bill C-22 consumers have no way of knowing whether they are paying fair prices for their patent medicines.

The Board collects the necessary data to rule on the appropriateness of the drug prices and it will analyse, not only the information provided by companies themselves but also information from individuals and the provinces.

I am confident that with all the protective measures in place the interests of Canadian consumers are in good hands. The Minister has not abdicated his responsibility on Bill C-22 because the Board does exist and will examine this and other issues for the benefit of all Canadians in a way which was not previously possible.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow morning at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

# HOUSE OF COMMONS

**Friday, February 5, 1988**

The House met at 10 a.m.

*Prayers*

## GOVERNMENT ORDERS

[*English*]

### RAILWAY SAFETY ACT

MEASURE TO ENACT

The House resumed from Thursday, February 4, consideration of the motion of Mr. Crosbie that Bill C-105, an Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

**Mr. Deputy Speaker:** We should now be in the question and comment period of the speech of the Hon. Member for York East (Mr. Redway) on Bill C-105. If there are no questions or comments, we will proceed with debate.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, there is no question that Bill C-105, with respect to rail safety, is a very important Bill. Any Member of Parliament from Winnipeg should have a major interest in all questions of rail safety. The maintenance shops for both railways which employ thousands of railway workers is in Winnipeg. It is a city which is the turn-around point for most traffic, passenger and freight, therefore gives employment to a great many workers who actually move the trains.

When one looks at the record of this industry with respect to safety and sees the number of collisions and derailments that have taken place in recent years, one cannot help but feel that it is not only important that we discuss it thoroughly but that a Bill of this nature should have been brought forth years ago.

I have some figures obtained from the Department of Transport and they are, to say the least, shocking. In the last five years, from 1983 to 1987, there were 1,318 derailments across the country. There were 423 collisions and 3,437 crossing accidents which resulted in the death of 361 people. We are talking about a very serious situation, a situation which should have been dealt with a long time ago.

What are some of the reasons we have had so many accidents which have led to well over 300 fatalities? My colleague, the Hon. Member for Regina West (Mr. Benjamin), talked about one of the problems yesterday, that is, the thousands of level crossings across Canada. I do not believe there is another industrialized country in the world which has permitted so many railway level crossings to continue to exist. It is true that because of our relatively small population and because of the large area which Canada covers, there is no way in which we could get rid of level crossings as rapidly and effectively as they have in European countries.

The process has also been slowed down to a snail's pace because of the necessity for local communities to participate financially in doing away with level crossings. In my own part of Winnipeg alone where one level crossing was done away with, and another was projected, we were looking at expenditures of more than $10 million in each case, which required the city and the province to participate at a time when their financial ability to pay part of the cost is, to say the least, very difficult.

There is another reason for the number of derailments and accidents, that is, the cut-back and the reductions of the railways in their expenditures for maintenance of equipment and of trackage. This is a long-standing fact which has been brought to the attention of Governments, the former Liberal Government and the present Conservative Government, and by unions such as the Brotherhood of Maintenance and Way Employees whose members work on improving, maintaining or repairing tracks. Other unions such as the one to which the carmen belong have also complained about the continued use of rail cars and freight trains which have defects and need repairing.

• (1010)

The Government's decision to deregulate railway transportation will mean that the railway companies will find it much more difficult to compete not only between themselves but with alternative methods of transportation such as trucks and ships. If railway companies like any other companies have to compete and worry about whether they can continue to keep the kind and volume of traffic they have served in the past or to obtain more traffic, then one of the ways that they will try to compete is by cutting back on the maintenance of their equipment and their tracks. What we will see are more accidents, more collisions, more derailments and, I am sorry to say, more deaths as a result of these cut-backs. The morale of railway workers has gone down, down, down in my City of Winnipeg. I am sure that in other cities it has also gone down. It was not unusual to see working for the railways either in the running trades or in the maintenance shops second and third generation workers whose fathers and grandfathers worked for

the same railway. The feeling of loyalty, the feeling that the railway was a good place to work is much less now than it once was. It will decrease more in the future. The reasons for this are very simple.

When I became a Member of Parliament the railway unions negotiated for over 200,000 members. Today, they negotiate for fewer than 75,000 members. In the relentless determination of the railways to be more efficient, which really means more profitable, they have cut employment to the bone. Thus people working for the railways now are not likely to advise their sons or daughters that they should think about working for the railways. Rather, they will be advising their children to look elsewhere for work.

Before the election the Government talked and still talks about its determination, its desire to consult with people who are affected concerning a certain question in any area in which the Government wants to make progress or to change the way that things are done. In the legislation that is before us the Government wants the companies to have the right to be able to perform random checks of their employees to protect the railways and the public against those who have been drinking or using drugs. I can understand the concern of the Government. I can understand the concern of the railways and their unions. I can understand the concern of the public. There have been accidents in which there seems to be evidence that some employees running the train had been using alcohol or drugs that cannot be excused.

Surely the way for a Government which believes in consultation and for railway companies which have more than 50 years of collective bargaining with their employees behind them to deal with the problem is not in a ham-fisted and tough way saying, "We are going to amend the legislation so we can decide unilaterally and in a random way that employees will be tested for drug or alcohol use". Surely, the way to cut back on the dangers and the problems which can arise, which do arise and which will arise if railway employees use drugs or alcohol while working is for railway management to sit down with the leaders of the unions representing their workers and together work out a system of education. In this way the use of alcohol and drugs which takes place among a small percentage of railway workers, as it does among a small percentage of any group of Canadians wherever they work, can be dealt with.

The former Liberal Government was, as is the present Government, driven by the determination that the railways have to become cost efficient and that their deficits have to be reduced or eliminated. The concern about employees, whether it be with respect to their number or anything else, has become a small factor, if it is a factor at all, for the management of the two national railway companies.

This legislation is deficient in many ways. Its objectives may sound right, but it will not succeed.

I wish to refer to another aspect of this legislation which was referred to by my friend, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). It is the question of stress and how it affects rail safety and the accidents which occur on railways. I refer Hon. Members to an article which appeared in *The Globe and Mail* of yesterday entitled: "Stress rides the rails". It is an article written by Professor Brian Tucker who teaches at the University of Saskatchewan's College of Commerce. He states in the article:

> Three train accidents in as many days last month claimed four lives, injured 35 and caused millions of dollars in damage. The latest episodes in the continuing saga of death and destruction on our railways, they point a spotlight on stress research. A year ago, a locomotive engineer came to see me to talk about the stress he was experiencing from his job. He talked about the trauma trainmen undergo when a car is hit at a crossing.

• (1020)

Earlier I referred to the number of crossing accidents that we have had. There have been almost 3,500 in the last five years.

The article further states:

> He described the sickening feeling when an engineer realizes there is no way he can stop thousands of tons of locomotive in time.

That is one experience. There are dozens, if not hundreds, of railway employees who have been involved in an accident. After there has been an accident, a collision, or a derailment, an inquiry is held between the railways and the Department of Transport to find out what happened and who was responsible. In many cases, they come to the conclusion that the engineer, the trainman, and the conductor were not responsible, the accident resulted from factors beyond their control, and they were absolved. But just because they are absolved does not mean that they can quickly forget about it. Not in the railways, but in many companies there are personnel departments with people who are trained, for example, including social workers, psychologists, or psychiatrists on a consulting basis, or social workers who can work with the employees and help them overcome the trauma and the tremendous feeling of guilt that they must have, even when they have been absolved of responsibility.

The railways have been loath to do that, either because they do not understand the importance, or possibly because it would just be another cost at a time when they are being pressed to reduce the cost, and become more efficient, which means cutting back on the financial burdens. In the article, Professor Tucker further states:

> Handling stress is a vital part of a manager's job. Managers can and must design jobs and working conditions to ease stress levels . . . When will CP, CN and Via take stress seriously? When will they (and other employers who provide extremely stressful working conditions) realize that proper stress management can prevent disasters?

Professor Tucker asks some very important questions. If we look at the record, the answers are that up until now the railways have been, to say the least, remiss in following the type of procedures and the type of suggestions that Professor Tucker has made in this article. Given the pressure on the railways to become more financially efficient, which means to save money, I suggest that the railways will not voluntarily

follow the advice of Professor Tucker, and similar advice given to them many times by the railway union.

Rather than simply passing this Bill and including in it the right of companies or the Department to test employees on a random basis, the Department and the Government ought to be saying to the railways that it is time they started to deal with these very serious problems in a realistic manner. It is time to sit down with the employees, through their unions, and start to develop programs which will encourage workers to avoid the use of drugs and alcohol when they are on their way to work.

In that way, on a year to year steady basis, we will begin to see a reduction—which we have not so far seen—in the number of train derailments, train collisions, railway crossing accidents, and certainly a reduction in the number of deaths which result from rail accidents.

In my Province of Manitoba we have had a number of derailments. There was one in the centre of the city in the CPR yards where trains are moving and switching. In that derailment freight cars containing highly toxic chemicals left the track. In Winnipeg there could have been a situation as critical and dangerous to hundreds of people as the derailment in Mississauga a few years ago.

Those derailments could be avoided, or certainly the numbers could be minimized, if the railways were required to take the type of precautions that they have been urged to do, the identification of cars carrying dangerous chemicals, and much better planning of movement of freight which has potentially dangerous chemicals or other products on board. The railways have to do a much better job. They will not do a much better job unless the Government and the Department of Transport sit down with the railway management and with the unions and work out a program which will lead to the thinking and planning that will decrease, if not completely eliminate, the accidents and the situations that we have seen happen much too frequently in recent years.

While we are not going to oppose this Bill, we certainly think that there is a great deal that should be in the Bill which is not there.

**Mr. Reid:** Mr. Speaker, I would like to address a question to the Hon. Member for Winnipeg North (Mr. Orlikow). The Hon. Member has emphasized at considerable length the reduction of persons employed by the railways over a period of time, and I would suggest that this is in direct relation to the reduction in the number of miles travelled by the railways, and the accidents have been related accordingly. One of the greatest railway disasters which hit western Canada was the one that happened in Alberta. As a result of that accident, an inquiry took place conducted by the Hon. Mr. Justice Foisy. In his report Mr. Justice Foisy pointed out that no fault could be laid regarding the integrity of the system, the operation of the mechanics, or whatever signal system was in place. As the Hon. Member knows, it means that in this instance that disaster took place by reason of human fault. The Hon. Member, and all of us, are very concerned with the safety of railways and a reduction in the number of accidents. Is it fair to say, if human fault is one of the major causes of rail derailments or head-on collisions, that we should work together to find ways and means of reducing, not excusing, the number of incidents which take place?

• (1030)

The Hon. Member indicated that the Minister of Transport (Mr. Crosbie) might be inclined to impose compulsory, random testing for alcohol or drug abuse. I remind the Hon. Member that a committee was formed, comprised of union people, management personnel, and people involved in safety. That committee reached a conclusion and reported.

I will refer to some of its findings. For example, 7 per cent of those surveyed were aware of workers drinking alcoholic beverages during shifts, 4 per cent were aware of drugs on the job, 52 per cent said that alcohol used by employees had compromised job safety at some time or other during the course of a run, and 48 per cent said that mandatory drug testing of railway personnel was desirable.

The Minister has not taken that position. He said that we must provide for a position where testing for alcohol and drugs takes place to determine what is the cause of an accident. If it is drug or alcohol, and the number of events justifies such course of action at a later date, then the Minister would be prepared to review and make a recommendation accordingly, in the interest of safety. Is that not a fair conclusion to take, in the interest of safety?

**Mr. Orlikow:** Mr. Speaker, nothing I said is contradictory or opposed to what the Hon. Member has just said. The accident at Hinton and many other accidents were caused entirely or in part by human failure, and part of human failure is the use of drugs or alcohol by railway employees.

Why should we be surprised about that? A huge majority of automobile accidents, particularly those which lead to the death of passengers, occurs because one or the other of the drivers of the cars was under the influence of liquor or drugs. The same is true when it comes to railway accidents. I tried to say that when I spoke earlier.

The way to deal with that, if we really want results, is not by the Minister calling for random or mandatory tests. It is not for the railways to implement unilaterally what they believe to be the best educational program. Because of the very marked reduction in the number of railway employees, because of the worry of railway employees that they may not have a job a year or two or five from now, and because of many other reasons, morale among railway workers is very low. Therefore, any unilateral proposal by the companies is looked on with a great deal of suspicion by the employees and by their unions.

I say again to the Hon. Member who has asked the question that if we want to succeed, we need co-operation, discussion,

and development of programs. This must be done co-operatively among the companies and their management, the workers and their unions, and the Government—the Department of Transport and hopefully the Department of Health and Welfare. If we develop those kinds of educational information programs, I believe that—and I have had a good deal of experience working with unions in many ways—they would be accepted by the vast majority of workers. There would be real reason to believe that those kinds of programs would be successful. If we implemented such programs, we would begin to see a marked reduction over a period of years in the kinds of accidents which have taken place and which all of us regret.

**Mr. Reid:** Mr. Speaker, I have a supplementary question for the Hon. Member for Winnipeg North. I do not think any one of us can really get into a debate on why the morale of the railway workers is low. One reason might be is that they have failed to accept reality.

The position taken by the Hon. Member is such that he does not want any unilateral action to be taken by railway management. If that is the case, I suggest to him that the unions are free to take whatever attitude and action they want to take now to improve morale and safety of the railways. It is just as much in their interest as it is in that of management.

What action has the union taken from the point of view of improving morale, accepting the reality of the situation that exists in the industry today, and ensuring that the number of derailments and other incidents are reduced?

I emphasize the hard premise the Hon. Member comes down on that no unilateral action may be taken by railway management. The union members on the task force to which I referred a moment ago were prepared to recommend a harder line that the one taken by the Minister. They did not adopt that, nor has the Minister of Transport. He is prepared to work out a process of safety regulation in conjunction with the unions rather than take the recommendation which was put forward. That is the approach the Minister has taken in respect of safety in the railway transportation segment in years to come. I hope that it works, and I hope that with the co-operation of the Hon. Member we will get it.

**Mr. Orlikow:** Mr. Speaker, I do not know why the Hon. Member would suggest, as he did a moment ago, or even believe or think that railway workers and their unions are not prepared to face reality. They have had to live with the reality that in the period of less than 25 years the number of railway employees for whom the unions bargain has been reduced from well over 200,000 to under 75,000. They have had to live with that reality, and they have had to accept it.

I point out to the Hon. Member that the main point of contention between the striking group of railway workers whom we legislated back to work last August and the companies was the demand for improvement of the job security system. The main issue of contention of the shopcraft workers who are just waiting to go on strike and with whom the railways have stopped negotiating is the whole question of job security. They have faced reality.

• (1040)

Let me say just one more thing. I have not said for a moment that I am opposed to any kind of unilateral program initiated by the companies or by the Government. What I have said is that if any proposals, suggestions or programs that are designed to help cut back the number of railway accidents, crossing accidents and derailments are to work, they will work much better if they are planned and implemented through consultation, discussion and co-operation between the Government, the Departments responsible, the railway management and the workers on the job through their unions. Without that kind of co-operation, unfortunately in my belief, tragically the programs will fail.

**Mr. Maurice Foster (Algoma):** Mr. Speaker, I am happy to say a few words on Bill C-105, the Railway Safety Act. We have seen enough derailments and accidents on rail lines in the last several years. Legislation in this regard is desperately needed. This Bill may be a starting point, but our side sees a lot of weaknesses in the Bill and we want to see it strengthened if it is to pass in the House after going to committee. When the Bill does go to committee, we hope the Government will be open and prepared to deal with the issues and the amendments needed to make the legislation effective. I say that because when drafters of a Bill put it together they often overlook weaknesses, and sometimes do not even deal with all of the existing legislation needing amendment.

A few weeks ago, we had Bill C-92 before the Agriculture Committee which had to do with the use of producer cars. That legislation provided for a refund of services by farmers in western Canada who use producer railway cars. These included carrying costs and interest charges et cetera. As the witnesses give their testimony before the committee it became apparent that the Bill did not really deal with all aspects. There was an extra cost in the maintenance of country elevator delivery points by using individual producer cars. This cost was being charged by the railroads to the general cost of transporting grain in western Canada. We had the situation where we had an inadequate Bill because it did not cover transportation costs. It only covered those costs are refundable through the Canadian Wheat Board.

Unfortunately, government Members on the committee refused to agree to spend the extra time to have all that information put before the committee. The same thing will apply to this legislation. Obviously we perceive many weaknesses. If we can deal with those weaknesses without the hammer of the Government's majority coming down, it will make for a better situation in dealing with legislation as important as public safety. Clearly we need improvement in the legislation.

We saw the Hinton train disaster in 1986 when 23 people were killed. Accidents have occurred in my own constituency

with fatal results. Canada is rapidly moving to more and more travel by car and truck. Level crossings are dangerous and we have to deal with the question of the transportation of pesticides.

Deregulation of the railroad inevitably brings on more problems and threatens the safety of rail lines. We see deregulation having tremendous impacts in various parts of the country. *The Globe and Mail* carried a story yesterday in which the senior Vice-President, Mr. D. L. Fletcher of CNR, said that CN must move ahead rapidly to cut back on the number of employees because a general election might happen later this year. Surely that kind of secret memorandum where the political game is being played without thought of the workers and of their safety is a serious matter.

There is so much secrecy. We read reports and documents that the rail line from Espanola to Sault Ste. Marie in northern Ontario may ultimately be shut down because of deregulation because the volume of traffic carried over the line is something less than 400,000 tonnes a year. Yet when you go to the CPR to get a clear statement of its intentions, you never get an answer in any way, shape or form. This kind of secrecy does not give me much confidence that we will get any information from them on matters of safety.

The whole question of deregulation of the railroad system in this country is designed to make greater use of the American railway lines. It will allow shippers to go to the railway companies requiring them to provide a rate to move produce and lumber, whatever it is, down to the American lines to be moved across the United States. In the trade deal that we recently signed between Canada and the United States, the Government gave away one of the major economic benefits to western Canada by indicating that the Crow benefit, which amounts to some $700 million a year to western grain producers, is, in fact, a subsidy and will no longer be provided to shippers of grain and oil seed to the Pacific northwest.

So we have a situation where the Government in its trade negotiations with the United States is going to the GATT negotiations saying yes, this is a subsidy so it will ultimately be removed. The Government has stated that its policy is to be "a me too policy" to the United States in trade negotiations of the Uruguay round at the GATT. That whole movement of deregulation we see as being in conflict. The responsibility for safety is given to the Minister rather than to the CTC. The Minister is also implementing deregulation which is designed to put more pressure on rail employees to create a more competitive rail system with less regulation and less safety.

• (1050)

Those are some of the concerns we have with this legislation. When we are deregulating and giving over the responsibility for safety to the rail companies, we must also look at how good these large, centralized companies are as corporate citizens. Let us look at the way these companies maintain their buildings and properties in many communities along the north shore of Lake Huron, those communities from Sudbury to Sault Ste Marie. They certainly do not inspire much confidence. They are usually the worst looking buildings, the worst kept properties and on the worst lands. We just hope that this legislation, when amended, will have enough teeth to provide that the railway companies will not be so bad at keeping the safety of workers as a paramount consideration.

We know how the railway companies have acted in communities like the Garden River Indian Band. Negotiations have been going on for the past seven or eight years over lands which were given to the CPR to build a railway 75 or 100 years ago. The CPR refuses to return those lands which contain rich gravel deposits which could be extremely useful in the economic development of the band. The company refused to negotiate, even after an important legal decision in British Columbia. The company is saying that if the Garden River Indian Band wants the lands returned to it, then let it sue the company. That is just great, but the Garden River Band does not have the funds to carry on a long legal battle.

The corporate citizenship of this company is drawn into question. Can this company which has received tens of millions of dollars of benefits from the Government of Canada, including the railway right-of-way through the land of the Garden River Band, be trusted to be concerned with safety when it shows such incredibly bad corporate citizenship by holding up the development of a major new four-lane highway which would benefit not only the Garden River Band but the general public and the safety of the highways? That whole development has been stalled for several years because of the reluctance of the CPR to give any consideration to the Garden River Band which gave up, through an expropriation by the federal Government, a great deal of land 75 or 100 years ago.

This legislation is of great concern to our caucus as well because of Clause 41 which provides for fines and penalties. A single individual railway worker can be meted out a penalty of $10,000. That seems to be pretty severe and could work an incredible hardship on an individual railway worker, perhaps causing him to pay out his life savings. At the same time, the corporate fine for the railway company, whether it is CN or CP or one of the other billion-dollar corporations, is $50,000 maximum. That is a pittance for a large railway company which might find it more convenient to pay the fine occasionally rather than carry out important safety measures in the operation of the railway, the operation of level crossings or the installation of new equipment which would make the railway safer.

We are concerned about the level of fines and penalties provided by Clause 41 of this legislation. We are also concerned with the composition of the railway safety committees provided for in Clause 44. The clause provides for a committee of a maximum of 11 persons. That may be adequate, but it may not. Canada is a large country. There are 10 provinces and two territories. The size of the committee may not be adequate.

We are also concerned with the structure of the committee. The clause provides for only one representative of labour. In practically every train accident where there is a loss of life, labour is almost invariably involved in that loss of life. There is one representative of labour, and labour almost invariably lose lives in major train accidents, but there are six representatives of the railway companies and the railway business. It seems rather uneven. Surely the input from labour is more important than that.

There are two major railway companies and many other smaller railway companies like Algoma Central Railway which runs through my constituency. We will end up having no representation from most of the other railway companies and almost no representation from labour. Of course, four representatives are to be appointed by the Minister. We can imagine what those appointments will be like. We need only read Claire Hoy's book to learn about the whole approach to patronage. Surely this legislation is too important to be concerned with patronage in those Ministerial appointments.

There is no provision for representation from municipalities and cities on the committees. There should be provision for representation on that side as well.

I notice that you are signalling me that Question Period is about to begin, Mr. Speaker. Those are some of the concerns we in this caucus have with Bill C-105 which is before the House today.

[*Translation*]

**Mr. Deputy Speaker:** It being eleven o'clock, pursuant to Standing Order 19(4) the House will now proceed to Members' statements under Standing Order 21.

## STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

### ILLICIT DRUGS

AGREEMENT SIGNED WITH UNITED STATES

**Mr. André Plourde (Kamouraska—Rivière-du-Loup):** Mr. Speaker, I wish to congratulate the Solicitor General of Canada (Mr. Kelleher), who signed an agreement this week with his American counterpart, under which our two countries will be able to consolidate further their measures against drug trafficking. The consequences of drug use and drug trafficking are a matter of grave concern for the Government and the people of Canada.

To help deal with this problem, the federal Government decided to take the offensive last May by launching its national anti-drug strategy. Tuesday in Washington, the Solicitor General concluded this important agreement with the United States to follow through on the commitment he made in May. The agreement will vastly improve the pooling of information on drug trafficking, thanks to the work of RCMP officers posted in three American cities.

Mr. Speaker, both countries agree that as a problem that is not only national but also international, drug trafficking must be attacked on all fronts. That is why Canada is placing such emphasis on this agreement and why we have every reason to applaud the Solicitor General's initiative.

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• (1100)

[*English*]

### POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—FORMATION OF BACK BENCH COMMITTEE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, the media recently reported that some two dozen male Conservative Members of Parliament formed a very private, indeed secret club, called the BBC, or the Back Bench Committee. Some non-Members call this BBC the Braindead Brontosaurus Committee. Some of us who are more polite call it the Backward Blue Committee. It may turn out to be known as the Blather Bag Committee or, worse, the Brain Baffling Committee. One thing for sure, BBC does not stand for bilingualism and biculturalism.

These prehistoric remnants, these models of antediluvian thought, have lost the first round. We are going to start debating Bill C-72 on Monday. We will debate it thoroughly and I hope they all stand up and tell us what they think about it because we are very interested. They have lost the first battle but they have not lost the war. Let us keep fighting, gentlemen. Get up and tell us what you believe and what you think should be changed in the law. But, for God's sake, let us think of Canada.

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### NATIONAL ARTS CENTRE

APPOINTMENT OF NEW DIRECTOR GENERAL—POSITION OF HULL MAYOR

**Mr. David Daubney (Ottawa West):** Mr. Speaker, I rise to deplore the statements of Hull Mayor Michel Légère concerning the vacancy in the position of Director General of the National Arts Centre. Mr. Légère, a former, and perhaps future, NDP candidate in this city, is an *ex officio* member of the board of trustees of the NAC. In that capacity he has insisted that the new Director General be not just bilingual but a Francophone.

Most Canadians, and certainly this Member of Parliament, would agree that it is highly desirable that most chief executives of national cultural institutions be able to function in both official languages. To insist, however, that a particular position be filled by a Francophone or an Anglophone, and not on the basis of merit, and further, that bilingualism, the law of the land, is not good enough, amounts in my considered opinion to racism. I call on members of the NAC board to reject Mayor Légère's regrettable remarks totally.

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## MUNICIPAL AFFAIRS

CENTENNIAL OF ESTABLISHMENT OF MUNICIPAL PARKS

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, 1988 is an important year for municipal parks. It was 100 years ago, in 1888, that the Ontario Legislature passed the first ever Public Parks Act in Canada. That same year the first municipal park was established. On September 3, 1888, the City of Port Arthur, now Thunder Bay, established the first Board of Parks Management in Canada. It also established Waverly Park, the first municipal park in Canada, in that year.

We should all share in the centennial celebrations of Thunder Bay. Without municipal parks we would not have the facilities for sport, recreation, culture and horticulture that we enjoy today in our cities and towns. I salute the City of Thunder Bay and its Parks and Recreation Department, indeed, all Parks and Recreation Departments across this great nation, for their commitment to municipal parks.

The Government of Canada can help municipalities and their parks by agreeing to put money in the Budget this year for municipal rebuilding programs.

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## ABORTION

SUPREME COURT DECISION—USE OF TISSUE FROM ABORTED FETUSES

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, medical technology is such that it is now possible to use tissues and organs from aborted human fetuses for transplant purposes. Examples are pancreas cells for the treatment of diabetes, bone marrow, and organs such as kidneys. The recent Supreme Court decision on abortion leaves a void in the law governing these matters and might well lead to the deliberate growing of babies to be killed and used for spare parts, and a whole transplant industry based on fetal tissue technology.

The ethical, moral, and legal questions arising therefrom cannot continue to be set aside, and Parliament must prepare itself to deal with this issue.



[*Translation*]

## CANADIAN NATIONAL RAILWAYS

MEMORANDUM OF VICE-PRESIDENT OF OPERATIONS—JOB SECURITY—GOVERNMENT POSITION

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, disgraceful is the word for the internal memo, dated January 11, 1988, sent by Mr. Fletcher, senior vice-president of CN operations in which he asked regional authorities to finish their employment cuts so as to get them out of the way before a federal election. Here in Ottawa, we are all familiar with the problems of railway services in Abitibi-Témiscamingue. We realize that the railways are part of our essential services and must be maintained for the sake of regional economic development. We therefore have a duty to protect our admissible CN workers in Senneterre and the region.

Mr. Speaker, we must not forget that under the provisions of Bill C-85 passed six months ago, workers may not negotiate job security or any other issues. Since there still has been no arbitration nearly six months later, how will these workers be able to protect their jobs, considering CN's memo?

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## EXTERNAL AFFAIRS

HAITI—POSITION OF LIBERAL PARTY

**Hon. André Ouellet (Papineau):** Mr. Speaker, yesterday, the Parliamentary Secretary to the Secretary State for External Affairs implied that I would go to Haiti with the delegation of Canadian parliamentarians. I want to state that the Hon. Member does not have the right to speak on behalf of the Liberal Party of Canada. I may remind the House that we do not approve of this visit to Haiti and that we reserve the right not to take part in the visit at this time.

However, the Liberal Party of Canada has agreed to take part in the committee's proceedings next week, when we shall be considering and reviewing Canadian aid programs for Haiti, to determine whether they meet the needs and aspirations of the Haitian people.

We have also agreed to take part, the week after, in public hearings to be held in Montreal, where five members of the committee will hear the views of the Haitian community in Montreal, as well as the views of representatives of various non-governmental organizations working in Haiti.

That is as far as we are willing to go at this time, until we have received assurances that a genuine democratic election will be held in Haiti.

*S. O. 21*

[*English*]

## PUBLIC SERVICE

LANGUAGE TEACHERS' ROTATING STRIKES

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I want to call attention of Members of Parliament to the rotating strikes by language teachers, members of the PSAC, employed by the federal Government. It is indeed regrettable that persons who have worked long and hard with many public servants, including many Members of Parliament, in order to teach second languages, have found it necessary to take this action to support their stand.

It is officials of Treasury Board who have sought unilaterally to impose 25-hour classtime workloads on a job that requires considerable preparation to deal with students of greatly differing backgrounds and rates of progress. They have refused to pay teachers for preparation time which most teachers in other jurisdictions receive. Fortunately, the Federal Court has ruled that the 25-hour classtime cannot be imposed. Unfortunately, Treasury Board officials are now trying to get this classtime increased by the front door after failing to get it through the back.

I call on the President of the Treasury Board (Mr. Mazankowski) to take a personal interest in these negotiations given the extreme importance they have for so many public servants and parliamentarians.

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## AGRICULTURE

TWO-PRICE WHEAT SYSTEM—CHANGES CAUSE FOR CONCERN

**Mr. George Henderson (Egmont):** Mr. Speaker, eastern Canadian wheat producers have expressed serious concerns over the Government's intention to abolish the two-price wheat policy. This has created considerable uncertainty in the industry and future planning is impossible. Producers have prepared an excellent position paper and they question the Government's compensation plan. To quote directly from their document: "We are only asking for fair, equitable and consistent treatment; we are not asking for special concessions."

In Prince Edward Island alone there are 30 growers who produce an estimated 65,000 metric tonnes of wheat for milling purposes every year. They fear that the proposed changes to the two-price system could have a devastating effect on their industry. Eastern Canadian milling wheat producers made a number of recommendations to the Government. I urge the Minister of State for Grains and Oilseeds (Mr. Mayer) to give their proposals his full support.

## ADMINISTRATION OF JUSTICE

PARLIAMENT HILL VIGIL SEEKING TRANSFER OF PRISON INMATE FROM NEW JERSEY TO CANADIAN INSTITUTION

**Mr. Bill Tupper (Nepean—Carleton):** Mr. Speaker, Mrs. Alice Curtis of Nova Scotia is in the midst of a vigil on Parliament Hill. She is committed to this vigil out of concern and love for her son Bruce, who is incarcerated in a prison in New Jersey. Appeals for a new trial or clemency for Bruce have failed.

Initiatives are in progress to have Bruce transferred to a prison in Canada to complete his sentence. The State of New Jersey has laid down conditions for the transfer beyond the Convention established between Canada and the U.S. for prisoner transfer. Such conditions are unacceptable to Canada.

• (1110)

All reports indicate that Bruce Curtis was an excellent student and a caring person who has shown no disposition to any type of criminal activity. I call on my colleagues in the House this morning, and on all Canadians, to join in the chorus to persuade the officials in the State of New Jersey to allow Bruce Curtis to complete his sentence in Canada and to begin his rehabilitation.

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## REVENUE CANADA

PAYMENT OF SOURCE DEDUCTION CHARGES—DISALLOWANCE OF MAILING DATE AS FACTOR

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, what does Revenue Canada have against Canada Post? Revenue Canada is now sending notices to employers concerning source deduction changes which read as follows:

> New remitting requirements go into effect for 1988, and subsequent calendar years. Beginning January 1, 1988, all payments of source deductions must be RECEIVED by the due dates. The payment will be considered to be on time if it is RECEIVED by the Department on or before the due date. The mailing date of the payment will no longer be a factor.

In other words, the Government and the Minister of National Revenue (Mr. MacKay) are telling all Canadians not to trust Canada Post because it will not be able to deliver the mail on time. If the Government does not trust the Post Office, why should it expect that ordinary Canadians should? It is obvious that the Government of Canada should start putting its money where its mouth is. It should start reforming the postal system and start believing in it itself.

[*Translation*]

## INCOME TAX

PRE-REGULATION PROJECT CONCERNING LOADING AND TRAVEL ALLOWANCES FOR NORTHERN AND ISOLATED REGION RESIDENTS

**Mr. Charles-Eugène Marin (Gaspé):** Mr. Speaker, the Minister of Finance (Mr. Wilson) tabled on December 10, 1987, a pre-regulation income tax project on housing and travel allowances for residents of remote and northern regions.

Many remote regions in Canada can benefit from this program thanks to the Conservative Government of Brian Mulroney.

Mr. Speaker, many municipalities in the Gaspé riding which I represent qualify as isolated posts, to their great benefit.

Unfortunately, a number of communities in MRC Denis Riverin are excluded from this program.

The Minister of Finance has stated publicly that an inquiry commission would be established to examine further applications for eligibility under this program.

Therefore I can assure the Gaspé residents concerned that their applications will be duly considered and that our Government is fully aware of their problems.

* * *

[*English*]

## STATUS OF WOMEN

WAGE GAP BETWEEN MALE AND FEMALE WORKERS

**Ms. Marion Dewar:** Mr. Speaker, in 1967 Statistics Canada began collecting data on the wage gap between men and women. Figures then showed that women were earning 58.4 per cent of what men were earning. According to the latest StatsCan report, women are now earning 66 per cent of a man's wage. That is hardly an impressive victory for women.

Last spring the Human Rights Commission called upon the federal Government to introduce a pay equity law with some teeth, a law to force employers to pay equal wages and not just to file reports. It has been eight months since the Commission made its recommendation and the Conservative Government has yet to respond.

Effective pay equity legislation requires mandatory compliance and insists on strong enforcement mechanisms to make it work. It must be bolstered by the support systems which encourage women to enter non-traditional occupations. These support systems include training and retraining programs for women, educational opportunities, and access to affordable, quality child care. Women can be assured of a bright future if the Government has the political will to put these systems in place.

[*Translation*]

## HOUSING

NEED FOR GOVERNMENT TO ACT

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, last March, the Government announced amendments to the National Housing Act to provide, among other things, mortgage access for certain classes of buyers, such as the owners of mobile homes and house boats.

It is now February, 1988, nearly a year later, and nothing has been done.

This clearly shows the lack of interest of this Government for the housing sector. The only acceptable reason to justify such a delay might be a decision on the part of the Minister responsible for housing to include changes which would benefit the homeless and those with inadequate housing in the new legislation.

The only question being asked by all those who deal with housing is this: What is the Government waiting for?

I therefore ask the Conservative Government to use this bill to legislate on the responsibility of the Federal government to provide housing for the homeless, as other countries such as Australia and England have done.

* * *

[*English*]

## PRIVATIZATION

RADIOCHEMICAL COMPANY—PROPOSED SALE—FOOD IRRADIATION

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, some attention has been paid in recent days to the plans of the Government to privatize Radiochemical Company, the corporation within Atomic Energy of Canada which is responsible for food irradiation.

I want to suggest, if it has not occurred to some Members already, that there is a connection between this privatization plan of the Government and the decision by the Minister of National Health and Welfare (Mr. Epp) to allow food irradiation.

The fact is that the decision of the Minister of National Health and Welfare makes the long-term commercial possibilities of this particular aspect of AECL much more pleasant to look at. I suggest that the Minister of National Health and Welfare abrogated his duties as Health and Welfare Minister in making that decision and was captive to the privatization agenda of the Government.

The Minister said in regard to the mussel problem that he was not the kind to play Russian roulette with the health of Canadian people. I suggest that he has played Russian roulette

with Canadian people with respect to allowing food irradiation, and that he has done that out of subservience to the privatization and ideological agenda of his colleagues.

## ORAL QUESTION PERIOD

[*English*]

### THE ADMINISTRATION

CONFLICT OF INTEREST CODE—PRIME MINISTER—REGISTRATION OF PERSONAL LOANS

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Deputy Prime Minister. The Prime Minister and the Deputy Prime Minister have well established in the House this week the principle that loans to members of Cabinet must be declared and registered as part of the provisions of the conflict of interest guidelines.

*The Globe and Mail* has reported today that Jack Manion, Associate Secretary to the Cabinet in the Privy Council Office, has "refused to reveal whether the Prime Minister has registered a personal loan".

In light of that information my question to the Deputy Prime Minister is straightforward. Has the Prime Minister registered, pursuant to the conflict of interest guidelines, personal loans reportedly totalling $158,000 which the Prime Minister has received from the Progressive Conservative Party of Canada?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I am not sure what the Hon. Member is trying to get at or what the relevance of this question is. This issue was raised some time ago and I understand it has to do with an arrangement which has been a long-standing tradition of the Party wherein the Progressive Conservative Party has supported activities of the Leader. I know of no such loan and I am not sure why any such loan would have to be disclosed.

PC CANADA FUND LOANS REPORT

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, early this week both the Deputy Prime Minister and the Prime Minister made clear that the initial reason for the dismissal of the Minister of Supply and Services was the non-disclosure of a personal loan as required under the conflict of interest guidelines. I think Canadians are entitled to expect the same standard from the Prime Minister as the Prime Minister himself has imposed on members of his Cabinet.

I repeat, did the Prime Minister record and disclose, as required under the conflict of interest guidelines, loans that the Prime Minister received from the PC Party of Canada as disclosed by the Fund Chairman, Mr. Angus, and as reported in *The Globe and Mail* last April?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, as was pointed out in the House last April, the PC Canada Fund paid for certain expenses and the Prime Minister reimbursed the PC Canada Fund for his personal share of those expenses. It is my understanding that that was done and I am not sure what relevance that would have with regard to what the Hon. Member is pointing out.

LOAN REGISTRATION QUERY

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, at question is not how much was loaned—reportedly $158,000—nor how much or how quickly it was repaid. At question is whether or not, according to the standards laid down and reinforced this week by the Prime Minister, the loan was registered as required by the conflict of interest guidelines. I ask the Deputy Prime Minister again—he doesn't have the answer now—can he please bring to the attention of the House as quickly as possible information relating to the loans—

• (1120)

**Mr. Clark (Yellowhead):** What loans?

**Mr. Tobin:** —secured by the Prime Minister from the P.C. Canada Fund. And can he tell us whether or not those loans were registered upon the dates they were received by the Prime Minister?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if the Hon. Member is making a charge or an allegation that there is indeed a conflict of interest here, why doesn't he stand up in the House, or go outside the House, and make that charge—

**Mr. Foster:** Just answer the question.

**Mr. Mazankowski:** —instead of the innuendo and smear he is engaging in? The fact is that this was responded to at page 5233 of *Hansard* on April 27, 1987, when I indicated that those things that were personal were paid for by the Prime Minister. This was not a loan in the traditional sense. The P.C. Canada Fund paid for certain expenditures, which has been the tradition of the Party for many, many years, and billed the Prime Minister for anything that was considered to be personal, which he paid for. That is my understanding of it.

COMPLIANCE WITH GUIDELINES

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is directed to the Deputy Prime Minister and is with respect to the matter of the Prime Minister's compliance with his own guidelines on the matter of conflict of interest.

**Some Hon. Members:** Oh, oh!

**Mr. McDermid:** Give it a rest, Herb. Get up from the gutter.

**Hon. Herb Gray (Windsor West):** The Deputy Prime Minister has just said that the payments to the Prime Minister from the P.C. Canada Fund were not a loan in the traditional sense. If money was advanced to the Prime Minister and that money was later repaid by the Prime Minister, or if the money was paid by the P.C. Canada Fund to third parties on behalf of the Prime Minister, which he later paid, surely that is a loan, whether it is traditional or not. Why will the Deputy Prime Minister not admit this and tell us whether or not those transactions were disclosed and recorded pursuant to the Prime Minister's own conflict of interest guidelines? Why one set of standards for the Member for Langelier and another set of standards for the Prime Minister?

**Mr. Clark (Yellowhead):** Go swim in the Trudeau pool!

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member is placing a rather interesting interpretation on this whole issue. This matter, of course, was discussed in the House of Commons on a number of occasions. I responded when I said that the Prime Minister has undertaken to pay for those things which are personal in nature. And consistent with the traditions of the Party and the Leader, where the Party supports the office of the Leader, those things were paid and whatever was considered to be personal in nature was paid for by the Prime Minister. So I am not sure what loan the Hon. Member is talking about.

**Mr. Clark (Yellowhead):** There is no loan.

QUERY WHETHER PAYMENTS WERE RECORDED

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I can only quote the Deputy Prime Minister's own words when he said the payments were not a loan in the traditional sense.

**Mr. Clark (Yellowhead):** That's right!

**Mr. Gray (Windsor West):** Surely one can rely on the Deputy Prime Minister's own words that, while he did not consider it traditional, it was a form of loan. I would like to ask the Deputy Prime Minister a specific question, and that is, could he tell us were these payments recorded pursuant to the conflict of interest guidelines? Were they disclosed to the Deputy Registrar General and recorded in statements filed with the Deputy Registrar General? Could he answer yes or no to that question?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am sure all Members of Parliament have what they call a petty cash account—

**Some Hon. Members:** Oh, oh!

**Mr. Mazankowski:** —in the operations of their constituency office, and there are certain things which are personal and certain things which are paid for, perhaps, by their Party, or certain things that are paid for under the provisions of the Government of Canada. So these things are sorted out in much the same way. As I understand it, what has happened here is that there were certain bills that were paid for. Those which were personal in nature were paid for by the Prime Minister. Those which were considered to be, in the traditional sense, of the Party supporting the office of the Leader, were paid in that manner.

**Mr. Gauthier:** He didn't register them. The answer is no.

PC FUND—REQUEST THAT PRIME MINISTER MAKE STATEMENT

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, my question is also directed to the Deputy Prime Minister. I do want to say that for ordinary Canadians that kind of money is not petty cash.

For the sake of fairness and honesty and simply being above board, will the Deputy Prime Minister assure this House, on the questions being asked about the Progressive Conservative Fund and the moneys being provided to the Prime Minister, that the Prime Minister, when he returns, will indicate and disclose all of the aspects of the money he received from the fund so that everyone understands exactly what happened? Would he give us that assurance?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member is suggesting that the Party has made a loan to the Prime Minister. That is not my understanding. This question is totally irrelevant. The Hon. Member, if he is suggesting there is some wrongdoing, if there is a conflict of interest, should make the charge. Make the charge here in the House, or go outside the House and do it in a proper fashion.

**Mr. Cassidy:** Just answer the question.

**Mr. Riis:** Mr. Speaker, we just want a very clear picture about what did happen.

**Mr. McDermid:** You just want to smear. That's what you like to do, muck-rake.

REPORTED FINANCIAL DIFFICULTIES OF FORMER SENIOR QUÉBEC MINISTER

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, the Deputy Prime Minister will be aware that today it has been reported that back in November of 1986 the Minister in Cabinet responsible for Québec indicated to the Principal Secretary to the Prime Minister that the previous Minister of Supply and Services was having very serious financial problems. Will the Deputy Prime Minister indicate to the House what steps the PMO took at that point knowing full well that the senior Minister from Québec was experiencing these kinds of personal financial problems?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, as the Hon. Member in the preamble to

his question clearly pointed out, he is really not interested in the answers; he is interested in smear and insinuation and innuendo.

**Some Hon. Members:** Order.

**Mr. Mazankowski:** It really is quite an incredible scene, Mr. Speaker. As the Prime Minister indicated earlier, the Prime Minister's Office had no evidence that the former Minister had breached the conflict of interest of guidelines until earlier this week. There are all sorts of rumours and gossip that float around the Hill, but as soon as that was ascertained, action was taken, and the Prime Minister took the action that he deemed was necessary in accordance with maintaining the spirit and relevance of the Code.

TIME OF ACTION TAKEN BY PRIME MINISTER

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, the fact is that the Prime Minister's Office knew in November of 1986 that there were serious problems regarding one of his senior Ministers from Quebec in terms of financial matters. The Minister indicated yesterday that these loans took place over two years. Why was it, when this information was known for at least the last two years, it took until reporters were asking questions in a variety of Ministries—that is, before the Government got caught with its hands in the cookie jar—before the Prime Minister came clean?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I merely want to restate what the Prime Minister said in the House on February 3 with regard to the conflict of interest guidelines as reported at page 12573 of *Hansard*:

> —which are under my direct responsibility, when I was apprised, not of a violation, but of the possibility of a violation, which was not public knowledge in any way, I immediately instructed the officials of the Government to seek confirmation, and if confirmation was forthcoming, to provide it to me. When that was done, I immediately acted to seek the resignation of a Minister. It seems to me that that is in keeping with the most genuine spirit of parliamentary accountability and responsibility.

**Mr. Riis:** What year was that?

**Mr. Waddell:** What year was it?

**Mr. Mazankowski:** This is February 3, 1988. The Opposition wants the Prime Minister to ensure that Cabinet Ministers adhere to the spirit and code of the conflict of interest guidelines and, when action is taken, they are still not satisfied. All they want to do is to dig deeper and smear and tarnish the reputation—

**Mr. Riis:** What about November, 1986?

**Mr. Mazankowski:** —smear and tarnish the reputation of individual Members of this House and outside this House.

P.C. CANADA FUND CHAIRMAN'S LETTER

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Deputy Prime Minister. I have in hand a copy of a letter signed by Mr. David Angus, Chairman of the P.C. Canada Fund, sent to all major newspapers, which said: "Mr. Mulroney has reimbursed the P.C. Canada Fund"—reimbursed—"for expenses which were strictly personal in nature".

**Mr. McDermid:** It's paid.

**Mr. Boudria:** In view of the fact that one can only reimburse something that was borrowed to start with—

**Some Hon. Members:** Oh, oh!

**Mr. McDermid:** Come on, Boudria.

**Mr. Boudria:** —can the Deputy Prime Minister tell the House why there is a different set of rules used for one cabinet Minister for borrowing $250,000 than for another one?

**Some Hon. Members:** Oh, oh!

**Mr. McDermid:** You are reaching.

**Mr. Speaker:** The Deputy Prime Minister.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** That merely confirms my earlier answer, Mr. Speaker.

[*Translation*]

REQUEST FOR DETAILS OF FINANCIAL COMMITMENTS OF FORMER MINISTER

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my supplementary is directed to the Deputy Prime Minister and also concerns the conflict of interest guidelines, but this time in connection with the other Minister.

We know that the former Minister neglected to declare financial commitments, which is against Section 24 of the conflict of interest guidelines. Is the Deputy Prime Minister prepared to tell the House today what he should have told the House three days ago? Was the loan interest bearing? How much was the interest? And what were the terms of repayment? Was it a loan, a benefit or a gift?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, yesterday in the House I undertook to provide that information. As soon as it is available to me I will so provide it.

• (1130)

[*Translation*]

## CONFLICTS OF INTEREST

MICHEL CÔTÉ AFFAIR—QUERY WHY GOVERNMENT WAITED TO ACT

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Deputy Prime Minister who just quoted the Prime Minister and his statement that, as soon as he was informed, he "took action" in the case of the former Minister of Supply and Services and asked for his resignation.

Today, it was reported in the press that the Prime Minister's Office was warned by the Minister of Energy, Mines and Resources, fifteen months before the resignation of the former Minister of Supply and Services, that the latter had financial problems and had contracted some heavy personal debts.

The Deputy Prime Minister himself stated that the former Minister's loans were contracted over a period of two years. Furthermore, according to an article in the *Globe and Mail*, the Prime Minister's Office took action only after it heard a reporter was making inquiries.

My question is this: Why did the Prime Minister's Office again wait until the problem took on the proportions of a scandal before cleaning house? And why does this Government only worry about morality when it is caught with its hands in the cookie jar?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I responded to that question earlier. I indicated that the information that I have is that no evidence was available that would suggest that the Minister had breached or potentially breached the conflict of interest guidelines, until earlier this week. When that information came to light action was taken, swift action was taken.

I regret that the Hon. Member opposite finds fault with that. Quite frankly, I would have thought that he would have been applauding the Prime Minister for, first, putting in place a stringent set of guidelines and, second, for ensuring that they are enforced.

**Some Hon. Members:** Hear, hear!

[*Translation*]

QUERY WHY GOVERNMENT DID NOT ACT MORE QUICKLY

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, if it is true, as alleged, that the Prime Minister's Office was warned in November 1986, I would have applauded if the Prime Minister had acted at the time and not in February 1988.

So once again, my question is this: Why, if the allegations are correct and the Prime Minister's Office was warned about the former Minister's financial problems, did it fail to take any action for fifteen months? Why, if the allegations are correct, was no action taken?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, as I said, when evidence came to light that there could be a possible violation of the conflict of interest guidelines or meeting the strict spirit of the Code, when that was known and confirmed swift action was initiated, and the Minister was asked to resign.

LOAN DIFFERENTIATION

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, earlier this week a cabinet Minister was fired. He was fired because he failed to disclose a loan pursuant to the Conflict of Interest Code. My question to the Deputy Prime Minister is simply this. What is the difference between the loan given to the former Minister of Supply and Services and the loan given to the Prime Minister from the PC Canada Fund?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, one was a loan and the other one was not.

LOAN DIFFERENTIATION

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, according to David Angus, who was head of the PC Canada Fund, the money was a personal loan made to the Mulroneys after the 1984 election victory. My question again to the Deputy Prime Minister is this. Can he explain to the people of Canada what the difference is between the loan given to the former Minister of Supply and Services and the loan given to the Prime Minister of Canada by the PC Fund?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I have answered that question. I invite the Hon. Member to read *Hansard* where he will get the answer.

* * *

## CANADA ELECTIONS ACT

BILL C-79—CLOSURE OF LOOPHOLE

**Mr. Rod Murphy (Churchill):** Mr. Speaker, my question is for the Deputy Prime Minister.

**Mr. Clark (Yellowhead):** Pump it up, Rod!

**Mr. Murphy:** Mr. Speaker, I find it interesting that they are afraid even before they find out what the topic is.

**Mr. Fennell:** Keep it going, Rod, we like this one.

**Mr. Speaker:** Perhaps if the Hon. Member would put his question we would know what the topic is.

**Mr. Murphy:** Mr. Speaker, my question to the very nervous Deputy Prime Minister and his cohorts is the following one.

**Some Hon. Members:** Oh, oh!

**Mr. Murphy:** Under the new Conservative dictionary a repayable gift is not a loan. Last night we discovered that a campaign expense is not an election expense. Considering that the Deputy Prime Minister is in charge of Bill C-79—it is in his name—and considering that he has not made any effort to close this loophole, what will the Government do to ensure that the next federal election will not be so wide open that nobody knows what the hell is going on?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, that question simply condemns all Members of the House of Commons. I think all Members of the House of Commons had a part to play in the passage of the Elections Act which governs elections in our country. The important part of the committee hearing process that has been going on is the fact that it has revealed a number of inadequacies within the legislation.

Quite frankly, we have been trying to work out with the Opposition a process wherein we could improve on the Elections Act. Rather than simply engaging in character assassination, I hope that members of the Opposition will be more interested in trying to resolve some difficulties that occur and are inherent in the Elections Act. I think that that can be a very productive process as a result of the hearings that are going on.

## ELECTION EXPENSES—REQUEST FOR AMENDMENT OF LEGISLATION

**Mr. Rod Murphy (Churchill):** Mr. Speaker, the Deputy Prime Minister knows full well that his Government has asked for quick passage of Bill C-79 without any discussion whatsoever of changing the definition of election expense. He should also know that the New Democrats and the Liberals in the summer of 1986 asked for changes to that definition, something which the Conservative Party turned down.

Considering that the Hon. Member for Frontenac was allowed to spend between $12,000 and $20,000 in campaign expenses, which were deemed not to be election expenses, will the Minister ensure that there is an immediate attempt by the Government to amend this legislation so that the next federal election is not Dodge City?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member's allegations are not only unfair, they are untrue. He knows very well that there have been extensive consultations at the Party level amongst all Parties to try to redress the deficiencies in the Elections Act. We are not asking for quick passage. We are asking for consultation to ensure that all Parties can agree on a process so that, rather than engaging in long, protracted debate on the floor of the House of Commons, we can resolve these differences in bilateral and trilateral discussions.

Certainly we are all interested in improving the Elections Act. This Government has co-operated. The Chief Electoral Officer has co-operated. It is fair to say that if there is a genuine spirit that prevails in the interests of improving the Elections Act then I am sure that the Hon. Member can count on our full co-operation.

## REQUEST THAT MINISTER OF ENERGY, MINES AND RESOURCES SUBMIT RESIGNATION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, in addition to what we already knew, we are learning this morning that the Minister of Energy would have overspent to the tune of $20,000—

**Mr. Hawkes:** Wrong!

**Mr. McDermid:** That is not right.

**Mr. Guilbault (Saint-Jacques):** Information disclosed in 16 police raids has it that the Minister would not have reported the personal chauffeur, gasoline expenses, dinners to promote his candidacy, the rental of hotel rooms, meals—

• (1140)

**Mr. Speaker:** I think that the Hon. Member has put sufficient into his preamble to place the question. I think that is what the Hon. Member is leading to, and I would ask him to put his question.

**Mr. Guilbault (Saint-Jacques):** I wish to ask the Deputy Prime Minister if, in his capacity, he will talk to the Minister of Energy to suggest to him that what he should do next week when he appears before the committee is to seize the opportunity to do what he should have done weeks ago, and that is to submit his resignation, if it were only to prevent further embarrassment to the Government.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member's charges are categorically false. I am quite surprised, as a member of that committee who was there and who heard the testimony of Mr. Gorman that he has the guts to stand up in this House and make that kind of false allegation.

Mr. Gorman clearly indicated that this was not a violation. My understanding is that the Commissioner said that the RCMP had placed entirely the wrong interpretation upon the Act in this particular area.

[*Translation*]

REQUEST FOR MINISTER'S RESIGNATION

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I want to make it clear that the sixteen affidavits I just referred to are new affidavits that were not discussed yesterday in committee. Only one affidavit was considered in committee yesterday. And I want to ask the Deputy Prime Minister and the Prime Minister to have a serious talk with the Minister of Energy, Mines and Resources, stop this charade, and ask the Minister to resign immediately.

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the charade is being generated by Members opposite. The fact of the matter is that they conveniently choose not to use the evidence and the testimony of the key witness who was brought before the committee.

Mr. Gorman, I am told, made it very clear, both in a written statement and in answers to Members' questions, that the expenses referred to were not election expenses, as defined by the Act, and therefore nobody in the campaign could be charged under Section 61 of the Act for overspending.

That is the fact, Mr. Speaker. Why does the Hon. Member persistently try to misrepresent the evidence that was presented before that committee?

* * *

## THE ADMINISTRATION

PC CANADA FUND—PRIME MINISTER—PAYMENT OF MONEY

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, I, and many ordinary Canadians, are becoming confused by the answers of the Deputy Prime Minister. Therefore, I address another question to him.

We know that the Prime Minister received from the PC Canada Fund $324,000, which the Deputy Prime Minister describes as petty cash. Although this sum was repaid, the Deputy Prime Minister states that it was not a loan. If it wasn't a loan, then what was it?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I did not refer to the amount of money, as the Hon. Member suggests, as petty cash. He knows that, and he should not try to distort the facts. It is traditional that the opposition Members try to twist and distort the facts.

I think what ordinary Canadians are really wondering is why the Opposition has nothing more to offer than smear, innuendo, and character assassination. I think that is the issue.

DEFINITION OF A LOAN

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, in an exchange of the type that is going on in the House today I think it is important to define our terms. For the benefit of ordinary Canadians, and Members of the House, and perhaps even the dictionary, I would ask the Deputy Prime Minister to define for us what exactly is a loan.

**Mr. Speaker:** Even the Chair, although much tempted, is not going to get into definitions of words or phrases. I think I have to advise the Hon. Member that that question is out of order.

STATEMENT ATTRIBUTED TO PRESS SECRETARY

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is directed to the Deputy Prime Minister. In answer to other questions put to him about what was the difference between the payment to the ex-Minister of Supply and Services and the payment to the Prime Minister from the PC Canada Fund, the Deputy Prime Minister stated that one was a loan and the other was not.

I have a report which appeared in *The Globe and Mail* on Friday, April 17, and it reports that a Mr. Marc Lortie, and I quote, said that the portion of the money that was lent has been paid back, while the rest was used to buy furnishings that now belong to the Conservative Party. Mr. Lortie said that the loans were a formal arrangement between the Prime Minister—

**Mr. Clark (Yellowhead):** What is in quotes?

**Mr. Gray (Windsor West):** —and the chairman of the PC Canada Fund, who raises money for the party. This report appeared on Friday, April 17, 1987.

I ask the Deputy Prime Minister, wasn't Mr. Lortie the press secretary for the Prime Minister speaking on behalf of the Prime Minister and in his name and, if he said it was a loan, how can the Deputy Prime Minister say today the money was not a loan?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** I have responded to that question. I think it is quite clear, and the Hon. Member knows it. He has been involved with party politics for a long period of time, and I am sure that the Liberal Party supports his Leader and the things that go on. It is in that same tradition that the Conservative Party has, for years, supported the Leader and provided support for the Leader of the office. That is the same kind of arrangement that was made in this particular case.

CODE OF CONDUCT—MONEYS ADVANCED BY PC CANADA FUND

**Hon. Herb Gray (Windsor West):** My supplementary question is directed to the Deputy Prime Minister. The Prime Minister has created for his Ministers, and I presume himself, a Code of Conduct which he stated was the best in the world.

We are simply trying to find out to what extent the Prime Minister has complied with that Code with respect to the moneys advanced on his behalf by the PC Canada Fund.

If the Deputy Prime Minister's position is that that money does not have to be covered by the Code, let him state that clearly. If his position is that the Prime Minister was in error and overlooked filing, a technical breach, as was the case with the ex-Minister of Supply and Services, let him admit that. All we are asking is for a straight answer about how the Prime Minister lives up to his own set of rules.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, unfortunately the Hon. Member is not interested in straight answers. As I indicated, it has been a tradition of the Party that certain expenses are paid for, if they are to discharge the office of the Leader of the Party, and if there are some things that are deemed to have been personal in nature, they are paid for by the Prime Minister, by the Leader. That is exactly what happened in this particular case.

DECLARATION OF LOAN

**Mr. Jack Harris (St. John's East):** Mr. Speaker, the Government has made it clear that the PC Canada Fund has given a loan to the Prime Minister.

**Some Hon. Members:** Order.

**Mr. Clark (Yellowhead):** That is a falsehood. Withdraw that falsehood.

**Mr. Speaker:** Perhaps the Hon. Member would refrain from re-arguing a matter which has been, to some degree, already argued here, and put his question. I think that that would be helpful to order.

**Mr. Harris:** The question would be, Mr. Speaker, did the Prime Minister declare that loan?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I have tried to explain. I wish Hon. Members would listen. There were accounts that were paid for by the Party. That has been a long-standing tradition. Those items which were deemed to be personal in nature would be billed back to the Prime Minister, and the Prime Minister paid for those things. That is part of the long-standing arrangement that has been existent with our Party for many, many years.

DECLARATION OF LOAN

**Mr. Jack Harris (St. John's East):** Mr. Speaker, the question is not whether or not the loan was repaid. We do not know whether Mr. Côté repaid his loan—

**An Hon. Member:** Order.

• (1150)

**Mr. Speaker:** I have asked the Hon. Member to put his question and not get into an argument by way of preamble.

**Mr. Harris:** Mr. Speaker, the question is not whether the loan was repaid or not repaid. The question is whether or not the loan was declared, which the former Minister of Supply and Services was supposed to declare and resigned—

**Some Hon. Members:** Order, order!

**Mr. Speaker:** If the Hon. Member has a question, I would ask him to put it. The Hon. Member is clearly indulging in argument on whether there is a question or what is the issue. I would ask the Hon. Member to put his question.

**Mr. Harris:** Mr. Speaker, with respect, I believe the question is very straightforward.

**Mr. Speaker:** It may well be, but I would ask the Hon. Member to put it.

**Mr. Harris:** My question is: If this is a loan, why was it not declared?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** I have already answered that, Mr. Speaker. I will try to go through it again.

There are certain expenses incurred by the Office of the Prime Minister, the Leader of the Party, and certain expenses were deemed to be of personal nature which were billed to the Prime Minister and for which the Prime Minister paid. If that is a loan, then you have a different version of a loan than I have.

* * *

[*Translation*]

## EMPLOYMENT

STATISTICS FOR PROVINCE OF QUÉBEC

**Mr. Fernand Jourdenais (La Prairie):** Mr. Speaker, my question is directed to the Minister of Employment and Immigration or his substitute. Mr. Speaker, I am told that today, Statistics Canada has released its figures on employment in Canada. My question is this: Could the Minister inform my constituents and my colleagues in the House about the statistics for my own province, the beautiful province of Quebec?

[*English*]

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, how I remember those Friday mornings when the labour market statistics would come out and the then Ministers, when they were in government, would shake because they had no answers to the growing numbers of unemployed, no

answers to double digit inflation, or no answers to the families who were renewing mortgages at 15 per cent to 20 per cent.

[*Translation*]

Mr. Speaker, the unemployment rate in Quebec has dropped from 12.9 to 9 per cent in less than four years. We have created 293,000 new jobs. Last year in Quebec, we created 119,000 new jobs. There are 104,000 fewer unemployed workers in Quebec since September 1984. In Montreal, the unemployment rate has dropped from 11.8 to 8.6 per cent, and 128,000 jobs have been created since January 1985.

* * *

[*English*]

## TERRORISM

INVESTIGATION OF INCIDENTS

**Mr. Bob Horner (Mississauga North):** Mr. Speaker, in the absence of the Solicitor General I will direct my question to the Deputy Prime Minister.

I have had a great interest in the terrorist acts which took place on June 23, 1985. One of them was the killing of two baggage handlers in a Japanese airport, and the other one was the crash of Air-India Flight 182 in the Irish Sea, killing 329 people.

In view of the fact that we have had calls from the Opposition for the resignation of the Solicitor General, especially coming from the Hon. Member for York South—Weston, because of unsuccessful investigations, I think it might be worth while if the Deputy Prime Minister could elucidate for the House and tell us about the culmination of a successful investigation which was announced yesterday.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I can confirm that Mr. Reyat was arrested on February 5 in Coventry, England, by the local police and is now in police custody awaiting a bail hearing. An extradition hearing will follow in order for him to be returned to Canada.

A warrant for his arrest was issued by the B.C. Supreme Court on February 1, 1988, and subsequently by an English court. He has been charged with eight offences, including two counts of manslaughter, four counts of causing injury with intent, as well as illegal possession of explosives.



## DISASTERS

AIR-INDIA CRASH—REQUEST FOR PUBLIC INQUIRY

**Mr. Alan Redway (York East):** Mr. Speaker, I have a supplementary question for the Deputy Prime Minister in connection with that particular arrest which, as I understand it, does not relate specifically to the Air-India crash.

The Air-India crash took place some two and a half years ago. There have been no charges laid, no trials held, and no convictions registered.

Could the Deputy Prime Minister advise the House and Canadians when we will see action in connection with the Air-India crash? Does he not believe that it is time for a public inquiry?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I think all Hon. Members would want to applaud the work of investigative officials, the job they have done in terms of the arrest that has been made.

With respect to the Air-India accident, it is still under very full investigation. I would hope that similar results might be forthcoming in the very near future.

* * *

## CANADA PENSION PLAN

SURVIVOR BENEFITS—PAYMENT OF WIDOWS' PENSIONS

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is also for the Deputy Prime Minister. It concerns the Government's consultation paper, *Survivor Benefits under the Canada Pension Plan.* According to this paper, widows' pensions now paid up to the age of 65 will be paid for three years only.

Will the Deputy Prime Minister explain to the House how he expects a widow with dependent children, who has been out of the labour force a long time and may even be in poor health herself, to become economically self-sufficient in three years?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member has a tradition of putting very important and pertinent questions to the House. I think this deserves a full and comprehensive answer.

I simply want to tell the Hon. Member that, in the absence of the Minister of National Health and Welfare and of the Minister of Finance, I will take that question as notice and assure her that she will get a full and comprehensive answer.

PROJECTED REDUCTION IN BENEFIT OUTLAYS

**Miss Aideen Nicholson (Trinity):** When the full and comprehensive answer comes, Mr. Speaker, may I also have an

answer to the following question? The Government's own paper projects a reduction of 15 per cent in benefit outlays as a result of these changes. Will the Deputy Prime Minister guarantee that the Government, in its commitment to deficit reduction, will not be doing it at the expense of widows?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I think the Government's record in social justice has been exemplary. Certainly from the standpoint of considering the welfare of all Canadians, the best social justice is the security of a job.

With the figures which were just announced today, I think a lot of solace is provided for all Canadians, particularly when we consider that the job-creation effort has been so successful in terms of providing long-term jobs, particularly jobs for women. I think the record has been outstanding.

I will take the Hon. Member's representation into consideration and convey it to the responsible Minister. I am sure that she will be treated with a full and comprehensive answer to her question.

* * *

## THE ADMINISTRATION

PC CANADA FUND—STATEMENT ATTRIBUTED TO PRESS SECRETARY

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, my question is for the Deputy Prime Minister. The Prime Minister's press secretary indicated today that the money from the PC Canada Fund was a loan and that it was repaid. He did not call it a gift. He did not call it petty cash.

Will the Deputy Prime Minister now indicate whether the Prime Minister registered the loan as required under the conflict of interest guidelines?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am not sure whether the Hon. Member was in Question Period earlier today. I explained precisely what took place, and I really have nothing further to add.

**Mr. Speaker:** The Hon. Member on a short supplementary.

REQUEST THAT PRIME MINISTER RESIGN

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, given all the answers that we have received in the House today, it is clear that the Prime Minister did not register this transaction—

• (1200)

**Mr. Speaker:** I would ask the Hon. Member to put his question and not argue about facts which may or may not have been established yet. Please put the question.

**Mr. Angus:** Mr. Speaker, my question is for the Deputy Prime Minister. When will the Prime Minister take the same course of action with himself as he did for the Member for Langelier, and resign.

**Mr. McDermid:** Why?

**Mr. Mazankowski:** Mr. Speaker, the Hon. Member is trying to make a connection here that is totally irrelevant, totally irrelevant.

The PC Canada Fund paid for invoices, which were submitted, and those expenses which were deemed to be personal were then billed to the Prime Minister. Those bills were paid for by the Prime Minister. This does not constitute a loan. I wish Hon. Members would stop distorting the facts. The facts are as I outlined them and I have nothing further to add, Mr. Speaker.

* * *

## PRIVILEGE

ALLEGED UNPARLIAMENTARY TERM USED IN MEMBER'S STATEMENT

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, I believe, that in the statements at the beginning of the Question Period, the Hon. Member for Ottawa West (Mr. Daubney) called the Mayor of Hull, Mr. Légère, a racist. I do not have the "blues". I would have to check them to see whether the Member firmly said that or said that he tended to be a racist, or some other words. If he said the former and called the mayor an outright racist, I think that is disgraceful, distasteful and I think it is unparliamentary.

**Mr. Speaker:** I have already ruled on another occasion that to accuse anybody in this place of being a racist is, in my view, unparliamentary. I did not hear the exchange. The Hon. Member may want to rise and set the record straight or do whatever is appropriate.

**Mr. David Daubney (Ottawa West):** Mr. Speaker, I have not had an opportunity to look at the "blues". I think the words I used were that the Mayor of Hull in rejecting the notion of a bilingual candidate as Director General of the National Arts Centre and specifying that the candidate had to be a francophone, I said, that such a statement in my view in rejecting the law of the land on bilingualism, and believing in bilingualism myself, amounted to racism.

I did not accuse any Member in this place of being racist. I do deplore the conduct and the words of the Mayor of Hull. As far as I am concerned, they are not unparliamentary, although I will, of course, abide by any ruling you make in that regard.

**Some Hon. Members:** Hear, hear!

**Mr. Waddell:** Mr. Speaker, I rise on a point of order. That is not a withdrawal at all.

**Mr. Speaker:** The Hon. Member has made it quite clear that whatever he said was not referring to any Hon. Member in this place. I think procedurally that is where I must leave it. What the Hon. Member may want to do outside this Chamber, if he is asked about it, to elaborate on it or do otherwise, is, I think, his own business.

Clearly, I accept completely the Hon. Member's truthfulness that it was not a word aimed at any Member in this House.

## ROUTINE PROCEEDINGS

[*Translation*]

### COMMONWEALTH FOREIGN MINISTERS COMMITTEE ON SOUTHERN AFRICA

TABLING OF FINAL STATEMENT

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, pursuant to Standing Order 67(2), I table in both official languages the final statement of the Commonwealth Committee of Foreign Ministers on Southern Africa and the proposed terms of reference of a study made in application of sections 7 to 11 of the Okanagan Statement.

* * *

[*English*]

### EXTERNAL AFFAIRS

MEETING OF COMMONWEALTH FOREIGN MINISTERS, COMMITTEE IN LUSAKA—STATEMENT BY MINISTER

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, when the Prime Minister (Mr. Mulroney) and other Commonwealth heads of Government met in Vancouver and Lake Okanagan in October they agreed on measures to fight apartheid in South Africa and established a committee of foreign Ministers to give impetus to their decisions. I have the honour to chair that committee. I was asked in the House before departing by the Hon. Member for Papineau (Mr. Ouellette) to report to the House, and I rise now to report to the House on the first meeting of that committee earlier this week in Lusaka, Zambia. In beginning, I want to express formally Canada's great appreciation of the excellent arrangements made by the Government of Zambia.

The committee comprises the Foreign Ministers of Australia, Canada, Guyana, India, Nigeria, Tanzania, Zambia and Zimbabwe. At Vancouver, the United Kingdom decided not to be a member of the committee, although Britain is contributing to other parts of the Commonwealth program against apartheid. For example, Britain and Canada will be the major contributors to the restoration of the second phase of the Limpopo Rail Line in Mozambique. Britain, Tanzania, Zimbabwe and Malawi are involved in the equally important work of providing security for transportation corridors against terrorist disruption. The best prospect for an end to apartheid is the negotiating concept developed by the Eminent Persons Group, established by the Prime Minister (Mr. Mulroney) and other Commonwealth leaders in Nassau in the Bahamas. Our committee will work conscientiously to encourage conditions where that negotiating concept might be given effect.

Let me refer to the campaign to defend apartheid, Sir. It is systematic, organized, prosecuted as a priority by the Government of South Africa and supported, for various motives, by businesses and organizations with substantial interests in that country. Among some within South Africa, the resistance to change is intensified by fear, including the fear that they will be torn up from their own roots and that the strong economy they have created will be destroyed. That combination of power and fear is formidable, both in itself, and in the reaction it inspires.

Whatever other lessons might be learned from Africa, the record is consistent that, when majority rule could not be negotiated, it came by violence, fueled by the frustrations of majorities who would not forever be denied citizenship in their own country. That is the lesson of, among others, Kenya, Algeria, Zimbabwe and Mozambique. If the white 14 per cent of the population which governs South Africa maintains its racist system, the black majority will respond, inevitably, not with silence but with violence.

We have to take account of both the power and the fear that fuel apartheid. When I met President Chissano of Mozambique in August, he tried to address the understandable fear of white South Africans. He said:

> The Afrikaaner is as African as I am. We both belong here. There is no other place to which we can return.

The African National Congress acted in the same spirit in the meeting in Dakar, Senegal, where white and black South Africans came together to talk about their future together. Zimbabwe itself, with three white Ministers in the Government, and thousands of white citizens involved fully in industry, agriculture and the public service, is proof that white and black Africans can work together in freedom. The Commonwealth, because of our special reach across races and around the world, can help ease fears, among both blacks and whites. And Canada, in these circumstances, with our history and our nature, can play a leading role.

[*Translation*]

But fear is only one element of apartheid: power is another—power defended zealously, exercised ruthlessly.

Sanctions are applied for two purposes—the first economic; the second psychological. There is no doubt that the actions actually taken by Canada and other countries have sent clear messages of disapproval to defenders of apartheid, and of

encouragement to its opponents. Nor is there doubt that the economic measures have inspired a vigorous campaign to bust sanctions, or evade them, or frustrate their purpose.

Naturally, the South African government does that; but so may other governments, so do many businesses. Those actions deserve to be known and, at Lusaka, we authorized terms of reference for two major studies which will bring to light new patterns of trade, new practices of accounting, new routings of shipments.

The terms of reference of the larger study have been published, and I have tabled them today. In the same spirit we are concerned by what appear to be significant breaches of the mandatory embargo on arms export, which members of the United Nations are obliged to respect. As individual nations, and as a committee, we will be seeking hard evidence and considering specific actions to ensure that the mandatory arms embargo is enforced.

• (1210)

[*English*]

The most effective new weapon enlisted in the defence of apartheid is the deliberate new emphasis on censorship within South Africa and propaganda at home and internationally. A simple summary of major press legislation in South Africa which sets out what journalists may not write about runs to over 300 pages. On top of that is the weight of other threats and regulations which limit freedoms that we Canadians take for granted: the freedom to meet, to publish, to speak without fear, and the right to protection against detention without trial.

No one knows how many people are detained today without charge in South Africa. No one who is detained knows when he or she might be freed or detained again. Even little children are locked away.

As the curtain comes down within South Africa, the campaign intensifies outside to portray as reform proposed institutions in which no authentic black leader will participate, to caricature all opponents of apartheid as communists or killers, to exploit prejudice. I have no doubt that the campaign of censorship and propaganda is carefully organized and targeted, and the Commonwealth will become much more involved in exposing and countering propaganda and censorship.

That holds its own risks. When it comes to rights, no Commonwealth country is blameless, some less than others. During the meeting in Lusaka and in other conversations, I warned that the accusation of a double standard would almost certainly be made against the Commonwealth and that the best way to deal with it is by improvement in our own countries, but most in this House and most in the world would agree that inequity or abuse in other countries does not excuse an apartheid regime which writes racism into law.

There is one other dimension of this committee which I want to convey to the House. We are eight countries from five continents. None of us is a superpower. Some, like Guyana, are states with profound economic problems of their own, while others of the front line states are vulnerable every day to destabilization from South Africa. That we came together gave evident hope to groups like the South African Council of Churches whose representatives we met.

What we can do together will enlarge the information and initiative and will to fight apartheid in peaceful and practical ways. That we are together is the best answer to the fear that is at the heart of apartheid, the fear that different races, different colours, cannot work together. The Commonwealth is the antithesis of apartheid. We are different races, different colours, working together. I expect that this committee will help us continue our progress.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Hon. André Ouellet (Papineau):** First of all, Mr. Speaker, I wish to thank the Minister for providing me in advance with a copy of his statement. I wish also to congratulate him for rising in the House at the first opportunity to give us an account of this first meeting, held in Lusaka, Zambia, of the Commonwealth Committee of Foreign Ministers which has been set up to initiate policies to fight against apartheid in South Africa. Unfortunately, this morning, he could not announce to the House very significant progress. He could only pay lip service to this very important cause. As he admitted himself on page 3 of his statement, and I quote:

> The best prospect for an end to apartheid is the negotiating concept developed by the Eminent Persons Group—

Well, I must remind him that according to his Department's 1986-87 Annual Report, this initiative has not brought about the expected results. It is even described as a ... The document does not say so in so many words, but it implies that this initiative was ultimately a failure. I was surprised this morning when I heard the Minister refer to it.

Also, and this may be the most important and straightforward point of his whole statement, the Minister described the campaign to defend apartheid, and I quote:

> This campaign to defend apartheid is:
>
> —Systematic, organized, prosecuted as a priority by the Government of South Africa, and supported, for various motives, by businesses and organizations with substantial interests in that country.

To clarify this resistance, he points out further on:

> Nor is there doubt that the economic measures have inspired a vigorous campaign to bust sanctions, or evade them, or frustrate their purpose.

It therefore seems obvious to me that, in spite of all our goodwill and all our efforts throughout the years, the situation in South Africa remains unchanged. The South African Government does not want to change its policies for any consideration or reason.

To relate to my own personal experience, I recall my first speech as Parliamentary Secretary to the Hon. Mitchel Sharp, then Secretary of State for External Affairs, before the UN General Assembly, in which I denounced apartheid. This was my first speech on behalf of Canada before the UN General Assembly, and I dealt with apartheid.

Today, 18 years later, I find myself still denouncing apartheid in this House. This is why I can accept that Canada, through its Minister, should continue to play a role in co-operation with Commonwealth countries or South Africa's neighbours in an effort to put as much pressure as possible on South Africa, but I also believe that, apart from such efforts, which are praiseworthy and should be pursued, Canada must do more. I believe that Canada must now take drastic action.

At this point I think I should quote my Party Leader, the Leader of the Opposition (Mr. Turner), who said, in an important speech:

• (1220)

[*English*]

> Our goal as Liberals has always been to reach the day when every person on this planet lives under a rule of law which fully respects the human rights of all citizens. We can cite human rights abuses in every part of the globe, but nowhere are human rights being so blatantly trampled than by the institutionalized, state-sponsored racism of the apartheid regime in South Africa.
>
> Last September, I called on our Government to impose complete economic sanctions and withdraw diplomatic relations from that country by the end of the year if no progress was made toward ending apartheid. That deadline has been passed, and again we demand that the Mulroney Government take action.
>
> It is time for Canada to chart its own course, and send a clear message. Apartheid is an affront to human dignity and Canadians will not give validity to a regime which imposes it. I also believe that while it is preferable that we convince our allies to take the same action in concert with us, we must be prepared to act alone if need be.

[*Translation*]

This kind of dramatic gesture can have a very important psychological impact. It can act as a catalyst and help end a situation more quickly. I remember how Canada ventured forth on unbeaten paths in the early seventies when it recognized Mainland China, how it paved the way for many other western countries, how it in fact led the United States to do likewise, and how Canada's attitude, its unique position, enabled it to play a significant and important role on the international scene. I believe that today, breaking off diplomatic relations with South Africa would be as important and have the same impact as our decision, at the time, to be among the first to recognize the People's Republic of China.

I therefore urge the Conservative Government, as the Leader of our Party has done before, to make the dramatic gesture that would make it abundantly clear that we can no longer tolerate apartheid in South Africa.

[*English*]

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I want to begin by thinking the Right Hon. Minister for being faithful to Parliament and using the House rather than a press conference to report on his visit. It is greatly appreciated and a habit I hope other Ministers will imitate more frequently than they sometimes do.

In his statement the Minister made several points that I wish to comment on. The campaign to defend apartheid is rightly referred to as "systematic, organized and prosecuted as a priority by the Government of South Africa". The Minister went on to say, "supported for various motives by businesses and organizations with substantial interests in that country". Might I suggest—and I do not mean this in a narrow partisan way because it makes the Minister's approach to South Africa even more laudable in the circumstances—that one of the obvious, and I sometimes think willing, intellectual victims of this systematic campaign is the international conservative community, at least as expressed through its magazine International Conservative Insight, the latest issue of which I recommend to the Minister. That issue is a pot-pourri of attacks on sanctions, various anti-apartheid leaders, and approaches to the issue which the Minister himself condemns in his statement when he quite rightly denounces as propaganda the caricature offered by the South African Government and its propagandists of all opponents of apartheid as communists or killers.

The Minister has a lot of work to do in the broader political and ideological community to which he and his Party belong, and we wish him well. We also wish for him the same clarity of mind and language that he displays with respect to South Africa when it comes to the caricatures which come out of the Pentagon and White House concerning Central America and those in that region who want to control their own destiny. They are often referred to as communists or killers when neither description is appropriate.

The Minister says that if the white 14 per cent maintains its racist system, "the black majority will respond, inevitably, not with silence but with violence." With respect, that is all that the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) was saying when she was so roundly criticized by the Minister in September of 1987.

[*Translation*]

The Minister said, and rightly so, that the impact of sanctions is both economic and psychological. I applaud the concept of two studies on the ways and means used to avoid the impact of these sanctions. However, I suggest that these and other studies should also look into statements that some sanctions have actually reinforced certain sectors of the South African economy.

These statements made by opponents to sanctions must be addressed so that the effect of sanctions can be improved, if necessary, thus strengthening instead of weakening their impact.

[*English*]

The Minister referred to the fact that even little children are locked away. In this respect, I met not too long ago with Ms. Ann Mitchell, Executive Director for Canada of the International Defence and Aid Fund for South Africa, who attended an international conference on children, repression and the law in apartheid South Africa. One of the recommendations coming out of that conference included the need to make known world-wide the plight of apartheid's child victims and the nature of the South African legal system, one primary purpose of which includes detention, arrest and imprisonment of children. I hope this is something that the Minister and the committee he chairs had in mind when they made their decision to counter South African propaganda, and that making known the plight of these children would be one of the things they would be following up.

I also hope that some day soon either the Standing Committee on External Affairs and International Trade or the Standing Committee on Human Rights might have a chance to hear testimony about this from Canadians who attended that conference, or other Canadians who have concerned themselves with this particular matter. I know that is something they are hoping to be able to do.

I also had the opportunity to meet not so long ago with members of a Canadian delegation to Angola sponsored by the Canadian Council for International Co-operation. One of their principal recommendations was that Canada begin to treat Angola on a par with other front line States and SADCC countries. I am somewhat disappointed that the Minister did not take this opportunity to indicate any new Canadian policy with respect to those recommendations made by Canadian NGOs. I believe Canadian aid to the front line states has to be comprehensive, include all the countries that need that kind of aid, and be thorough. I encourage the Minister to work with the NGO community in Canada which is to co-operate with him in any efforts the Government might contemplate to increase both the amount and effectiveness of Canadian aid to all the front line states.

• (1230)

Finally, the Minister referred to the argument about a double standard and, in very careful language, talked about no Commonwealth country being blameless with regard to "rights". It may be incidental and have no consequence, but I am curious about the blanket use of the term "rights" rather than "human rights". The concession by the Minister that Canada is not blameless is interesting and I welcome it. I have the suspicion that had I got up in the House and said this about Canada the Minister may not have been so forthcoming.

However, the Minister is right in reminding those countries, some of which are strident in denouncing South Africa and its apartheid system but which are not exactly models of political tolerance themselves, to clean up their own houses in order that their criticisms of racism in South Africa might have even more moral force than they already have by virtue of the inherent offence against humanity which apartheid constitutes.

The Commonwealth is the antithesis of apartheid, as the Minister has said. I might also suggest that *la Francophonie*, another organization to which Canada belongs in which both blacks and whites work together for the common good of the communities which they represent and the world, is also the antithesis of apartheid.

I ask the Minister to consider, not only with respect to the Commonwealth but also with respect to the U.N. and other international opportunities which Canada has in general, how Canada might act in concert with others and also alone to provide leadership and to give expression to the offence which Canadians unanimously, I hope, take to apartheid.

One of my colleagues has suggested some dramatic action. I do not agree with the dramatic action which he has suggested, the breaking off of all relationships with South Africa. That is not the policy which the NDP supports at this time. However, I do not think the Minister should rule out, as he sometimes does in his language, the possibility that some day—and I do not mean a far away day which never comes—we find ways for Canada to act alone and dramatically which would give expression to the unanimity with which Canadians abhor apartheid.

* * *

[*Translation*]

## OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

**Mr. Jean-Robert Gauthier (Ottawa—Vanier)** moved for leave to introduce Bill C-279, an Act to amend the Official Languages Act (tabling of documents).

**Mr. Deputy Speaker:** Shall the Hon. Member have leave to introduce the said Bill?

**Some Hon. Members:** Agreed.

**Mr. Gauthier:** Mr. Speaker, this Bill arises from a concern for providing all Members of this House and all Canadians with the same service. The Bill provides that from now on, when the Government tables public documents, it shall do so in both official languages simultaneously—in French and in English—and that both versions will be equally valid. I think that today, it is essential that the Government adhere strictly to this obligation to table documents in the House in both official languages. If the Bill is passed, we will no longer have to complain about occurrences like the one we experienced recently with Bill C-22 or with the Mulroney-Reagan Free Trade Agreement.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Deputy Speaker:** When shall the Bill be read the second time? At the next sitting of the House?

**Some Hon. Members:** Agreed.

* * *

[*English*]

## PETITIONS

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have the honour and duty to present two petitions from Canadian citizens in Moose Jaw, Regina, Saskatoon, and Fort Qu'Appelle, Saskatchewan. The petitioners say that the Prime Minister (Mr. Mulroney) promised, in the course of the bilateral trade negotiations, that Canadian sovereignty would not be compromised. They say that the Government did not have a mandate to negotiate a trade agreement and that the agreement denies Canadians secure access.

They therefore humbly petition this House not to accept or reject the proposed free trade agreement until we have had a national general election.

[*Translation*]

REQUEST THAT ECONOMIC ASSISTANCE TO MILITARY JUNTA IN POWER IN HAITI BE CEASED

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, pursuant to Standing Order 106, I have the honour and privilege of tabling two petitions signed by residents of my riding of Saint-Michel—Ahuntsic and general area. The undersigned, most of whom are from Haiti, humbly pray the Parliament of Canada to take immediate action and cease all economic aid to the military junta now in power in Haiti. They also ask the Parliament of Canada to increase its support for the Haitian people in their march towards democracy.

[*English*]

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

**Mr. Dan Heap (Spadina):** Mr. Speaker, it is my honour and duty in accordance with Standing Order 106, to present to Parliament a petition duly signed by the Clerk of Petitions from a number of Canadians in Toronto, Sault Ste. Marie, Don Mills, London, St. Mary's, Brantford, Scarborough, Hamilton, and Richmond Hill.

These Canadians are concerned that the very fabric of Canadian sovereignty is threatened by the trade deal negotiated between the Prime Minister of Canada (Mr. Mulroney) and the President of the United States for which the Prime Minister of Canada had no mandate. They are concerned that it will reduce Canada's ability to plan our economic, social, and cultural programs.

Therefore, they request the House of Commons to ensure that a national debate takes place on the Mulroney-Reagan trade deal and that this debate result in a national general election before any agreement is signed.

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty to present petitions from White Horse, Yukon; Teslin, Yukon; Atlin, British Columbia; and Yellowknife, Northwest Territories. The petitioners are concerned about potential environmental and nuclear proliferation risks to Canada should flights of plutonium be allowed over northern Canada.

Therefore, the petitioners call upon the Parliament of Canada to recognize the dangers of such flights and to say no to the transport of plutonium over northern Canadian territory.

* * *

[*Translation*]

## QUESTION ON THE ORDER PAPER

**Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all questions be allowed to stand.

**Mr. Deputy Speaker:** Is it agreed?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** I wish to inform the House that because of the Minister's statement, Government Orders will be extended by 29 minutes.

Consequently, the hour provided for the consideration of Private Members' Business will start at 2.29 p.m.

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# GOVERNMENT ORDERS

[*English*]

## RAILWAY SAFETY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-105, an Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

• (1240)

**Mr. Dan Heap (Spadina):** Mr. Speaker, I am very pleased to have this opportunity to speak to Bill C-105, the Railway Safety Act. Although the constituency of Spadina has large railway yards in the southern end of the constituency, there is a very particular concern raised in the last several years and continuing into this year about rail safety that relates to the Gault line which runs along the northern boundary of Spadina and, in fact, runs east to west through the heart of the City of Toronto and Metro Toronto. Therefore, I am very much concerned not only because of the railway workers, the passengers, and so on, who are concerned with the railway yards in the south near the lake, but because of the situation on the Gault line about which I will say more.

In approaching this subject, I am concerned about the situation as reflected in the comments of the Hon. Member for Winnipeg North (Mr. Orlikow) this morning. In the last five years there were well over 300 fatalities in rail accidents. I am also concerned about the situation which has arisen just this year that because of failure of co-ordinated planning by the Government there is now no investigatory body since January 1 to look into rail accidents. The Government's own legislative action has cancelled the Railway Transport Commission and the Railway Transport Committee despite warnings by the Hon. Member for Regina West (Mr. Benjamin) and the New Democratic Party. That rather supports the impression that the Government is not very serious about rail safety.

We are glad the Government is introducing legislation. Our Party and its predecessor have been asking for this for five decades. However, we are very sorry the legislation which was introduced is so weak that it is almost an excuse for no legislation. There are almost no teeth in it. The teeth will have to be in the regulations over which, of course, this Parliament and the public have no control, sometimes not even clear knowledge, and so far there has been no opportunity to debate them. If the Government will bring those regulations before the Standing Committee on Transport there will be at least some opportunity for Members of Parliament, including the opposition Parties and, I hope, the public, to examine those regulations and to give the Government the benefit of whatever wisdom they have. In that connection, I would hope particularly that all of the railway unions will be invited to comment on the regulations before they go into effect, since those people are the ones who must carry them out. In many cases, those people are the ones whose lives are most directly endangered by safety hazards.

In this connection, I want to say that it is not true, as has been implied by some people, that the principal failure of rail safety is the negligence of employees. There are other causes which often go unnoticed or, at least, they are not well publicized. I remember many years ago when my father, a lawyer in Winnipeg, took a case for a railway worker in a nearby town whose daughter had been killed on a railway siding. She had been going to school over a path used by herself and others for weeks during that winter and one day she was crushed between two boxcars that were being shunted. What the court found was that the railway was fundamentally at fault. The regulations required that there be a "brakie" on the leading end of the car being shunted, but management, in its usual corner-cutting, cost-cutting, way neglected to put a brakie on that job. It saved a little money but it cost a little girl her life.

From my own experience of working 18 years in a factory, I know there are many accidents which occur not primarily through employee negligence but through unsafe conditions created by management, including conditions of speed-up—"Hurry, hurry, hurry. Get it done. Skip the little rules in the book if they slow down your work". Therefore, I am very deeply distressed that this Act provides a ratio of five government officials, who do not necessarily know what is going on with respect to the rail lines, and five railway representatives to one representative of the workers. There would be five representatives from the company which is interested in making profits, five representatives from the Government, but only one representative from the workers who must carry out the orders and whose lives, are themselves more at risk than the lives generally speaking, of the public. This is a very unfair imbalance. It puts a single worker representative in the position of being a mere token who can very often have no real influence on a decision for which he, nevertheless, might be held responsible along with the majority.

Another unfairness of this Bill is the scale of fines. We are told the maximum fine for a worker who violates this Act would be $10,000. However, the maximum fine for a company in violation would be $50,000. That is sickening. An amount of $10,000 could very well be 20 per cent or 25 per cent of the annual earnings of, say, a locomotive engineer. What about the annual earnings of the President of CPR which are about $600,000? For him, $10,000 is almost invisible. It is less than 20 per cent of his earnings. Not, of course, that he would be charged individually, but it does help to point out the contrast. The real contrast is with the annual profits of these companies, which I believe are never less than $100 million, at least on average. If the annual profit of the company is $100 million or more, and if there were to be a proportionate fine levied against the company when the company is at fault under this law, it should be in the range of $20 million to $30 million. That would be a fine in proportion to the $10,000 against a locomotive engineer earning $40,000 or $50,000 a year.

The Government is not serious in this legislation about compelling or even persuading the companies to be serious about safety. Some of my colleagues have already pointed out the great lack of safety across this country at level crossings, for example. We have them in Toronto. The railways are very unwilling to spend a dollar, if they can avoid it under the law, in order to promote safety for children going to school and old people going to the store, or whatever else people have to do when they use level crossings.

There is a further unfairness in this Bill in its treatment of the doctor-patient relationship. This is something I have had

experience with during my 18 years in a factory. There was a company doctor. We were not required to go to the company doctor when we felt sick, but we were required to go to the company doctor when they wanted us examined. The company doctor considered it his obligation to give the medical information to the company. Why? Because the company paid his fee. In ordinary business terms, of course, you get what you pay for and you give what you are paid for. However, the College of Physicians and Surgeons has a different view. The view of the College of Physicians and Surgeons, as expressed to the Toronto Board of Health some years ago in a letter, when we asked its view on a safety question and on a question of a doctor's responsibility to the patient, including a company doctor, said that the only person entitled to receive the information about the patient's health from the doctor is the patient or anyone to whom the patient is willing to have the information transmitted. He must give his waiver before that information is given to anyone else, whether it is the company, the union, the police or whoever it is. That is the view of the College of Physicians and Surgeons.

• (1250)

Yet this Bill violates the traditional confidential relationship between doctor and patient by stating that the doctor must give information on the patient's health to the employer. There may be a ground for an employer needing to know certain facts about the patient's condition. It can be addressed, but it should not be addressed simply by an arbitrary rule that the doctor can tell the employer whatever he thinks he should tell him and that the patient should have no recourse against that.

What has happened in our factory is that sometimes the doctor gave information to the employer that he had not even given to the patient. The patient did not know his own condition fully. I know that in another factory in Toronto, a lead factory, the doctor withheld vital information about lead contamination in the employees' bodies.

He may have given the information to the company but he withheld it from the patients because he considered that his obligation was to the people who paid him his money and not to the person whose life he was examining and to whom as a doctor he was sworn to be responsible.

Therefore I find that this pattern in the legislation of reducing worker representation on the railway safety code consultative committee to a token, and of setting such an unfair balance of fines and of giving the company rights over the information regarding the patient's life when he has been examined by a doctor, information which even the patient may not have, I find those to be in the pattern of blaming the workers in a situation where costs are cut on safety so that the profit goes to the company and the personal risk of injury and the blame goes to the worker. That is far too common a pattern in our country. I am sorry that this Bill perpetuates it.

It does thereby give to the company an incentive to increase its profits by corner-cutting. As has been pointed out, the Government has given the companies another kind of incentive to do the same thing by introducing deregulation. It has made Canadian Pacific and Canadian National extremely vulnerable to unfair competition from south of the border given the geographic arrangements. But to add this further incentive of giving the company an unfair control over safety decisions as against the workers is going to mean that companies will spend even less money on the construction or maintenance of tracks, even less money on the removal of level crossings, even less money on the buying of safety equipment and the maintaining of it in safe running order, even less money on adequate training for all employees, and even less money on necessary scheduling of employees' time so that there is no danger of overtiredness on the job. I think that is very unfortunate. There are possibilities that the Bill's faults in this respect can be rectified. I hope that the government Members as well as the opposition Members will look for those faults and remedy them in amendments in the Transport Committee.

I want to mention one other matter to which I referred at the beginning. Last month the Toronto Area Rail Transportation of Dangerous Goods Advisory Council held hearings in Toronto concerning the complaints that arose about danger on the Gault line since the notorious railway derailment in Mississauga in 1979. There has been continuous and strong pressure from residents of Toronto to stop the practice of bringing dangerous goods, explosives or dangerous gasses, anything that could cause harm to human beings as well as property if railway cars were derailed and perhaps broken open by the force of derailment. None of those things should be transported through that railway line.

At present about 80 percent of what goes through that railway line neither originates in Metro Toronto nor does it terminate in Metro Toronto. It is a through line for most of these dangerous goods. We are saying they should not be curried there. But there is nothing in this Bill that gives us anything to hang on to. Everything in it is referred, as it were, in a discretionary way. The vital parts are referred in a discretionary way to the regulations which we have not seen and do not know when we will see them.

The people in Toronto, and I do not mean just a few residents, I mean Toronto City Council and Metro Council, have both demanded that that line be moved out of Toronto, not on to the perimeter of Toronto but well north of Toronto, for which surveys have been done in a preliminary way. It is a feasible line to build. The advantage of it is that even though population in those areas will no doubt grow, even if the line is built now well outside of Toronto, there can be a buffer strip created along the line so that residents will not be living cheek by jowl with a railroad carrying dangerous goods. At present it would be horrendously costly to build a buffer strip such as that through the City of Toronto because there would be a great deal of expensive property that would have to be acquired. So we want the line out of Toronto.

I believe that from my knowledge of the housing and real estate activities in Toronto and Metro the cost of moving the

line would be fully recovered by the railway and its subsidiaries such as Marathon Realty because the land values would immediately soar. I know Marathon well enough to know it would make a mint of money out of recycling that railway line into housing.

I regret that this law is weak as it is. It is no doubt better than nothing. It is a start. But it is a very poor start considering what the Government should have brought in in connection with public complaints. It gives no real voice to the workers. It gives no real voice to the public. It is loaded in favour of the cost-cutting interests of the companies.

I hope that this Bill will be amended so as to provide that the Government and the companies and the unions at least would sit down public hearings, to which the public have access as well, in order to work out a fairer system of responsibility for rail safety.

**Mr. Deputy Speaker:** The Chair recognizes the Hon. Member for St. Catharines (Mr. Reid) on a question or comment.

• (1300)

**Mr. Reid:** The Hon. Member for Spadina (Mr. Heap) has emphasized the lack of provisions for safety on the railways. By way of comment, I would like to point out to him the Canadian incident record of railway happenings, and I will read from a report which states that the number of train accidents, derailments, collisions, crossings and maintenance equipment accidents decreased from 1,456 to 985 or 32 per cent between 1975 and 1985.

The Hon. Member gives the impression that all across the transportation modes there will be a decrease of interest and concern for safety. May I point out again that the Hon. Minister has emphasized that safety and security will be a top priority in the deregulation aspect of the modes of transportation.

In the United States, and on the United States' side, I do not know why the Hon. Member feels that this record of safety will diminish. How does the Hon. Member respond to the position of John Riley, a federal railroad administrator in the United States where the Staggers Act and the deregulation policy have been implemented for several years ahead of that which is being implemented in Canada? Mr. Riley states, "One of the often overlooked aspects of this issue is that safety for the railroads has improved dramatically since Staggers". I think there is a direct cause and relationship there. There is no reason to believe that with deregulation safety will be prejudiced.

The Hon. Member makes the misconceived statement that the Bill has no provision for investigation of accidents on the railway. Bill C-105 refers to the National Transportation Act and a National Transportation Agency. If the Hon. Member reads that Act, he will realize that the responsibilities charged to that agency is one of investigating the reason for the accident and determining causes, which gives Parliament an opportunity thereafter to take the necessary action.

As a Ministry, we have indicated that safety is of high priority as are the number of safety factors, security measures, and inspectors to ensure that the security measures are implemented and kept in place. I say to the Hon. Member that the basis of his presentation is not properly founded when he points out that safety will be prejudiced in the years to come under Bill C-105.

**Mr. Heap:** Mr. Speaker, I thank the Hon. Member for St. Catharines (Mr. Reid) for his intervention, and I take him quite seriously, knowing his concern in a number of other areas. I may not have explained myself clearly on one point that he raised. I did not intend to say that this Bill has no provision for investigation. If I stated that, I was mistaken. That was not what I meant to say. What I am referring to is the fact that for the last five weeks there is no provision for investigation. There is a gap. The accidents do not stop, but the investigation authority has stopped.

There I am referring to a statement attributed to L. R. Steves on January 19. He is the Atlantic District Director of NTA Rail Safety Branch. In chairing a public meeting in Halifax dealing with a series of derailments that have taken place in Nova Scotia over the past year or so, Mr. Steves admitted that as of January 19, there is no agency empowered to investigate accidents or make other inquiries into matters related to railway safety.

When this Bill is passed, and when the regulations are written and put into force, they may very well provide what the Hon. Member says. But sitting in front of the Hon. Member is a Minister whose colleague last summer promised a change of regulations in immigration matters. After six months all he does is to send us a nice letter saying that it will be some months yet before those regulations are written. We really do not know how long it will take to write the regulations for Bill C-105 and put them into effect. Until then, in effect, there is no investigative agency. We just have to hope that accidents will miraculously cease until the Government gets ready to put an agency back into being.

The Hon. Member referred to a decrease in the accident rate over a decade. I believe I remember that earlier today he referred to a decrease in the volume of traffic. Of course, one way to bring the accident rate to zero would be to shut down the railways entirely and permanently. Sometimes, in passenger traffic, it looks as if that is exactly what the railway companies are trying to do. If there is no service, there will be no passengers. Nobody will be hurt. There will be no workers, and none of them will be hurt either. I do not think that is what the Hon. Member who raised the question wishes, but I think his use of that statistic raises as many questions as it might answer.

As to the Minister's assurance that safety has a high priority, we have heard that before. We have heard it many

times. It is now more than eight years since the derailment in Mississauga. That derailment could have been a disaster with a disastrous death toll, if it had not happened in fairly vacant land. If that had happened north of Dupont Street in Spadina, there may have been hundreds of fatalities. We do not know. But certainly it would have been a much larger disaster. Yet eight years later the matter is still being investigated under the authority of the Minister. There is no big hurry about safety, Mr. Speaker. This is in spite of representations from the city council and from the metro council, both of which are led by responsible officials, many of them of the same Party as the Hon. Member who raised this question with me. Yet they cannot get a serious answer from the Government on the safety question.

Most people are not even satisfied that the 25 mile per hour limit is being observed. It is difficult to prove. If someone stands by a train that goes rushing by, they usually do not have a radar trap with them in order to test the speed of the train. I know that residents along that line do not believe that the railway is honouring its so-called voluntary undertaking to reduce speeds to 25 miles per hour when carrying dangerous goods.

The public in Toronto is becoming impatient waiting for some evidence that the Minister has this high regard for safety that we have been told about.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, I am pleased to participate in the debate today on the Bill entitled, "An Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof".

Since I came to the House in 1984, I have been a full and active member of the Transport Committee. During that time the committee has dealt with a number of pieces of transportation legislation. We have dealt with two deregulation Bills, the Aviation Safety Act, and the Canada Shipping Act. This Bill is clearly an important component. It exemplifies the Government's attitude towards safety that it was not in a position to bring in a rail safety Act until after it had not only brought in legislation dealing with deregulation on the railroads, but actually had that legislation enacted and in effect.

As we know, even if we move quickly, consideration of Bills like this will take time. It is regrettable that, up until this point, the Government has put safety on the back burner.

• (1310)

Let me begin by indicating why we need a Railway Safety Act. I should point out that rail unions since almost immediately after the Second World War, along with the CCF and then the NDP, have been calling for a Railway Safety Act. It goes to show that the previous administration did not value safety on the rails as a high priority, nor did previous Conservative Governments. However, I am pleased that we finally have a Bill before us. I look forward to the work that we will be doing in the Standing Committee on Transport to refine the legislation to reflect better the needs of the people who work on the rails and the people who come in contact with railroads.

I want to do a little historical look-see since 1984 and to start with the final piece of correspondence I have on a matter regarding inspection procedures, particularly in Thunder Bay but elsewhere as well. It is a letter addressed to the Minister of Transport from the Canadian Division, Brotherhood of Railway Carmen, signed by its National President, S. A. Horodyski. I want to read into the record parts of this letter. It was sent in response to a letter from the Minister saying that safety was no problem and that there was no need for a safety inquiry. It read:

> Your response has missed the point of our concerns. Your policies have failed to recognize the serious potential for disaster being created by the railways' massive lay-offs of the employees who are responsible and specifically trained to identify defective railway rolling stock components and ensure they are set off the train and properly repaired prior to resumption of service.
>
> The intervals of inspections by specially trained carmen (car inspectors) are being reduced drastically across Canada's railways with elimination of inspection points with the railways relying on unqualified personnel to insure safe movement of trains across Canada. This practice appears to have the blessing of the soon to be defunct Canadian Transport Commission (CTC) . . .
>
> An example of why our confidence in the CTC is not what it should be is attached which deals with a directive by the CTC to CP Rail concerning mechanized inspections, which was ignored by the railway without any repercussion.
>
> While technologies introduced on the railways today have assisted in reducing mechanical failures, they have not eliminated those failures. It is extremely precarious for railways to adopt an attitude towards safety which is on a practical basis as opposed to one based on a stringent standard of rail safety with consistent maximum application so as to ensure minimal failure, thereby, protecting against loss of life, personal injury of employees and the general public, as well as property damage.
>
> By the federal Government introducing the economic regulatory reform (C-18) first, the railways appear to have taken this as a signal from the Government that safety takes second place to economics. This is further evidence by our understanding that the Railway Safety Act mentioned in your letter will not be introduced until sometime in 1990.

Obviously that part of the letter was incorrect, because the Act is before us in 1988.

I want to return to the reference about CPR ignoring CTC instructions. The matter was first raised with me in February 1986. To go back a little further, I have a May 24, 1985 copy of an internal CPR memo from the General Car Foreman addressed to the Westfort supervisors and the traffic yard supervisors in Thunder Bay. It reads:

> Effective immediately, Kubota Tractors are to be utilized to perform train inspections at Westfort Yard.
>
> This is to be done in all areas where the tractors can be driven and operated in a safe manner. It is realized that some areas are not yet suitable for this operation but will be made so in the future.

That was CP's first shot. On February 12, 1986 I received a letter from the President of Lodge 361, Mr. Lemesani of the Canadian Division of Brotherhood Railway Carmen. It read:

> Dear Mr. Angus:
>
> The subject of this letter in the form of a petition, is that of the Safety Standing Inspection of originating trains in the Westfort Inspection Yard of

CP Rail by the Carmen who are being forced to do these inspections while operating Kubota tractors.

All Carmen of Lodge 361 in Thunder Bay who are required to do inspections of trains while driving the tractors, maintain that they can not do a proper inspection. Most of the under carriage is not visible while sitting on a tractor. The Carmen have to look ahead at the road while driving, and insist that no one can see to his side to inspect the train and also ahead to drive at the same time. This will undoubtedly cause many defects on these trains to be missed.

Many of these trains travel in excess of a thousand miles before having another Standing Inspection, and only have Pull-By inspections while on route to their destination. The Carmen of Thunder Bay strongly urge that this policy be changed, by allowing the qualified inspectors (Carmen) to walk the train while inspecting. In this manner they will be able to inspect cars properly by standing and bending to see up under the cars at the coupler assemblies, at the brake rigging and a close inspection of the wheels, all of which when defective cause cars to derail and cause major mishaps.

The lives of all the public who come in contact with these trains at level crossings and in towns and cities in which these trains travel through are at stake, as well as the train crews. The Carmen, who are the Safety Qualified Inspectors on the railroad know that they cannot inspect trains properly while driving tractors, and stress to you that this policy must be changed for the safety of all.

I wrote to the Minister of Transport at that time asking him to investigate the matter, which he did. On May 9, 1986, the then Minister of Transport, the present Deputy Prime Minister (Mr. Mazankowski) wrote the following:

Dear Mr. Angus:

Thank you for your letter of 17 February 1986, with which you enclosed a copy of correspondence from Mr. H. Lemesani of Britannia Lodge No. 361 of the Brotherhood of Railway Carmen, concerning safety inspections at CP Rail's Westfort inspection yard at Thunder Bay.

I appreciate receiving Mr. Lemesani's comments on this matter. I understand that the Railway Transport Committee—was aware of this type of inspection practice. The matter was investigated and, as a result, the RTC instructed CP Rail to correct its practice.

I trust that this action will meet Mr. Lemesani's concerns. Thank you for your interest in this matter.

The practice was not corrected, and I have what appears to be a telex dated at Winnipeg on June 17, 1986 from the General Manager, Operation and Maintenance, CPR. It went to some of the Thunder Bay supervisors and read:

This refers to the recent press clipping from Thunder Bay and Moose Jaw quoting various Members of Parliament that CP Rail has been ordered by the Railway Transport Committee to cease using Kubota tractors in the safety inspection of freight cars. The procedures that CP Rail is using has been adopted by most North American railroads and we do not intend to back off from our position. You should therefore ensure that there will be no changes made in our inspection and repair procedures at Thunder Bay and Moose Jaw regardless of what the press has said.

Obviously regardless of what the Minister of Transport was saying at that time as well. This is why we need a Railway Safety Act. From January 24, 1986 to February 7, 1986, the following is a list of the level of inspections and what they found at Thunder Bay:

January 24-10 trains were run thru-only one was given a thorough check for running-gear defects train #481-Unit #5545 had skids reported on #5 and #6 wheels and had to be taken to the shops for repair. January 30-6 trains were run thru-only 1 was given a thorough running gear check . . .

February 1-7 trains R/T-only 1 checked—

February 3-6 trains R/T-2 checked—

February 7-7 trains R/T, 2 checked—

Obviously economics are dictating to the railroads that they must reduce their level of inspections. They are dropping back on the number of inspectors and changing work responsibilities for less qualified people to do the inspections, and all in the name of cutting costs. When they cut costs, they cut corners. This is also why we need a Railway Safety Act.

Quite frankly we need a Railway Safety Act which is a bit stronger than the one before us. Instead of there being an overseeing committee charged with the responsibility of administering the inspection side of things or in charge of enforcement, we have a railway safety consultative committee.

• (1320)

I mentioned earlier that this House had passed another Act during the life of this Government, the Canadian Aviation Safety Board Act. Under that Act there was not a consultative board or an advisory board set up. There was a Canadian Aviation Safety Board. Let me quote from that Act:

There shall be a board to be known as the Canadian Aviation Safety Board consisting of not fewer than three members, at least one of whom shall be a full-time member, to be appointed by the Governor in Council.

This Board is to oversee aviation safety, not observe it, not to pass comments to Ministers but to oversee it. Concerning the object of the Board, we find:

The object of the Board is to advance aviation safety

(a) by identifying safety deficiencies as evidenced by aviation occurrences;

(b) by conducting independent investigations and, if necessary, public inquiries into aviation occurrences in order to make findings as to their contributing factors and causes; and

(c) by reporting publicly on its investigations and public inquiries and on the findings in relation thereto and by making recommendations designed to eliminate or reduce safety deficiencies.

What we have in the Railway Safety Act is:

The Minister may establish a committee, to be known as the Railway Safety Consultative Committee . . . consisting of not fewer than two and not more than four members who, in the opinion of the Minister, have special expertise or special interests in matters of safe railway operations, plus seven other members as follows:

(a) one member to represent the Minister;

(b) one member to represent the Canadian National Railway Company;

(c) one member to represent Canadian Pacific Limited;

(d) one member to represent VIA Rail Canada Inc.;

(e) one member to represent the other railway companies to which this Act applies;

(f) one member to represent the shippers of rail freight traffic; and

(g) one member to represent the Canadian Railway Labour Association.

What does this committee do?

The Committee may, on its own initiative, and shall, at the request of the Minister, advise and make recommendations to the Minister on any matter affecting safe railway operations, and shall make to the Minister at least one report annually on the activities of the Committee.

That is not good enough at all. If we are to have a properly developed rail safety act, we have to ensure that we are not

allowing the bureaucrats in the Department or the Minister, although we accept the fact that ultimately the Minister is responsible for the safety of the railways, but an independent board with the power to oversee the activities of the rail safety act.

The other area of concern that I have and upon which some of my colleagues have touched already is that of fines. There is an incredible imbalance in this Bill. We do not have to go back too far, just to the Hinton inquiry, to hear about the pressures of the rail industry and how it has become the practice for a conductor to not stop a train because he cannot communicate with the head end—he assumes it is a radio problem or what have you—and, if the train is later he will probably get demerit points. So, that railway psychology came into being. Someone who perhaps breaks a rule, not vindictively, but because everyone else is, may become involved in an accident. This individual is subject to a fine of $10,000. The company, which may have set the scenario for that ignoring of the rules by the economic pressure on workers—assuming that it could be convicted of that—will be fined $50,000.

Now, $50,000 to the CPR is petty cash, to use a phrase that was used earlier today. That is meaningless to the CPR, but $10,000 to an individual who works for the railroad, who is a brakeman, a conductor or an engineer with a family and a mortgage, is a lot of money. While there should be penalties for infractions, we have to keep the balance in mind. Quite clearly, the fine for the railroads the corporations, is peanuts. The amount should be raised substantially so that it is no longer deemed a licence fee, a licence fee to stretch safety requirements, to avoid living up to the law of the land.

The amount should be substantial. Make it $1 million, make it $5 million or make it $10 million. Obviously, we should be giving the judiciary the power to set a fine that relates to the infraction. If one of the two railroads providing locomotive services to VIA Rail, for example, by their economic action have not had locomotives safety checked for a period longer than is acceptable, and if they put at risk the lives of their passengers on that train, why should they only face a fine of $50,000 if convicted? It is ludicrous. That $50,000 has to be raised significantly. What about putting on a ceiling of $10 million or $20 million, but make the amount a major economic impact on the operator.

Another area to which I want to refer briefly is the section which requires engineers employed by a proposing party to certify for safety railway works that have received ministerial approval as well as other works which fall within certain prescribed categories. This section removes the responsibility of the regulator to ensure that works are completed to an acceptable standard for safe operation while placing that responsibility in the hands of proposing parties, namely, railway companies for the most part.

This provision of the Bill will make it easier for railway companies to operate as they choose. It is unclear what contribution they will make to safety of railway operations. I think it is a responsibility of the Government to ensure that whatever works are paid for meet the standards. The Government should not rely on the railroad or the company because they may cut corners. A company may decide to design something in a way that has a limited lifespan for purely economic reasons. That section has to be changed.

I am sure that if we talk to railroaders across the country we would be horrified to hear about all of the things happening, the violations and the stretching of safety, all of the problems that have been created in the name of the bottom line. Move more goods faster at less cost is the philosophy. There is a cost, and ultimately that cost is safety.

I look forward to working with my colleagues on the Transport Committee in reviewing this legislation and hearing witnesses. Hopefully we can modify the Bill and make it better. We have to change the consultative committee to give it real power. We have to change the make-up because it is really a railroad company committee as it stands now, with weight behind it. We have to achieve some balance. Over the years the railroad workers themselves have been fighting for safety, whether health and safety for themselves, demanding changes in the lay-out of the locomotives so that the workers can work in a proper environment, or whether it is inspection procedures, track maintenance, you name it. The railroad workers are the ones who have been fighting. We have a responsibility to them to make sure that this Bill, which will probably not be amended for quite some time, is the best possible rail safety act that money can buy.

• (1330)

**Mr. Redway:** Mr. Speaker, I listened with interest to the Hon. Member. I always have considered him to be a reasonable Member, one who is trying to move the world forward with his comments and his positions. However, I was disturbed to hear him talk about the Government putting rail safety on the back burner.

As the Hon. Member knows, this piece of legislation is the first railway safety legislation of a comprehensive kind to be introduced in Canada in a long time. In fact, I am told that the original rail safety legislation was introduced in 1908, a long time ago. While there have been amendments and some tinkering with the law in an attempt to improve it in that time, there has not been a comprehensive look at the safety legislation until now, 1988, under the present Government.

I would hope that the Hon. Member would give credit where credit is due. This is a major step forward that has been long overdue and the credit for it belongs to the Minister of Transport (Mr. Crosbie) and the present Government.

I know from the Hon. Member's comments that he will be working to improve the Bill. I think that is exactly what all of us should be doing. That is the main thrust of the railway safety legislation itself. Safety is of prime significance to the public as it is to all Hon. Members. Members of the public do not want to see us playing politics with safety. They want to

see us working together to make sure that railways and all other modes of transportation are as safe as they possibly can be.

I might point out to the Hon. Member that there are some concerns about the speed with which this legislation is actually progressing. A consultative process took place in the development of the Bill and part of that consultative process was with the railways, the unions and citizen groups such as the M-TRAC organization from Metropolitan Toronto, Metro residents for rail safety. That group played a major part in the consultation in and development of the Bill and it is most concerned that it have an opportunity to examine the Bill in its final form carefully and to make representations before the committee because it has many concerns with the Bill. I hope the Hon. Member will agree to co-operate with that and will give his assurance that he and his Party are prepared to give every accommodation to citizen groups who wish to make representations—

**Mr. Benjamin:** Listen to him.

**Mr. Redway:** —and that in fact they will co-operate in ensuring that this Bill is the best possible Bill to ensure public safety on the railways.

**Mr. Benjamin:** They refused a hundred witnesses.

**Mr. Redway:** I am sure the Hon. Member will not be disturbed by his colleague who keeps shouting out and interrupting me.

**Mr. Angus:** Mr. Speaker, I want to thank the Hon. Member for his comments and his questions. I will give credit to this Government. Unlike the last, it did bring in a rail safety Bill. The point, though, is the over-all priorities.

The Conservative Government has made its prime focus in transportation the economic side, deregulation. Bills C-18 and C-19, the deregulation Bills, were brought in well before the Railway Safety Act was brought in. It is my understanding that a national highway safety code is not in place yet. That code was to be in place to ensure that under deregulation, there was one set of national rules to govern trucking on the highways.

In road and rail, I can legitimately say that the Government had its priorities reversed. I will give credit to the Government because it dealt with safety on the air side before it deregulated it or deregulated it any more than the Liberals already had.

The Hon. Member spoke about M-TRAC, a very excellent organization. I would like to remind the Hon. Member that it was not the New Democrats who refused to allow in excess of 100 groups to appear before the Transport Committee studying Bills C-18 and C-19. We would be more than happy to hear from everyone who wishes to have input.

As I said in my speech, this is an important piece of legislation. The Hon. Member has pointed out that there has not been a comprehensive review of it since 1908. This means that it will be some time in the next century before we do it again. Even though it might take us a bit of extra time, I think we should do it right this time.

I would ask government Members to go into this not with the Whip's hand at their backs but with open minds and open eyes to look legitimately at this legislation and make it the best possible. This is not a philosophical issue, it is a question of safety, safety for those who work on or beside the rails and safety for the public as well.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, it is my pleasure to participate briefly in the debate on Bill C-105, an Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof. This is indeed a comprehensive piece of legislation. It is several hundred pages long, indeed a Bill which warrants special attention by all Hon. Members.

[*Translation*]

Since as usual, the Official Opposition in the House is prepared to give its full co-operation, Mr. Speaker, we want the Government to promise to hold hearings and listen to what the people have to say about a subject as important as that of the safety of our Canadian railways.

Mr. Speaker, we know the Railway Act has not been amended for many years. That is why it would be important for parliamentarians, as I said earlier, to hear the voice of the people, of elected municipal officials and of a large number of Canadians who are interested in the subject, and also of course, the voice of the railway unions.

[*English*]

This piece of legislation is necessary to bring rail standards up to date. It moves in the right direction and to that extent, of course, the Liberal Party intends to offer its usual co-operation to ensure that the Bill goes to committee without delay.

**An Hon. Member:** Sit down then.

**Mr. Boudria:** The Hon. Member across said that I should sit down. It only takes a Tory to make those kinds of unfortunate and Tory-like remarks—

**Mr. Nunziata:** Ignorant remarks.

**Mr. Boudria:** As my distinguished colleague from York South—Weston (Mr. Nunziata) has said, ignorant. That is a good way to describe it. We do not apologize for being concerned with railway safety. It is an important issue for us and it is important for me as a Member who represents a constituency in which there is a very important railway line which faced closure because of the inaction and unfortunate decisions of this Government to cut back on rail services.

Notwithstanding attempts of government Members to scuttle debate, I will continue with the brief remarks I had in mind. Statistics for the year 1985 from the Canadian Transport Commission show that 59 people died in rail-related

accidents and 400 people suffered bodily injuries. One must wonder just how many more Canadians were affected because, of course, not all rail-related accidents are reported and for that matter, not all accidents of any kind are reported.

We know, of course, that the Foisy report was tabled in January of 1987. It has had a major impact on bringing rail safety to the attention of Canadians. A number of the recommendations of the Foisy report are in place now or are in this Bill.

• (1340)

There is a concern shared by some people that the Minister responsible for railways is also going to be responsible for rail safety. That is not a conflict of interest, but it is a form of conflict. We just wonder how sincere a Minister can be about the responsibility for rail safety when the same Minister is responsible for deregulation. We know about the adverse impact deregulation can have on rail safety. Need we remind ourselves of the experiments in highway transport deregulation and airline deregulation in the U.S. and the impact it had there. While not saying deregulation of Canadian railways will necessarily cause a number of accidents, we have to be conscious of the fact that when you operate in a deregulated environment you at least increase the chances of mishaps. Therefore, the concern for safety has to be increased in order to compensate for the danger inherent in the deregulation process.

The Minister has been telling the railways to downsize. We know about internal correspondence between officials of railways and railway employees with respect to cut-backs and how they are supposed to go about it. I have an article written by Mr. Lorne Slotnick of *The Globe and Mail*. Seeing as it comes from that newspaper, I know the Ministers here today will pay close attention because it is a very factual and accurate article, as I am sure they know. It says:

> A senior executive of Canadian National Railways has ordered his managers to get moving quickly on layoffs and other "downsizing" because the Crown corporation will find it harder to do so during an election campaign.
>
> "Current opinion is reflecting the strong possibility of a late spring-early summer federal election,"—

That was before the latest round of scandals. We know the possibility is a little more remote now. To continue:

> —says a confidential internal memo, dated Jan. 11, from D. L. Fletcher, CN's senior vice-president for operations. "Downsizing actions may be harder to implement as this time approaches."

So we have a situation whereby decisions on downsizing and lay-offs which could affect rail safety are taken not necessarily because they are the appropriate decision at this time, but because it is politically expedient to do so now as opposed to some months from now.

We all know that CN Rail has plans to shut down a large number of rail lines. The effect of doing so will not only be on rail safety but highway safety as well. I may have brought to your attention before the fact that CN has produced an internal document, a copy of which I just happen to have here because someone slid it underneath my door one day, which demonstrates clearly the intention of CN to shut down a number of rail lines across Canada, some of which are in the great constituency of Glengarry—Prescott—Russell.

The document I have comes from the St. Lawrence region of CNR and contains a rationalization program, which is a euphemism for cut-backs, from 1986 to 1996. It is entitled, "Lists of Sections Identified for Abandonment". Among those sections are the Beachburg subdivision, 163.9 miles, and the Alexandria subdivision, some 57.7 miles. That subdivision is the part of the CN rail line between Ottawa and Montreal. Actually, it runs from the Quebec border just west of Coteau-Station. I know the Minister of State for Immigration (Mr. Weiner) is familiar with that area. It runs from there almost to Ottawa. In other words, through my constituency. If you put the Beachburg subdivision together with the Alderdale subdivision, it would mean rail transport between Montreal and Sudbury could be done only via Toronto if one is using the CN line.

Why is that important to rail safety? For a number of reasons. I see my friend from York East is here. I know he is interested in the subject of transportation of dangerous goods via Toronto. He will know that once you shut down this rail line from Sudbury to Montreal, you increase the traffic and the flow of dangerous goods through Toronto. That is where the other line is. I have discussed this with the Hon. Member before and I know he is concerned about the issue. I congratulate the Hon. Member for his interest.

I have another letter here dated September 9, 1986, from the office of the President and Chief Operating Officer of CN rail. I do not think he likes me reading his confidential letters here in the House but that is just tough. It says:

> This will confirm discussions on Thursday, September 4, 1986, concerning the Alderdale-Beachburg Subdivisions.

You will remember that is the line between Ottawa and Sudbury. He goes on:

> These changes in routing should achieve economies of scale in the Montreal-Toronto corridor, and at the same time, will focus attention on actively seeking alternatives for handling the 2,000 annual carloads of woodpulp traffic from Portage du Fort, which is currently served by way-freight from Ottawa.

A carload is the equivalent of about two large 18-wheelers. This means 4,000 extra truckloads of wood pulp could be placed on the road in the national capital area as a result of that line closure. Obviously when you talk about rail safety there is a parallel concern about an increase in truck traffic which in turn increases the chances of accidents on the highways. We know that transporting goods by truck has a lower safety record than by rail. That is quite normal. We are talking about transporting on highways which become slippery during harsh periods of winter which does cause that unfortunate circumstance. That is an entire area which is not necessarily discussed in this Bill at all. However, that is an area of real safety which I want to bring to the attention of the Government.

• (1350)

I know that the Member for York East (Mr. Redway) is interested in the area of transportation of dangerous goods. Chemicals produced in northern Ontario presently go through the Alderdale, Beachburg, and Alexandria subdivisions. If the unfortunate decision to close this line were ever implemented, those goods would be shipped to Montreal via Toronto. In the process those dangerous goods would be travelling through an area with an even greater concentration of population, thereby further compromising the safety of Canadians.

I bring those matters to the attention of the House, not in an effort to use up time or delay the passage of this Bill, but to bring to the attention of the Government and all Members who will sit on the committee studying Bill C-105 that in the area of rail safety there is an important concern about safety on the tracks and the downsizing measures and cut-backs forced by the Government which may affect safety on those tracks.

A second concern is the effects which deregulation could have on rail safety. There are other concerns which I have expressed which I will summarize again in conclusion. Those are my concerns in the area of downsizing railroads and shutting down rail lines which will increase truck traffic and further compromise the safety of Canadians.

I wish to offer my own co-operation and that of my colleagues. I hope that the Government and all Members who will be sitting on the committee will take into consideration the remarks I have just made in order to ensure that rail lines are not closed, creating safety concerns in addition to the ones we have already. It is a difficult area to deal with.

I know that Governments are trying to cut down on rail lines but a cut-back in rail lines is not necessarily an economy. In many cases the federal Government saves a few dollars, but the increased truck traffic on highways causes further deterioration of road-beds. In that case you achieve an economy for the federal Government but an expense for the provinces which are charged with maintenance of highways. That is an important concern which I hope the Tories will remember.

**Mr. Riis:** Mr. Speaker, I have a question for my hon. friend. I listened to his speech and I do not think he mentioned in any detail the fact that the Bill contains no provision to allow employees to relate unsafe practices. In other words, when they encounter unsafe practices or are asked to do something which they believe is unsafe or unsound in terms of health or safety, there is no provision in the Bill for their protection.

Does my hon. friend not think it is reasonable that legislation should contain some mention of how that is to be handled? If employees are expected to report on unsafe practices by their superiors, it would be like reporting on your boss. That is probably an unfair request to make of any employee unless there was a procedure for the avoidance of any possible harassment. Could my hon. friend comment on those two items?

[*Translation*]

**Mr. Boudria:** Mr. Speaker, I want to thank the Hon. Member for Kamloops—Shuswap (Mr. Riis) for his question. The Hon. Member is right in that there is nothing to encourage or protect an employee who may decide to report or make public or inform his superiors or supervisors of a deficiency in the railway safety system. Obviously, an employee should be encouraged as much as possible to do so, and there should be a special provision in the Act or the regulations to protect the employee in question. In fact, this is not the only part of the Bill that is found wanting in this respect.

For instance, we know that a committee will be created as a result of this Bill. I have been told the committee will have eleven members: Four will be ministerial appointments, six will be appointed by the railway companies, and only one will be appointed by the unions.

So as you see, Mr. Speaker, we hardly have a balanced situation here. One representative for the workers and ten for the Department and the railways.

I think it is clear that this particular clause, I believe it is Clause 44, should provide a better balance, that is, increased representation by those who speak for the railway workers. I think the Government would do well to have a larger number of employees so that these employees or more appropriately, their representatives, the unions, could raise any concerns they might have about safety or similar subjects.

Interestingly, there are a number of other groups that do not have much say in the matter either. I am thinking of groups representing community interests, and a good example would be the towns, municipalities and counties across Canada that often have serious concerns about safety. They will not be represented on the committee the Minister proposes to appoint in Bill C-105.

My point is that municipalities, employees and their unions should have far greater representation on this committee. Some people will say that the Minister has the discretionary power to appoint municipal representatives, and so on, to the committee but I feel this is not enough. We should have a system that would guarantee public interest groups are given a number of seats, for instance, Transport 2000, municipalities and so forth, to provide as I said earlier, a balance and ensure that the committee will not only represent a Government that wants to cut costs and railway companies, who also want to cut costs like the Government tells them to, especially in the case of the Crown corporation.

[*English*]

**Mr. Redway:** Mr. Speaker, I was most interested in listening to the Hon. Member's response to the question with regard to whether he believes there should be some sort of job protection for employees of railways who disclose breeches of safety practices, in other words, to use the generic term, whistleblowing protection.

I was most interested in his comments in that regard because, as you know, Mr. Speaker, I introduced a private Member's motion on the subject of whistleblowing protection generally within the federal area of competence a few months ago. That particular whistleblowing protection would have included not only the protection of whistleblowers in federally regulated industries and businesses such as railroads, but it would also have protected whistleblowers in Government departments and agencies and those who were engaged in businesses which were contracting with the federal Government. At that time, during the course of the debate—and my motion was talked out, Mr. Speaker—the Hon. Member's Party, the Liberal Party, took a position against that sort of legislation. The spokesman for the Liberal Party spoke out quite strongly against support for whistleblowing legislation.

• (1400)

I wonder if the Hon. Member would have a word with Members of his Party and urge them in future to support this form of whistleblowing legislation, particularly my own motion when I bring it forth again in the House?

**Mr. Boudria:** Mr. Speaker, I am glad to respond to the Hon. Member. He, of course, will know that Private Members' motions are just that, Private Members' motions. It is interesting to note—and I invite the Hon. Member to pay attention to this—that most of the people who disagreed with the Hon. Member's motion, although it is true that one Liberal expressed that view, were speaking on behalf of the Conservative Party.

**Mr. Redway:** Only one Liberal spoke.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I am pleased to have this opportunity late this week to make some comments with respect to Bill C-105, the Railway Safety Act. I must say that over the last number of months I cannot recall how many delegations representing the various railway unions, users of the railways and representatives of CN, CP and VIA Rail, I have received. They are all concerned about a variety of issues. I suppose the top of the list would be the low moral we are presently experiencing with our railway employees.

I suspect the number of people in this country who are directly employed by the railways would approach nearly 60,000 and, of course, there are thousands of others who are indirectly employed by either CN, CP or VIA Rail. Therefore, we are talking about a vast number of Canadians and the moral of railway employees is probably at its lowest level ever. One can hardly blame them when one considers that the Government of Canada legislated the workers back to work last August with the promise that the differences between the companies and the employees would be ironed out through an arbitrator. An arbitrator was appointed, but month after month passed, one deadline was reached and extensions were given, and now we are told that the arbitrator is planning meetings well into April, May and June and, I have heard, as far away as September.

It would appear—and I repeat appear—that the companies have no intention of working to resolve this issue with respect to the working conditions of their employees. It seems that the Government, by giving these extensions to the arbitrator, is almost sympathetic to that view. I hope that is not the case.

On the front page of the *Globe and Mail* yesterday there was a major story with respect to a memo sent by a senior vice-president of CNR, Mr. Doug Fletcher, indicating to his subordinates that they had better get on with downsizing of each and every aspect of the railway because of the fear that as we get closer and closer to an election, it will become more and more difficult for the railway to do so, for political reasons. I do not know if that memo is accurate. The *Globe and Mail* published it on its front page, and I suspect it would have ensured that a story of that nature would be well researched. If the railways are downsizing—which is a fancy word for saying laying off people—and from talking to employees across the country one certainly gets that impression, it seems the railways are bent on laying off people.

In Kamloops we have both the CN and CP coming through that community, and have seen the effects of downsizing. We have seen the loss of many, many jobs over the last number of months as the railways rationalize their operations and downsize. While I must admit I have never been a super fan of CN or CP in terms of how they approach their labour relations, I also want to be a little sympathetic because they have been forced to enter into what in many respects could be called an unrealistic competitive world as a result of deregulation in the transportation sector. They are now forced to rationalize their operations, to cut back their operations to the bone in an effort to compete with other modes of transporation, as a result of deregulation.

I realize that this is an ideological debate which I suspect we will have for many years, perhaps forever, with respect to the role our railroads play in terms of competitiveness. If we are trying to do everything as cheaply as possible, that is one route. If we are trying to do things as safely as possible, that is another route. If one is responsible for one of Canada's major railways and sees very clearly that because of the Government's commitment to deregulation one has to cut every corner possible to be competitive with trucking firms from the United States and elsewhere, the one thing that goes by the by, obviously, is safety, safety for employees and safety generally for people living along the rail lines, and for others. That is a fact of life.

Railroaders have consistently heard story after story about the lives of people working on the railways being put at risk. Many people have lost their lives through accidents of one kind or another. There is a growing sense that our railway systems are not becoming safer but in fact more unsafe. The fact that they are moving faster, that they are heavier, and moving more

hazardous materials all the time, ought to raise our level of concern as parliamentarians higher than ever.

I also want to say that I am happy we are debating this Bill on railway safety. If I recall my history books correctly, CCF Members in the House of Commons in the late 1940s asked for this piece of legislation. I remember all sorts of instances where New Democrats in the House of Commons have called for Liberal and Conservative Governments to bring forward legislation that would enable those people working on or alongside the railways of Canada to do so in a safe environment. We are now debating that kind of legislation and, to be fair, I want to indicate how pleased I am to be doing so.

That pleasure will be reflected in our willingness to expedite this legislation with respect to its debate in the House of Commons and its treatment at whatever committee it might end up. That is not saying we like everything in this piece of legislation. There are things we do not like about it. There are areas where we believe we can suggest improvements through amendments, and we will be doing just that. However, I want to make it very clear that we have no intention of doing anything that might hinder the progress of this legislation so that we can see it introduced into reality as soon as possible.,

That becomes very important because I am sure you are well aware, Mr. Speaker, of the vacuum in which we are operating. Because of the deregulation legislation that was introduced into this House not long ago, the CTC and the Rail Transport Committee ceased to exist as of the end of last year. We are now into the next year and are awaiting the National Transportation Agency to set itself up and get its various regulatory organizations in place. That has yet to occur in total. So we are caught in a no-man's land. We are existing in a vacuum when it comes to railway safety. So I think it is in the interest of all of us to ensure we progress expeditiously and do what we can not only to improve this legislation but to see it passed in amended form.

Perhaps it would be useful to look at some of the statistics over the last little while in terms of what has been going on with our rail systems across Canada. You would be interested, Mr. Speaker, to learn that since 1982 we have experienced 1,318 train derailments. From my recollection, it would seem that most of those occurred in my constituency which is in the mountainous area of British Columbia where both the CN and CP travel through some incredibly scenic country. That is another way of saying very mountainous and rough terrain. It is a wonder that we do not have more derailments. There have been 1,318 train derailments that have resulted in a few fatalities, fortunately not too many.

• (1410)

Let us now look at collisions, which is another category when we talk about rail safety. Since 1982 there have been nearly 450 train collisions. Of course, part of this is because of those over-zealous dispatchers who, in the effort to move material more rapidly across the country to generate more transportation business, often have more than one train in the same section of the track at the same time. This has resulted in some problems which have resulted, inevitably, in a collision with a number of fatalities I am sorry to have to say.

The main area of concern in terms of fatalities is associated with crossing accidents. I refer to level crossings where one is required to cross a train track, whether one is travelling in a car, a truck or some other kind of vehicle. We have had 3,437 crossing accidents since 1982 resulting in 361 fatalities, to say nothing of the very serious injuries which have occurred because of these accidents.

When we look at the last six years, we find that hundreds and hundreds of deaths have occurred as a result of crossing accidents, train collisions or derailments. Obviously, when we consider legislation dealing with rail safety its importance becomes very evident indeed.

One of the aspects that perplexes me about this legislation, and I recognize that we are not talking about the specifics of it but about the principles involved in it, is that it does not set very high standards at all. As a matter of fact, in most areas it does not set any standards. We are told that that will come at a later time when the Government introduces regulations. For example, there is nothing in the Bill that provides specifics with respect to the frequency of inspections. When will these regular inspections occur, weekly, monthly, yearly, bi-annually, when?

The Government has decided to take the cabooses off our trains. Many people who make their living on those same trains say that this will result in less safety. They say that the removal of the cabooses will result in more train mishaps. As a result the whole matter of inspection frequency becomes a major item of concern. When cabooses are not on these trains there will be instead what is called special boxes and the like to do the monitoring. There will be people to do some visual monitoring as well. We are talking about some very sophisticated, heavy equipment. As a result inspection frequency becomes a critical issue, to say nothing of the specifics regarding the maintenance of track and equipment. If we are talking about a Bill regarding rail safety, it is not unrealistic to expect that it will have to say something about the maintenance of equipment and tracks which criss-cross the country. However, the Bill is mute when it comes to these areas. As I have said, regulations will come later.

While some people would suggest that unfairness has become a hallmark of the Government, when we consider this piece of legislation we see that there are some unfair aspects to it as well. I refer specifically to the area concerning penalties and the regulations which will be developed. There are expectations in the Bill for companies as well as individuals. If one breaks the regulations or fails to comply with them then there will be penalties to be paid. This legislation virtually does not distinguish between individuals and corporations such as the CPR. If one is found to be guilty of having committed an infraction and one is an individual, then one could receive a

fine of up to $10,000, and spend time in jail. However, if one is the CPR and is found to be in contravention of some aspect of this legislation, then one could actually receive a fine of up to $50,000.

CPR is one of the largest corporations in the western world. It has assets in the billions and billions of dollars, with revenues in the many billions of dollars. To think that it could actually be fined up to $50,000 is hardly what one would think is something that will deter the CPR, the CNR or VIA Rail. The point I am trying to make is that this provision is probably a licence fee to be unsafe, since if one is caught and is found guilty one would receive a fine of a few thousand dollars. That will not do anything to encourage the CPR, the CNR or VIA Rail to change some of their habits.

In terms of the theme of unfairness I draw your attention, Mr. Speaker, to the railway safety consultative committee which is the committee that will be set up under this legislation to advise on a whole variety of areas. Let us consider the make-up of this committee. The Minister himself or herself will be able to appoint five members to the committee. The railway companies will be able to appoint five members to the committee. The employees, who represent 60,000 individuals, will have but one member on the committee. I think it is initiatives such as this that send a very clear message to the rank and file employees of our railways that their concerns and their views are irrelevant. Quite frankly, there should be 10 employee representatives on the committee, in addition to the five appointed by the Minister and the five appointed by the companies. This would send a clear signal that the views of the employees are respected and that their welfare is utmost in the mind of the Government. I can only interpret this provision to mean that that, unfortunately, is not the case.

There is another area in the legislation which is also of great concern to me. It has to do with the protection for employees who recognize that what they have to do or what they are being requested to do by their superior is unsafe. What course of events may employees such as these pursue? What course of action is open to them when they find themselves in such a situation? The Bill has no provisions for this type of situation. It simply indicates that the employee should report to his or her superior and complain about his or her decision. You can imagine a situation, Mr. Speaker, when someone's boss tells him or her to do a certain thing, that is, to ride a train in a certain way or to deal with a piece of equipment that that person knows to be unsafe because he or she works in that environment every day, and he or she refuses to do it. That person will be in deep trouble. Obviously, if he or she goes against the wishes of the superior then that person will be harassed. He or she can expect some type of disciplinary action. There is no protection in the Bill for the employee.

If we are going to run the type of incredibly vast railway system that we have in Canada then we must want to have the employees on side. I am always amazed at the tremendous amount of loyalty that actually exists in the train community, if I can use that term, where employees of CPR, CNR and VIA are committed to their work and the companies in terms of serving them in spite of the harassment and in spite of the incredible conditions under which they are forced to work.

I referred earlier to a copy of a memo that was printed in *The Globe and Mail* of yesterday in which the Vice-President of the CNR states that the company must move expeditiously to lay off as many people as it can as quickly as it can so that it does not become a political issue in the next federal election campaign. That is not the way to build morale with one's employees.

• (1420)

I want to conclude my remarks by referring to an article by Professor Brian Tucker who teaches organizational behaviour at the University of Saskatchewan's College of Commerce. For some time now he has spent much of his effort and expertise examining the whole matter of stress experienced by railway employees. He has interviewed individuals who work for the railway. Of course, much of our attention was focused on the terrible incident near Hinton, Alberta, that killed 23 people in February, 1986.

That incident prompted Professor Tucker to do some analysis of what it is that causes problems on our rail systems. He figured that stress was a major factor. In this era of deregulation when competition requires companies to cut corners at every opportunity, often the employees are pushed to limits that are simply unacceptable in terms of normal human behaviour. The other day I heard representations from railway employees who live in Kamloops. They indicated the type of shifts that they were expected to work, the hours and hours that they were expected to be alert and on the job and finely tuned in terms of safety conditions. After a person works for many hours in one day, has a short sleep, and is back again for another long shift, the level of stress and the alertness and ability becomes problematic.

Brian Tucker spent much time looking at the railroad system. In the article he states:

> In the macho culture of the railways, stress is a taboo topic. Trainmen are not supposed to be affected by work-related or domestic stress. If they can't stand the heat, they're supposed to get out of the locomotive.

That is an interesting observation and an interesting code, but the reality is that those people do have work related stress, and they do have domestic related stress. Quite frankly, what is needed is a change in the culture and the working environment on the railways to reduce this stress. When employees of the railroads of Canada read in yesterday's *Globe and Mail* that one of the senior vice-presidents of CPR is encouraging maximum lay-offs to occur immediately, that is not the type of comment that builds confidence and generates positive morale in a corporation.

In co-operation with the federal Government, because we are dealing with federal legislation and CN is a Crown corporation, and we know the ownership pattern of VIA, it is in the best interest of the rail companies and the federal

Government to work co-operatively to build a sense of positive morale with the employees across Canada, the 60,000 men and women who make our railways run. If they all had a feeling that their jobs were secure, their futures were secure, and that their contribution is recognized, the productivity would inevitably increase substantially.

If one reads any book on management the theme is that an employee who feels confident, secure, understood, and recognized will perform at the highest level possible. Unfortunately, those conditions do not exist within the railways of Canada today. I am afraid to say it, but much of the legislation of the federal Government has abetted the downward spiralling of morale.

In conclusion, this legislation is welcome. I appreciate the fact that we are debating the Railway Safety Act. Our intention is to co-operate as much as possible not only to ensure that the Bill moves quickly, but that the final legislation that is passed at third reading is the very best possible.

**Mr. Benjamin:** Mr. Speaker, there are two things that I would like my colleague to comment on. One is the situation in his own community of Kamloops, and what he can tell us about any lay-offs there. A couple of years ago I was told about one railroad that reduced its number of carmen from nine to four. Those are the people who do the inspections and the minor repairs.

The other thing I would like to ask him is if he can comment on what he thinks would be appropriate penalties for railways, and should it also include railway officers.

You may not be aware, Mr. Speaker, but the only way to find out how much the officers of Canadian Pacific or Canadian National get paid is to go to the U.S. Securities Exchange Commission in Washington. That information cannot be found out in Canada, but the United States law requires that information. The last time I saw any figures, the President of Canadian Pacific Ltd. receives about 12 or 13 times as much as the highest paid locomotive engineer. The last time I received a figure it was $656,000 a year that that President received. I have often wondered if perhaps an appropriate penalty would not be a fine on the President of Canadian Pacific Ltd. of 13 times as much as an ordinary employee would be fined, and perhaps also a jail term for that President who is also an employee.

Would the Hon. Member comment on what he thinks would be an appropriate fine? Should it be on officers of the company as well as the company itself?

**Mr. Riis:** Mr. Speaker, my hon. friend from Regina West jogged my memory, and I want to make one other comment today as we are debating railway safety. Of course, railway safety to a large extent is a reflection of the willingness of employees and others to co-operate with regulations and so on. As those people wait for their contract after the Government of Canada legislated them back to work, what was interesting is that the management received their raises for the year. They received a substantial raise prior to the employees receiving theirs. Those of us here who in the past, or even at the present, have had employees, know that that is not a rule that one normally follows. Once the contract is settled with the employees, then one is in a position to consider the increases to the management personnel. The railways do it the opposite way around which again aggravates a serious situation.

With respect to the two questions from my hon. friend from Regina West. The situation in Kamloops is that, yes, there have been lay-offs over the last number of months; and, yes, they were in the inspection and repair areas. In a hard pressed part of Canada, the central part of British Columbia, where the unemployment rates in some communities are running as high as 40 per cent, this was a very serious blow. However, all of this happens in the spirit of deregulation and the fact that the federal Government is forcing cut-backs on the railway companies.

Returning to the suggestion of my hon. colleague that we ought to reconsider the penalties. When an individual can be fined up to $10,000 or receive a term in jail for an infraction and the company management do not exist under those same conditions, it is only fair, if we are going to have that type of penalty, that officers of the company be eligible for the same treatment. It is obviously ridiculous to consider a maximum fine of $50,000 for a company like CPR. The fine should probably be 10 times that figure, or perhaps something to approximate the annual salary of the President of CPR which is in the $600,000 range plus bonuses. Perhaps that would be an appropriate criteria to use.

To be serious, Mr. Speaker, certainly all I can say as a lay person in the area of railways, $50,000 as a fine for a company like CPR or CNR is obviously ridiculous.

[*Translation*]

**Mr. Deputy Speaker:** It being 2.29 p.m., the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

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# PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

## ENVIRONMENTAL AFFAIRS

### ADVISABILITY OF ESTABLISHING MORE SANITARY ENVIRONMENT

**Mr. Jean-Robert Gauthier (Ottawa—Vanier)** moved:

That, in the opinion of this House, the government should consider the advisability of establishing, in co-operation with the provinces, regional municipalities and municipalities, a national water purification, sewage treatment and storm sewer building program, in order to provide Canadians with a healthier and more sanitary environment.

He said: Mr. Speaker, in presenting this motion today, I do so with full knowledge that the costs of such a program are high, and that indeed we will have to establish some form of

consultative process, possibly a tripartite consultative process where the federal Government, the provinces, and the municipalities are involved in this study.

• (1430)

I also draw to the attention of Hon. Members that we are dealing with a very important subject. The Government of the day has said that it has consulted more than any Government in the history of Canada. It should listen attentively to the spirit of the motion, that is, that further consultations should take place. The Government has said to Canadians that the ongoing and meaningful process of consultation will open a new era of reconciliation. Those are nice words, but I am asking for some real action or some pro-active move on the part of the Government so that we will see in the near future a real process of consultation with the provinces and the municipalities to deal with the very important issue of establishing, in co-operation with them, a national water purification, sewage treatment, and storm sewer building program, in order to provide Canadians with a healthier and more sanitary environment.

I have brought forward this motion because of the issues which preoccupy the residents of Ottawa—Vanier. Environment or quality of life is probably the number one or number two preoccupation of my constituents.

[*Translation*]

Mr. Speaker, this motion proposes the establishment of a national water purification, sewage treatment and storm sewer building program to provide Canadians with a healthier and more sanitary environment.

Many interested parties consider this motion deals with one of the most acute problems our country will have to face.

In the time available to me today, I will try to convey to my colleagues in the House the concerns I have over that problem in an attempt to make them realize how very urgent it is to deal with it, because there is an emergency.

There is no doubt people are worried about it. Every day and every week, we hear and read comments on the urgency of seriously coming to grips with the pollution problem.

All provincial Governments and the Federation of Canadian Municipalities have also acknowledged it.

Later, I will quote comments of different interested parties, including the provincial environment ministers. I sent each of them a letter to which they all replied, saying unanimously: Something must be done, because it is urgent!

Believe it or not, Mr. Speaker, in my own city of Ottawa, the National Capital, we still have wooden pipes! They have been in use for a hundred years and they are beginning to disintegrate, to fall apart. And it is urgent that we put in place modern systems to be able to do what we all want to do, to treat sewage and purify the water before returning it to nature.

Here, in Ottawa, in the Capital, deteriorating infrastructures would require $500 million worth of repairs and investment. In some cases, there may be up to $1 million worth of repairs to be done to buried pipes in one block.

Why is it urgent to make those repairs? Because, for instance, some Ottawa houses have been flooded as many as eight times in the last twelve months. Those floodings are caused by the non-separated, storm-and-sewage systems.

In my own case, Mr. Speaker, when I complained to the city about the basement drain overflooding when there was a storm, they came with a wood stopper and plugged the drain. No water comes in, but then no water will get out either. All they answer is: Well, that's it! It is impossible today, we cannot afford a separation! Too bad your basement on Cumberland Street, here in my constituency, can only be used for hosting on occasion a mixture of sewage and storm water that often contains contaminant waste. They come in, they clean up, they sterilize more or less.

However, Mr. Speaker, I am not the only citizen to complain about the lack of separation between storm water and sewage.

City officials mentioned recently that with the funding available and in view of the extent of the work involved, 100 years would be needed to pay for the whole program. Of course Ottawa is a major city, with an even-increasing population. Some people therefore, might explain that way the urgent need for that project.

However, this kind of problem does not affect larger cities only. According to a recent report in the *Ottawa Citizen* of January 26, 1988, residents in the town of Carp—not far from here—had to pay up to $11 000 each because 91 per cent of septic tanks and 83 per cent of wells in the town did not meet the standards of the Ontario Department of Environment. Worse still, wells were polluted by seepage from septic tanks. This means drinking water is at risk.

Even here in the city of Ottawa, we had similar cases of underground waters being contaminated not by septic tanks but waste from city dumps where domestic and industrial wastes are buried.

In the waste degradation process, fluids seep off. They can then infiltrate by gravity and finally contaminate underground water tables. Worse still, in some cases extremely polluant industrial wastes such as polycholorated biphenyls, lacquers and solvants, heavy metals, etc., find their way into drinking waters. Therefore, Mr. Speaker, the pollution problem does not strictly concern cities. It concerns several levels of government. I am thinking of rivers, the Ottawa River that is polluted. And I am reminded of what I am told at times: "This is a municipal responsibility! Municipalities are responsible for cleaning up their waters!" Is Montreal to blame if it draws its drinking water from a river that is polluted with industrial waste by municipalities situated upstream? We only have to look on the other side of the river, Mr. Speaker, to see tons of industrial waste daily discharged in the river, and Montreal would be held responsible for purifying its water and getting rid of heavy metals and other poisons being found in it? Mr. Speaker, I maintain that it is a national problem which should be dealt with nationwide with the co-operation of all governments, at the federal, provincial and municipal levels.

The pollution problem, Mr. Speaker, as I said earlier, is not strictly a municipal problem. Almost all sectors of production or services produce some pollutants biodegradable or otherwise, which should be eliminated or treated before being reintroduced into our environment. The problems arising from the disposal of waste are no less real and important. We will have to find one day some safe processes to get rid of them. I think that incineration, as recently suggested by the regional municipality of Ottawa-Carleton, is not a valid alternative if the incinerator itself will also pollutes the atmosphere.

• (1440)

We are all aware of the problem caused by acid rain and we know that it is caused in large part by atmospheric emissions. The incineration of solid waste could well turn out to be a disguised way to get rid of the problem instead of solving it.

However, those problems are not restricted to the city of Ottawa and the village of Carp. They affect all Canadians. That is why the Province of Quebec is considering the launching a huge project at a cost of $640 million to clean up the water and curb the pollution caused by wastes such as manure and liquid manure from farming operations.

As you can see, Mr. Speaker, the amounts required for water purification are colossal: $640 million in Quebec alone because of a farming problem. It is obvious that the municipalities will not be able to do the job alone, even though they have ultimate responsibility for it. What must they do? First, they have to ask the provinces for assistance, but even the provinces cannot absorb by themselves within their budget, the total cost involved which means a piecemeal approach to water purification programs.

Despite this fact, existing programs are quite substantial. For instance, in Quebec, the water purification program has a budget of $6.6 billion.

In Ontario, the Liberal Government is also doing its share. It recently announced the Lifelines Program, which will allow the municipalities to recover part of their costs for repairing their infrastructures. The Ontario Government expects to spend between $45 and $50 million a year under this program beginning in 1991-92. It expects to invest a total of $333 million in Lifelines, and as its contribution is limited to 33 per cent of the cost of projects, at least $1 billion will be invested for this purpose in Ontario.

Mr. Speaker, according to the Federation of Canadian Municipalities, a very well-known and serious organization which has looked at the situation from a national perspective, some $15 billion will be needed over the next five years. Municipal infrastructures include a great many things, such as road repairs as well as recreational and cultural facilities. This projected expenditure of $15 billion includes all these services.

As for my motion, it deals only with the infrastructures related to water and the environment. The amounts required must therefore be broken down to determine how much will be needed for water purification, sewage treatment and storm sewer building programs.

These amounts have already been broken down and they are contained in the joint report of provincial and territorial departments and agencies responsible for municipal affairs. This report, published in 1985, is entitled *Infrastructure Needs of Canadian Municipalities 1986-1990.*

In the section dealing with Environment, water and sewer sytems, we see that the expenditures involved expressed in constant dollars of 1985, on the part of municipalities and provinces will be $1.5 billion in 1986, $1.3 billion in 1987, $1.3 billion in 1988, $1.2 billion in 1989, $1.2 billion in 1990, for a five-year total of $6.3 billion.

On the other hand, it is estimated that the minimum investment which would be required to preserve the integrity of the current structure should reach some $8.7 billion over the same period. There is therefore a shortfall of $2.25 billion. These amounts which should be invested, but which will not be invested for lack of funds, will contribute to a greater deterioration of our infrastructure system.

It is recognized that this system is in poor condition and should be urgently repaired; yet, we witness a laissez-faire attitude. Without any financial assistance from the federal Government, the deterioration of these infrastructures will reach a point where it will no longer be possible to solve the problem because of the enormous amounts which would be required. The more we allow these infrastructures to deteriorate, Mr. Speaker, the more Canadian taxpayers will have to pay.

According to a study carried out by the Ontario Government before it inaugurated its *Lifelines* program, the estimated costs for updating these infrastructures would be between 30 per cent and 50 per cent lower than for their complete replacement. Reason urges us to act immediately. What does the Mulroney Government do? Again nothing, or rather, since it had to do something, it did something:

All municipalities and provinces were told to "Get lost! We are not interested in footing your bills."

It told as I said earlier, Mr. Speaker, the problem of municipal infrastructures concerns us all, because it is a common problem. I hope that this debate and all the arguments we will put forward may help the Government change its mind. The problem is serious, the situation is urgent and all Canadians are concerned about it. We must realize that the problem will not go away and that the situation is serious. The Government is abandoning not only the municipalities, but all Canadians who are entitled to a quality environment and safe drinking water.

Although the provincial ministers of Municipal Affairs have made representations to the federal Government, they were met with a definite refusal. They were told: "We are not interested; you are on your own". However, historically, the federal government has always played a predominant role in economic development, particularly in the area of municipal infrastructure. During the 60's and the 70's, the federal government contributed mostly through Canada Mortgage and Housing Corporation. That contribution was made under three programs: the Sewage Treatment Program from 1961 to 1974, the Municipal Infrastructure Program from 1975 to 1978 and the Community Services Contribution Program from 1979 to 1980. Mr. Speaker, since I was Parliamentary Secretary to the Urban Affairs Minister during those years, I know very well that those very useful programs greatly helped to restore our municipalities and our urban fabric. They also helped to create important jobs and to purify our waters.

Between 1961 and 1980, loans of over $2 billion and grants of $750 million were made by CMHC to build sewers and other hydraulic works. From 1961 to 1974, a total of $980 million was lent at a preferred rate under the sewage program. Then, until 1978, storm sewer purification infrastructures and water supplies facilities were funded under the Municipal Infrastructure Program. Loans totalling $1.025 billion were made under this program. About 92 per cent of all the loans made between 1961 and 1978 were dedicated to building purification plants and main sewer collectors. Grants of over $525 million were also given during those years. In 1979 and 1980, the CMHC loaned money to the provinces for community equipment under the Community Services Contributions Program. A total of $221 million was granted for the construction of municipal water and sewage systems.

Mr. Speaker, it is obvious the federal Government was present and actively helping the municipalities and if there are today water, purification and sewage treatment systems in the Ottawa—Carleton region, in the Outaouais region on the Quebec side, and in many eastern as well as western and central municipalities, we owe it in large measure to those programs that were financed by the federal Government in the 60's, 70's and 80's.

Considering all those facts, I sincerely believe it would be logical for the Government to once again get involved in that area because we helped put those installations into place and should now help upgrade them. It is the logical continuation of our investments. If those works were important enough some 20 or 25 years ago to spend billions of dollars for them, then we must at least continue to keep those installations in good shape, otherwise our initial investments will have been wasted.

Besides those reasons, there are others for re-activating such programs: they create jobs, and they do so in all parts of the country, not only in big cities. We could have a chance alleviate regional disparities in terms of employment if the Government decided to go ahead and agree to the motion I am proposing. Indeed, provincial government studies show that, for every $40,000 to $50,000 invested in infrastructure projects, one person-year of employment is directly created. Thus, a $10 million sewage system renovation project could create locally between 200 and 250 direct jobs, apart from the indirect effects. The impact of such projects on a small municipality is obvious.

Nationally, to meet the most urgent needs, we would have to invest over $5 billion over the next five years, which would create between 100,000 and 130,000 full-time jobs, or between 20,000 and 30,000 direct jobs a year. It would also be possible to achieve full employment in Canada, which would make it easier for municipalities to attract investments based on the quality of their work and infrastructures, and the general quality of life locally. This would not just mean a new federal-provincial program, but true economic recovery for all regions of this country.

Mr. Speaker, I have taken it upon myself to write to all provincial Ministers to inform them about what is being done. This correspondence is available to everyone who would like to see it. I shall gladly provide copies of it. I must thank all those people for having unanimously endorsed the idea of more extensive federal-provincial consultations, with, of course, the contribution of the municipalities. I urge this House to adopt this motion, which simply asks for more consultation and positive action for a water purification program.

**Mr. Barry Turner (Ottawa-Carleton):** Mr. Speaker, usually my colleague from Ottawa-Vanier (Mr. Gauthier) speaks in fair terms in this House but today, he was unfair when he began his speech with a few comments on reconciliation and the consultation by the Mulroney Government.

I should like to say, Mr. Speaker, that last week in Montreal, the Quebec premier, Mr. Bourassa, said that Mr. Mulroney had done more than any other prime minister since Confederation to contribute to national unity by the process of consultation and reconciliation. This was pointed out by the premier, a Liberal Mr. Bourassa who said that last week in Montreal.

• (1450)

[*English*]

My colleague from Ottawa—Vanier has not been very just to us today, but has brought forward a motion to provide Canadians with a healthier and more sanitary environment. There are many ways to do that. Perhaps we could flush some political rhetoric down the toilet and we would have a much healthier and more sanitary environment. Let us not get into that, Mr. Speaker. It has been a rough week.

The Hon. Member should not be addressing Parliament. He knows very well that he should be addressing the mayors of the

municipalities. He should be addressing the provinces, not Parliament. It is their problem and we all know that.

**Mr. Angus:** Don't you live in a municipality?

[*Translation*]

**Mr. Turner (Ottawa-Carleton):** Yes, I live in a municipality, but it is not—

[*English*]

Let us look briefly at the history of this. From 1961 until 1980, CMHC had a program that dealt with this, a program introduced by Mr. Diefenbaker's Government. The CMHC program was enacted in 1960 through a change to the National Housing Act. Loans were given out, 25 per cent of which were to be forgiven.

The program was restricted to only new and extensions to existing sewage treatment plants and main-trunk sewers. Secondary sewers and water supply facilities were not included. The federal Government cited twin objectives for the program of job creation and water pollution abatement in providing this assistance. There was a sunset provision in the original 1961 program that was to have permitted the 25 per cent forgiveness only for those expenditures incurred up to March 31, 1963.

As Canada grew very, very quickly in population and in demand for housing, the urban population grew from about 6.2 million in 1941 to 13.7 million by 1961. That put tremendous pressures on the housing stock in Canada and there was a need for more co-operation between municipalities, provinces and the federal Government to provide more sanitary services.

The sunset clause of which I spoke was extended repeatedly through amendments to the legislation until the process had become automatic and almost routine. The administration of these programs became more complex and very controversial. From a situation of determining eligibility, strict financial arrangements, inspection and making progress payments as befitted the mortgage function of Canada Mortgage and Housing Corporation, the program started to deteriorate under the onslaught of provincial and municipal complaints of excessive red tape and federal intrusion into a provincial municipal area. It was not an area of direct federal responsibility.

In 1979, the Liberal Government of the time virtually handed over the process to the provinces. The federal Government became pretty much relegated to writing cheques to the provinces. What started out as a noble program with clearly defined objectives and parameters degenerated over a 20-year period into an undeclared fiscal transfer whereby moneys collected federally were transferred to pay for local services.

I wish to refer briefly to *Hansard* of January 19, 1981, a time when the Hon. Member for Ottawa—Vanier (Mr. Gauthier) was a member of the ruling Party. At that time, government Members asked if it was appropriate for the federal Government to continue funding the provision of services which were the responsibility of the provinces and municipalities. They questioned the rationale for such a program by asking whether the Government, raising moneys through national taxation, should not be accountable for the expenditure of such revenues and whether there was not better value for money in other programs, particularly job-creation programs. They asked themselves if the program was valid, given the climate of what was beginning to be serious fiscal restraint.

In 1984, the Federation of Canadian Municipalities submitted a report to the decision-makers in Canada at the provincial, municipal and federal levels, and suggested a new program of roads, bridges and sidewalks with a total price tag of $15 billion. In fact, water and sewer infrastructure accounted for half of that amount.

We have problems in Ottawa. There are two bridges over the Canal, the Mackenzie King Bridge and the Lyon Street Bridge, which the NCC wants to turn over to the region. The region does not want them and there are problems about who will pay for the repairs because they have been neglected for so long. The federal Government cannot always be looked upon as the big brother, the one to provide all the big bucks all the time to pay for these problems.

In 1984, the Federation of Canadian Municipalities outlined in its five-year program municipal, federal and provincial cost sharing of one-third each. There is a problem with sewage disposal in the National Capital Region. There is a genuine problem with the Green Creek sewage plant and I hope we will be able to reach an agreement as to how that will be financed.

Recently, Ted Carmichael of the C. D. Howe Institute spoke again of the importance of not losing sight of the federal deficit and the national debt which is still climbing, something over which we have little or no control, although the Minister of Finance (Mr. Wilson) has shown great leadership in reducing the amount. Where do we get the money for these things? Everyone says: "Go to the feds, they have all the money," but we do not.

I think of the Rideau River and Mooney's Bay. The Hon. Member has done a useful service to the House today by allowing us to bring to the attention of the public the importance of having cleaner water resources. Mooney's Bay is a mess. My brother and sister have houses there. They are afraid to water-ski on the river. If they ever fall into it and take two gulps of that water, they may end up in hospital because of storm sewage runoff. Their kids cannot swim in the river.

It cannot always be the federal Government that bails out money to provide better sewage facilities. The Hon. Member has brought this to the attention of the public, but I do not think the solution can be found in this House.

**Mr. Iain Angus (Thunder Bay—Atikokan):** Mr. Speaker, I am pleased that the Hon. Member for Ottawa—Vanier (Mr. Gauthier) has put this motion on the Order Paper and I was pleased to have the opportunity to second the motion.

The reality is that this is a federal responsibility. There can be no getting away from that. The federal Government has the responsibility for the environment of Canada. It has the responsibility for the environment of boundary waters. Whether it is the Ottawa River, Lake Superior, Lake Huron, Lake Ontario, Lake Erie, the St. Lawrence River, or the Gulf, anything we discharge into those waters in eastern Canada contributes to the pollution of an international waterway and is therefore the responsibility of the federal Government. There is no getting around that.

• (1500)

I want to quote from a speech by an Hon. Member of this House which was given to a municipal organization. I will not initially tell you the name because I want you to guess where it is coming from:

> —if all three levels of government in Canada do not collectively deal with the growing water problem in the country, the problem will become unmanageable.
>
> Across Canada, municipalities are already struggling with aging plants and delivery systems that undermine the clean water all Canadians need and have a right to expect.
>
> Fact: Only 10 per cent of all raw sewage east of Ontario is treated.
>
> Fact: More than eight million Canadians, a third of the entire population, live in municipalities that do not provide sewage treatment.
>
> Fact: Water quality in Toronto, Canada's largest city, is causing so much concern that some politicians are calling for a $200 million pipeline from Georgian Bay to serve the city.
>
> Fact: Water quality has become such a concern to Canadians that they spent $80 million on bottled drinking water in 1986. This figure is expected to increase by 15 per cent this year.
>
> The bill for the next five years for repairing aging underground pipes alone is estimated at $3 billion with an additional $3 billion needed to improve water and sewage treatment facilities.

Who spoke those words? A member of the Opposition? A government back-bencher? They were spoken by the Hon. Minister of the Environment (Mr. McMillan). You know what else he said? He said:

> Let me begin by ending the suspense, for you and for me: The federal government does not intend to restore previously dismantled municipal programs. That's the bad news!

He was right about that.

The reality is that municipalities by themselves cannot afford the price tag of repairing the existing infrastructure, let alone providing the needed infrastructure to make sure our sewage is treated, not just primary treatment which is basically chopping up the lumps, but secondary and tertiary treatment as well so that we return to the environment what we took out. They do not have enough money to replace their aging water pipes. The Hon. Member for Ottawa—Vanier talked about wooden water pipes in Ottawa. In the City of Thunder Bay we have leaded pipes and we all know the ramifications of that for human beings.

We have two systems of taxation, a provincial and federal income tax system and a municipal property tax system. In theory the income tax system is fair and progressive. You need to have a certain level of income before you start paying. In theory, at least, the more money you make, the greater your share of the cost of running the country. However, property taxes and user fees, because the Minister is hiding behind user fees as his reason for not implementing a federal-provincial municipal program, are paid regardless of the ability to pay. They are based on the value of a home which may have been purchased or built 20, 30 or 40 years ago. Because of inflation its value has gone up astronomically. If you are a senior citizen you do not have the money at hand to pay taxes based on the value of a house at $50,000 or $60,000 or $80,000. Yet you are taxed based on that amount.

The same applies to water rates. They are of value in restricting consumption, and I agree every household in this country should be metered as a means of reminding people on a regular basis how much they are using and also remind them to restrict that usage. However, it will cost us anywhere from $12 billion to $15 billion over five years to repair the existing system. Municipalities cannot afford that by themselves. All 10 provinces agree with that, and have also agreed to match municipal contributions one for one up to one-third of the cost of the program. What the Canadian Federation of Municipalities is asking for is that the federal Government, the senior partner in this triumvirate, participate to the same level so we can repair our cities, their roads, sewers, sewage treatment plants and recreational facilities.

Even though the money from a federal-provincial-municipal program under the resolution put forward by the Hon. Member for Ottawa-Vanier would be focused on specific areas such as water purification, sewage treatment and storm sewer building programs, it would alleviate the pressure in other municipal areas so tax dollars can be used to repair park buildings, bridges and roads.

Just to give you an idea of the state of things in our cities, I have a study done by the Federation of Canadian Municipalities entitled "Municipal Infrastructure in Canada". It shows that for water treatment facilities, 15 per cent of the existing ones need some repair, much repair, or are not acceptable. For water distribution, 30 per cent; for sewage collection, 45 per cent; for sewage treatment, 25 per cent; for storm sewer treatment, 45 per cent. Some 65 per cent of our roads, 55 per cent of our walks, 45 per cent of our bridges, and 30 per cent of our buildings and parks need some repair, much repair, or are not acceptable.

Coming back to the environmental aspect, there has been study after study of municipalities along the Great Lakes and the St. Lawrence River. We know the problem areas. We know raw sewage goes directly into nature's sewers, but those sewers were not designed to carry away the kind of effluent we are putting into that system today. It is not just human waste, it is deadly, toxic chemicals being pumped from our industries into our sewers and directly into our lakes and rivers without any kind of treatment. It is imperative, if we are to turn this situation around, that the federal Government participate. I urge the government side to take the message to the Minister

of Finance so that when he brings down his Budget on February 10 there is a major component for municipal rebuilding programs. The studies show that the federal contribution will be repaid 100 per cent through increased income taxes of people working in the regions and through reduced pay-outs from the Unemployment Insurance Commission. It makes sense for the environment. It makes sense for employment. It makes sense for Canada.

• (1510)

[*Translation*]

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, if the motion introduced by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) gives rise to a certain concern about the protection and conservation of water resources in Canada for the benefit of all Canadians, I can then say that I share his concern.

Throughout Canada, municipalities have to make do with ageing purification stations and distribution systems which do not provide to Canadians the safe water they need and to which they are entitled.

However, if it is relatively easy to grasp the problem, it is not so easy to find valid solutions at reasonable cost. This is indeed a matter that has lost nothing in complexity since the building of our first water systems in the middle of the 19th century. Even the majority of our so-called modern water systems date from the end of World War II. The construction of most of our sewer systems dates from the middle-50's. The whole system is obsolete and nearing the end of its useful lifespan. Worse still, a large number of communities, including large cities, do not even have sewage treatment systems.

We must do better. The question is how to pay the bill. The construction and maintenance of a water infrastructure is costly by definition. Municipal authorities always found it difficult to increase tax. That was already the feeling during the golden days of the sixties when public expenditures were a matter of pride. Nowadays, in the eighties, city counsellors find it almost impossible to ask more from ratepayers. In their minds, it is still more difficult to do so for water systems because, contrary to services such as childcare or schools, water is literally an invisible commodity. Not only it is not seen, but it is taken for granted and therefore not a concern.

Requests for funds keep increasing despite the lack of a federal program in that area and of federal funding for that kind of program. And to be frank, in view of the fact the federal Government is head over ears in debt, it finds it impossible at this point to announce billion-dollar national programs to fund municipal water treatment projects which, under the Constitution and according to the provinces themselves, are not a federal matter.

At a time when the federal Government must face many high-priority problems, it is indeed unrealistic to expect more large federal expenditures to fund municipal water treatment plants. I said "more expenditures" because the Government is already injecting tens of millions of dollars in order to help provinces provide such essential services. It is doing it either directly through special projects, or indirectly through large transfer and federal tax exemption schemes. We simply cannot afford to increase our financial participation.

Let us look at the facts. Each year, the Government of Canada has to face a $30 to $35 billion deficit. The national debt has grown to $300 billion.

In 1975, debt servicing accounted for only 12 cents out of each dollar spent by the Government. Today, it is 33 cents. By contrast, provinces only allocate 12 cents out of each tax dollar to debt servicing while municipalities pay less than 9 cents.

In Canada, the federal Government is the level of government that has the least fiscal flexibility. It is unable to pay its own bills and cannot therefore pay those of others. In fact, we are speaking of such huge expenditures that no single government has enough reserves to afford them. Provinces and municipalities are better placed than the federal Government to get new loans for water distribution and treatment plants.

If we manage to justify expanding the federal Government's role at the municipal level, it will be necessary to work through existing federal programs. This could be done, for instance, by using a formula similar to that used for regional economic development agreements, a mechanism that has worked well in other areas.

However, I think we have to ask ourselves whether requesting federal subsidies for municipal facilities is a reflection of sensible public policy or just another way "to pass the buck". We could also ask whether the reluctance of other levels of government to deal with this responsibility will not in fact perpetuate poor water management in Canada by making it easier to avoid realistic solutions.

In my view, if we truly want to find a solution, we must look at the basic problem of over-consumption and abuse of our water resources. The inevitable conclusion is that, unfortunately, we do not have a realistic pricing system. The problem in a nutshell is that today, only a few Canadians pay water rates that reflect actual cost. When water is cheap, it is taken for granted. And like anything that is taken for granted, it tends to be wasted.

In Europe, where the price of water is four times as high as it is in Canada, per capita consumption is less than half. In the Durham area, in Ontario, per capita consumption dropped 20 per cent between 1975 and 1983, when a realistic pricing system was in effect. When the first water meters made their appearance in Kingston in 1954, per capita consumption dropped by more than one third.

Other industrialized nations have applied this principle and asked their users to pay the capital costs for the water distribution and sewage collecting systems as well as their costs of operation. Canada has yet to apply this principle. Although tax benefits and Government subsidies are granted

everywhere in the world . . . I think that my ten-minute period has expired. Thank you very much, Mr. Speaker.

• (1520)

[*English*]

**Mr. J. R. Ellis (Prince Edward—Hastings):** Mr. Speaker, I am going to respond to this motion of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) in a way that will give one of his colleagues a few moments as well. At the outset, I would like to put on the record my bona fides for being able to speak in this debate. The fact is that some 30 years ago when I entered the Council of the City of Belleville, all of the raw sewage from that community went into the river and the bay beside Belleville. When I left some 19 years ago, all of the raw sewage was given secondary treatment and, indeed, since that time subsequent mayors have improved on the system and it now receives tertiary treatment. In fact, in my constituency even the smallest municipalities have sewer and water systems and the residents of those areas have paid for their own systems.

The federal water policy recognizes that water is at present one of Canada's most neglected natural resources. The underlying philosophy of the policy is that Canadians must start viewing water as both a key to environmental health and as a commodity having real value, and begin to manage it accordingly.

It is now recognized that more stringent regulations and standards alone cannot protect our water resources without economic incentives and disincentives to prevent their impairment. The water policy, therefore, emphasizes the "polluter pays" principle which will redirect the inevitable cost of pollution reduction to those responsible. As a result, costs will be distributed more fairly to the benefit of all Canadians.

In terms of water and sewer systems, realistic pricing for these services will encourage users to conserve water, raise the funds needed to build and maintain these costly systems, and encourage efficiencies and greater effectiveness through technological innovation.

The Government has already considered the proposal put forward by the Hon. Member in considerable detail. It has also been discussed at length with provincial Governments and national municipal organizations. In fact, in response to the Hon. Member's request, there has been a great deal of conversation and mutual discussion on the subject.

The federal Government has concluded for both fiscal and constitutional reasons, and for consistency with the principles which I outlined earlier, that it will not reinstate a general program of financial assistance in this area. Instead, it will promote the view that municipalities should institute more realistic prices for their water and sewer services and will limit federal involvement to sponsorship of research and development. It will continue to implement proper environmental and health practices with respect to federal undertakings. It will provide financial assistance for projects that otherwise meet federal and provincial development priorities and are eligible for assistance under existing federal programs and it will encourage financial and economic efficiencies in supplying water and sewer services to Canadians.

In the technological area, Environment Canada operates a major waste water technology in Burlington, Ontario. One of its current projects involves demonstrating a process to convert sewage sludge to oil. In many urban centres, sludge disposal is a serious economic and environmental problem which accounts for almost half the cost of waste water treatment. In Canada the proposed technology could solve disposal problems for 350,000 tonnes of sludge by generating 700,000 barrels of oil per year.

Another innovation is a Canadian developed computer-automated process control system for sewage treatment plants. This innovation alone could save hundreds of millions of dollars over the next five years.

Within its own area of responsibility, the federal Government has pledged itself to implement proper environmental and health practices for all water supply and waste treatment services associated with federal undertakings and facilities. These include projects with federal involvement, as well as those in the North on native and reserve lands, in federal parks, as well as federal buildings and other facilities such as airports.

In terms of encouraging realistic pricing and greater efficiencies, the Minister of the Environment (Mr. McMillan) is working closely with his provincial counterparts on the Canadian Council of Research and Environment Ministers on several fronts.

I want to leave time for the colleague of the Hon. Member for Ottawa—Vanier so I will conclude by saying that what we do not need in this country is another protracted subsidy debate. What we do need is a realistic approach to pricing which encourages conservation, raises the cash necessary to provide the needed services and stimulates the kind of research and technology development required to bring down costs and make our systems more effective.

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, first, I would like to thank the Hon. Member opposite for giving me a couple of minutes of his time so that I could make a few remarks in this debate. There are a few Members of this House who have had the opportunity of sitting at the municipal level of Government. The Hon. Member opposite is one and so am I. Actually, I am one of those who has been fortunate enough to sit at all three levels of government; municipal, provincial and federal. There are concerns that municipalities have at the present time with the decay of the infrastructure. These are concerns, in my view, which are very legitimate and, indeed, need to be addressed. Need we remind ourselves of the experience south of us with respect to the decay of the infrastructure in the United States as an example of just how much we need to address the problems of the

municipal infrastructure. Whether we are looking at the U.S. interstate highway system, which is full of pot holes, or the downtown areas of many American cities, we know it is a problem which needs to be addressed.

On May 4, 1987, the Minister of the Environment (Mr. McMillan), speaking to the Ontario Municipal Water Association:

> Water pollution has become so bad in this country that vast numbers of Canadians cannot take water quality for granted in their communities—a third of the Canadian population (eight million people) live in municipalities that do not treat their sewage.
>
> Faced with those bills, municipalities in every part of Canada are seeking a quick fix. Having ignored the problem for so long, without planning for the day of reckoning or budgeting for it, they now expect the federal Government to help bail them out.

That kind of attitude is not one which is shared with Members of my Party, at least not myself, nor my Leader. We are of the opinion, as is the Hon. Member for Ottawa—Vanier (Mr. Gauthier), as proven in his excellent motion, that the federal Government should consider co-operating with all the provinces and with the municipalities in order to update and review the municipal infrastructure.

[*Translation*]

On June 1, 1987, Mr. Speaker, the Right Hon. Leader of the Opposition (Mr. Turner), made a speech before the Canadian Federation of Municipalities, in which he indicated that, upon the 50th anniversary of this organization, it would be important for the Canadian people, through its federal Government, to adopt a policy whereby the three levels of Government would make a concerted and collective effort to renew and update Canada's municipal infrastructures. This is an important issue, and I urge all Hon. Members to support the initiative taken by the Hon. Member for Ottawa—Vanier (Mr. Gauthier) in his motion today.

**Mr. Deputy Speaker:** The hour provided for consideration of Private Members' Business is now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

It being 3.30 p.m., the House stands adjourned until Monday at 11.00 a.m., pursuant to Standing Order 3(1).

The House adjourned at 3.30 p.m.

# HOUSE OF COMMONS

**Monday, February 8, 1988**

The House met at 11 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*Translation*]

### CONSUMER PACKAGING AND LABELLING ACT

MEASURE TO AMEND

**Mr. Jean-Robert Gauthier (Ottawa—Vanier)** moved for leave to introduce Bill C-280, an Act to amend the Consumer Packaging and Labelling Act.

**Mr. Speaker:** Shall the Hon. Member have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

**Mr. Gauthier:** Mr. Speaker, I am pleased to introduce this legislative measure to amend the Consumer Packaging and Labelling Act. The purpose of the Bill is to ensure that the information appearing on the label of a prepackaged product is in both official languages.

To this day Consumer Packaging and Labelling Regulations 417 refer to implementation standards. As we know, however, a regulation may be amended at any time without the agreement of the House. That being so, with a view to ensuring the protection of one of the elements of Canada's linguistic duality, I thought it would be necessary to incorporate the regulations in a legislative measure.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*English*]

### PETITIONS

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty to present petitions signed by residents from as far away as Spence Bay, Gjoa Haven, Eskimo Point and Yellowknife, Northwest Territories as well as from Toronto and St. Catharines, Ontario. The petitioners express their concern about the proposed plutonium flights over the Canadian north.

Owing to the potential serious environmental effects and the contribution to nuclear proliferation, the petitioners pray and call upon the Parliament of Canada to recognize the dangers of such flights and to say no to the transport of plutonium over northern Canadian territory.

PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 106 from people from Vancouver, Richmond, Delta, North Vancouver, Coquitlam, Powell River, Saanich, Duncan, New Westminster, Langley and Summerland, British Columbia.

It is the perception of the petitioners that the Conservative Government does not have a mandate from the Canadian people to conclude a trade deal with the United States. They believe that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canada and to equalize opportunities between the regions.

Therefore they are calling upon Parliament to dissolve now to enable the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

OPPOSITION TO MANUFACTURE AND DISTRIBUTION OF FILM

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, I have the honour to present petitions signed by residents of my constituency from the towns of Imperial, Craik, Aylesbury, Chamberlain, Stony Beach and Pense. These petitions were circulated at the local legion. They protest the manufacture and the distribution of the film entitled *The Kid Who Couldn't Miss.*

*Order Paper Questions*

PROPOSED FREE TRADE

**Mr. Derek Blackburn (Brant):** Mr. Speaker, I too have the honour to present, a petition pursuant to Standing Order 106, from constituents of mine from the City of Brantford and also from residents living just outside of Brantford in the Town of Waterford. They protest the trade deal of the Prime Minister (Mr. Mulroney) and call upon the Government to dissolve the House and go to the people for a mandate in view of the fact that the Government did not have a mandate for this type of deal in the first place.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I also have the honour to present a petition signed by western Canadians who express their concern that the Conservative Government does not have a mandate from the Canadian people to conclude a free trade agreement with the United States. For that matter, Mr. Speaker, as you know, the Government and the Prime Minister (Mr. Mulroney) had actually campaigned against such a deal.

In their petition the people say that the Government's trade arrangement threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities between the regions.

Therefore the undersigned humbly pray and call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed trade agreement through a national general election.

* * *

• (1110)

## QUESTIONS ON THE ORDER PAPER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all questions be allowed to stand.

**Mr. Speaker:** Shall all questions be allowed to stand?

**Some Hon. Members:** Agreed.

* * *

**Mr. Speaker:** Before calling Government Orders, I would like to advise the House that I have received an application of privilege dealing with an alleged contempt of this House as a consequence of a word used in a preamble by another Hon. Member in Question Period on Friday. I propose to hear this at three o'clock.

I also wish to indicate to all Hon. Members that, whatever the outcome of that particular application is, and I shall listen carefully to all sides, I would hope that Hon. Members would be constrained and very proper in preambles in Question Period today. All Hon. Members can realize that a statement, whether made out of over-enthusiasm or sometimes carelessness, or even although absolutely accurate in the context which causes a severe reaction on the other side, is tantamount to moving toward disorder.

I want it clearly understood that I will be asking for and expecting the co-operation of all Hon. Members. I will hear the honourable application at three o'clock.

The Hon. Parliamentary Secretary.

**Mr. Hawkes:** Mr. Speaker, I appreciate your words, and the reality that you have given me until three o'clock to get my research in order. That will assist the House, because I think it will be succinct, brief, and compelling, and the extra two or three hours to prepare that will be very helpful.

**Mr. Speaker:** Under the circumstances, I would ask the Hon. Member to extend the courtesy to the Hon. Member who is also involved in this, and I would expect that that be done.

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# GOVERNMENT ORDERS

[*Translation*]

## OFFICIAL LANGUAGES ACT

MEASURE TO ENACT

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada)** moved that Bill C-72, an Act respecting the status and use of the official languages of Canada, be read the second time and referred to a legislative committee.

He said: I am pleased to rise today to begin the second reading debate on Bill C-72, an Act respecting the status and use of the official languages of Canada. This Bill marks an important milestone in the development of our country.

[*English*]

We have designed the legislation to take into account the fundamental elements of our language policy as it has evolved over the past 120 years, and to allow us to meet the changing needs of Canadian society. I am confident that this Bill is an accurate reflection of Canada's present day linguistic reality.

As indicated in its purpose clause, the primary objectives of this Bill are to ensure respect and equality of status for both official languages in federal institutions, notably with regard to the provision of services to the public; to support the development of English and French linguistic minority communities; to foster the advancement of both languages within Canadian society; and to set out the powers, the duties, and the functions of federal institutions with respect to official languages.

These objectives represent both continuity and evolution. They are consistent with the language provisions which were written into our Constitution by the Fathers of Confederation in 1867, and later supplemented by both the Official Languages Act of 1969 and the Canadian Charter of Rights and Freedoms of 1982. This Bill is a comprehensive legal document embracing all federal Government activities and provides all Canadians with concrete means by which they can affirm and protect their language rights.

The reform of the official languages policy had to be undertaken. Parliament has a duty to bring the provisions of the Official Languages Act of 1969 into line with the Charter of Rights and Freedoms.

[*Translation*]

This bill is also an important element in our efforts to effect national reconciliation. This step forward in the area of official languages complements the 1987 Constitutional Accord. Both are crucial to our national identity. Together, they reflect the government's commitment to preserve a fundamental characteristic of Canada, to promote the status and use of both official languages at all levels, and to enhance the vitality of Canada's official language minorities.

[*English*]

The renewal of our language policy is intended for all Canadians. It provides for the needs of the majorities by guaranteeing government services for them in their own language. In addition, it recognizes the aspirations of minorities, who have often expressed a desire, and rightly so, to live and prosper using their own language. This Bill reflects the open-mindedness and tolerance of Canadians in matters of language and culture. This generosity of Canadians toward each other is one of the most endearing features of our national identity.

I would now like to review some of the changes that we propose to make. With respect to the administration of justice at the federal level, we affirm equal access to the courts for all Canadians in either official language, and we specify what this entails.

The courts that are covered are the same ones as under the 1969 Act and under Section 133 of the Constitution Act, 1867, that is, courts and court-like adjudicative or quasi-judicial bodies which are created by federal law, but do not include provincial courts with federally appointed judges.

Therefore, this Bill applies to federal judicial bodies such as the Federal Court, the Tax Court of Canada, the Human Rights Tribunal, and so on. Of course, this does not mean that all federal judges have to be bilingual.

The Bill itself clearly imposes a duty on federal courts, as federal institutions, to arrange their affairs so that cases are heard in English, or in French, or in both languages, as the case may be, depending on who the parties are, by judges who are capable of functioning in English, in French, or in both languages, respectively.

To assist them in undertaking these responsibilities, the courts may make rules requiring proper notice. This has already been the practice for several years now in the Federal Court, the Tax Court, and a number of adjudicative tribunals.

Bill C-72 preserves judicial powers, privileges and immunities. Nothing takes away from a judge's right, as a "person" under Section 133 of the Constitution Act, 1867, to choose to use either English or French in court proceedings.

• (1120)

Clauses 15 through 18 are meant to respond to the situation revealed by the case law—where an English-speaking person in Quebec as in the *MacDonald* case was unable to obtain a traffic ticket in English; where French-speaking persons outside Quebec were unable to get a ticket in French such as the *Bilodeau* case; or appear before judges who understood directly the case that they were pleading, such as the *Société des Acadiens* case. Again, however, these provisions are restricted to proceedings before Federal Courts.

When cases so require, these courts will have to assign judges who will understand directly, without relying on an interpreter, the official language in which the proceedings before them are being conducted. Of course, simultaneous interpretation will continue to be used by the courts. In addition, the federal Government will be required to use the official language chosen by the other parties in civil proceedings.

[*Translation*]

Concerning provincial courts exercising criminal jurisdiction, we will continue to co-operate with the provinces to implement the provisions of the Criminal Code regarding language of trial in all parts of the country.

The Government is already participating in a joint federal-provincial program to assist in the provision of language training for judges and in setting up bilingual court services. The purpose of these legislative and administrative measures is to ensure equal access for all Canadians to their judicial system.

[*English*]

Clause 87 amends the Criminal Code to spell out the rights that flow from an accused person's right to trial before a judge or judge and jury who speak the accused person's language. Some of these rights are essentially transferred from the 1969 Official Languages Act which, for example, gave the right to witnesses to use either language not only before federal courts but also before courts exercising criminal jurisdiction. The rest of the rights confirms the practice that has grown up in the provinces where Part XIV.1 of the Criminal Code has been put in force, that is to say, use of interpreters and prosecutors who speak the accused's language, and so on.

I have indicated on different occasions that we have made substantial and significant progress on a voluntary basis in respect of introduction in a variety of provinces. As a Member

from Saskatchewan I should like to point out that recently my province entered into an arrangement in respect of the provision of trials for an accused in criminal proceedings in the French language as well as in the English language.

This would ensure that the language of trial provisions come into force by 1990. Since 1978, the Minister of Justice of Canada has had the power to proclaim these provisions in force in any province, following consultations in which no agreement has been reached with the provinces concerned, once two years have elapsed.

In January 1986 my predecessor, the then Minister of Justice, who is now the Minister of Transport (Mr. Crosbie), put the provinces on notice publicly that he intended to consult them with a view to bringing the provisions of Part XIV.1 into force across Canada as soon as possible. I reiterated that commitment to the Canadian Bar Association upon assuming the responsibilities of Minister of Justice.

Legal challenges to the province by province implementation have been mounted, some successfully, against the constitutionality of the scheme on the basis that it offended the equality rights provisions of the Charter. The January 1, 1990 date gives ample notice for bringing these 1978 provisions of the code fully into force and fully into compliance with the provisions of the Canadian Charter of Rights and Freedoms.

The Bill also reinforces the right of Canadians to use the official language of their choice in communicating with and receiving services from federal institutions. We are honouring the Charter by establishing constitutionally sound criteria for federal institutions regarding communications with the public and the provision of services. The new Act and the regulations under it will clearly determine, in accordance with the terms of the Charter, those offices at which there is significant demand for services in both languages and those offices whose nature makes it reasonable to provide such services.

Another important feature of the Bill relates to the languages of work in federal institutions. For the first time a federal law will spell out the right of officers and employees to use either official language while working for the institutions of Parliament and the Government of Canada. These institutions will be required to ensure that widely used work environments in the national capital and in prescribed regions are conducive to the effective use of both official languages. Elsewhere, the treatment given to the language of work must be comparable between regions where English predominates and regions where French predominates. When institutions carry out their language of work obligations, the right of members of the public to service in their language of choice will of course be respected.

In addition, I should note that it is not sufficient to foster the use of English or French within federal institutions without ensuring participation. The federal Government recognizes this requirement in its Bill. The Government is committed to seeing that English-speaking Canadians and French-speaking Canadians, without regard to their ethnic origin or first language learned, have equal access to employment in federal institutions, and that the composition of the workforce of federal institutions tends to reflect in an equitable manner the presence of both English-speaking and French-speaking communities in Canada, taking into account the nature of the various institutions.

[*Translation*]

My colleague, the President of Treasury Board, has responsibility for the general direction and co-ordination of the policies and programs relating to the implementation of the parts of this bill concerning communications and services, language of work and full participation. Under the provisions of this bill, he will also be required to submit an annual report to Parliament on the progress achieved.

[*English*]

Bill C-72 reaffirms another important initiative of the Government—the enhancement of the vitality of the English and French linguistic minority communities of Canada and the advancement of the status and use of the official languages generally in Canadian society.

The Secretary of State (Mr. Crombie), who is present this morning, will play a major role in the implementation of this commitment. He will be responsible for co-ordinating federal efforts in this area and for co-operation with the provinces, as well as with the private and voluntary sectors. He will also ensure that his programs relating to official languages are maintained or developed. When the Bill was tabled, the Secretary of State announced that a further $25 million would be allocated over three years to improve the provision of key services at all levels of government.

The Bill specifies that the Commissioner of Official Languages will continue to ensure that the spirit and letter of the law are upheld. The Commissioner will be given more effective instruments to achieve that goal, including a timely and efficient process for handling complaints.

Indeed, it would not have sufficed to set out the rights and obligations I have mentioned in the absence of mechanisms to ensure that the law is enforced. The new Official Languages Act will therefore provide for judicial recourse after a complaint to the Commissioner. Any complainant who feels that his or her language rights have been violated or denied by a federal institution may apply to the Federal Court for such remedy as the court finds just and appropriate in the circumstances. The Commissioner of Official Languages will also be able to exercise this recourse to the court.

This outlines the three principles which have guided our reform of Canada's official languages policy and legislation and sums up the major changes. I am confident that the objectives which form the basis of this Bill will respond effectively to the needs of all Canadians and reflect the Government's commitment to equity in official language matters for all Canadians. Bill C-72 facilitates the full

participation of all Canadians in the institutions of Government. It reflects Canada's present linguistic reality in a manner which is consistent with both the Constitution and the fundamental principles of tolerance and fairness.

• (1130)

I believe this is a good Bill. I certainly commend it to the House for consideration and passage. This Bill is about fairness. This Bill is about equity of treatment of our fellow Canadians. This Bill is about the way in which we treat minorities in our country, and I think all of us seek to advance these principles in a tangible way. What we want in legislation is legislation that is not only sensitive but is fair to every Canadian regardless of which official language they speak.

This Bill after much consideration and deliberation attains what I consider to be an appropriate yet delicate balance in Canada which will serve as the threshold and the basis upon which we can move forward to reach the potential we have. I am heartened by the fact that there was very substantial and widespread consultation leading up to this legislation. The response to the Bill has, by and large, been superlative praise for the provisions of the legislation because it can now be said that the Bill does attain the elements of fairness and reasonableness which I think have to pervade everything we do concerning this matter. I do not consider this to be a trivial or laughing matter at all—

**Mr. Blackburn (Brant):** I am not laughing.

**Mr. Hnatyshyn:** It is a very important consideration with respect to which all of us in this House have a responsibility to assess and to make sure that the Bill does reflect those principles which all of us hold dear, namely, a united Canada, one which is based upon the fundamental principle of fairness.

I stand committed, the Government stands committed, and the Prime Minister (Mr. Mulroney) stands committed to these very important principles.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I would like to start by saying that we share the Minister's view that the Bill must be generous, must be open and must provide Canada with a more up-to-date and more equitable framework for official languages.

Mr. Speaker, I am of course delighted to be taking part in this debate on Bill C-72, because it is the culmination of almost 16 years of parliamentary experience here in the Parliament of Canada and of over 12 years experience before that in education. I have always thought it would be nice to come to the House some day and say to whatever Government would be there: I think we have made progress, we have accomplished something. To us, this Bill is a charter, a road map, as it were, that will guide us in the years to come, and I am sure it will be a beneficial experience for all Canadians. I am pleased, the Liberals are pleased and the House is pleased, and I feel the Government is to be commended for this initiative.

As I said earlier, we want the future to be equitable and fair, more generous and more respectful of that fundamental characteristic of Canada which is its English-French linguistic duality.

Bill C-72 fulfils the 1982 constitutional commitment and recognizes the formal commitments in the Meech Lake Accord, the legal version of which was tabled in the House and approved on October 26 last year.

This Bill is therefore in line with Canadian constitutional commitments. It defines federal objectives within the framework of new and updated legislation. The Liberals felt it was imperative to proceed as soon as possible with thorough consideration of Bill C-72 which, as we all know, has been on the Order Paper since June 25 last year.

I will not repeat the endless series of complaints, criticisms and requests for action that have been addressed to the Conservative Government for the past three and a half years. A glance at the Index of *Hansard* should be self-explanatory. There have been any number of questions and answers, debates and interventions. There is enough to fill a book on the vicissitudes of the language question.

[*English*]

This Bill has been long awaited by various Parties concerned with the issue of official languages, among others the joint committee of the Senate and the House of Commons, the Office of the Commissioner of Official Languages and representatives of many official language minority groups.

The Official Languages Act of 1969 has become outdated. A number of problems have surfaced as a result of applying legislation on a daily basis for 19 years. Court rulings have weakened the scope of some of the statute's provisions. The constitutional context has evolved since 1969, particularly in light of the adoption of The Charter of Rights and Freedoms and its Sections 16 to 20 respecting language rights.

The Meech Lake Accord, signed by all provincial Premiers, states clearly that our fundamental characteristic is our language duality—English and French—and that all must strive to preserve this essential characteristic.

Attitudes have changed toward languages, Mr. Speaker. Our increased awareness, respect and generosity toward official language groups have been helpful. Language training programs at all levels and in all regions of our country have shown that there exists in Canada a greater understanding and acceptance of our language duality. There is a willingness to accept and appreciate *la différence*, be it immersion courses at the elementary level, core programming in the other language in secondary schools or language training programs in the workplace. There has developed in Canada over the last 20 years a new era of understanding.

There exists after all these years a generous Canadian commitment to making this country great and united. We are working toward bonding our people in respect and love rather than separating them in fear and hate.

Provisions for two official languages do not undermine the preservation and enhancement of languages other than English and French. It follows that the multicultural heritage of many Canadians is strengthened by collective respect and support for our two official languages.

[*Translation*]

Mr. Speaker, this Bill is the culmination of many years of hard work, reflection and personal experience. It is not the work of a single person or group, any more than it reflects the policy of a single Party in this House.

Bill C-72 is the outcome of a process that has kept pace with the development of this country, starting with the British North America Act and going on to include the Laurendeau-Dunton Commission, the Official Languages Act 1969, the Parliamentary Resolution of June 1973, the Pepin-Robarts Commission, the Constitution Act, 1982 and most recently, the Meech Lake Accord. The situation has evolved over time, and it has been quite an experience for many of us, a rewarding and certainly an interesting experience.

Over the years Canada developed rapidly, following the industrial revolution. Urban development, reforms in education, the socio-cultural revolution and political leadership in the provinces, both federal and provincial, all these factors were instrumental in producing a strong push for change, and this could happen because of the understanding and generosity Canadians have shown with respect to our official languages.

In 1963, a Liberal Government headed by Mr. Pearson created the Royal Commission of Inquiry on Bilingualism and Biculturalism, the terms of reference of which, as I think should be recalled, read in part:

> "to inquire into and report upon the existing state of bilingualism and biculturalism in Canada and to recommend what steps should be taken to develop the Canadian Confederation on the basis of an equal partnership between the two founding races, taking into account the contribution made by the other ethnic groups to the cultural enrichment of Canada."

Mr. Speaker, those terms of reference were issued in 1967 to a Royal Inquiry, and it will be remembered that this country was going through difficult times in the area of recognizing official minority language rights.

That may have been the true turning point as far as official languages were concerned, and it led us in 1969 to the proclamation of the Official Languages Act, later to the entrenchment of official languages in the 1982 Constitutional Act in 1982, and finally to the Meech Lake-Langevin Agreement recognizing the language duality as a fundamental characteristic of this country.

Further to the recommendations of the Laurendeau-Dunton Commission, the Liberal Government enacted in 1969, over the opposition of some Conservative Members on second reading, the Official Languages Act. That Act gives English and French equal status, rights and privileges as official languages of Parliament and the Government of Canada.

Finally, in 1982, language rights were enshrined in the Constitution through the Charter of Rights and Freedoms, Sections 16 to 24. From that point on language rights take precedence over any Acts or Regulations of the Canadian Government or provincial legislatures.

Since 1982, language rights are protected from political whims. Nonetheless, concrete steps must be taken both at the national and provincial levels to implement the broad constitutional principles. The everyday life of minority groups often has become difficult. They sometimes have gone through a very difficult stretch.

History tells us the issue of official languages requires more than political will. It also requires that aggressive administrative measures be put in place in order to ensure that the political will is converted into facts.

The 1969 legislation has served us well, but it has become outdated and it should be rejunevated and given a new impetus, because we need a modernized tool. To begin with, it should be made consistent with the new constitutional and social reality in Canada. Then the weaknesses which have to come to light after 18 years of enforcement should be corrected. For example, its primacy over other legislation has been questioned in many decisions rendered by the courts; its executory nature should be confirmed; the language of work concept should be clarified to allow the Public Service to become more efficient. Madam Speaker, I will come back to this later.

Communications with and provision of federal services to the public require clear and specific guidelines. The Canadian public is entitled to communicate in the language of their choice with federal institutions and to obtain services in that language. Under Section 20 of the Canadian Charter of Rights and Freedoms (1982), we find an important criterion which is not defined in the Charter but is stated as follows:

> Any member of the public—has the right to communicate with and to receive available services from the government of Canada in English or French and has the same right with respect to any other office of any such institution where—there is a significant demand for communications with and services from that office in such a language; or due to the nature of the office, it is reasonable that communications with and services from that office be available in both English and French.

The two important terms are "significant demand" and "the nature of the office". Both terms are not defined in our Charter of Rights and Freedoms.

The Bill proposes that detailed criteria for "signifiant demand" be set by the Governor in Council. Concerning offices that because of their nature should communicate and provide services in both official languages, some are listed in the legislation and others will be designated by the Governor in Council.

I think that those clauses are fine and give the Cabinet the power to act in the national interest. If the decisions and designations are delayed, the Canadians will know that it is the Government and not the legislation that is to blame.

Mr. Speaker, the Official Languages Act has to be renewed. The time has come to restate outright the political will of this Parliament with respect to official languages. Even though attitudes have evolved, as attested by the fact that in the Meech Lake Agreement all provinces have recognized that the linguistic duality is a fundamental characteristic of Canada, it is nevertheless a fact that that evolution has not proceeded at the same pace everywhere.

The 1987 Official Languages Act is important precisely to consolidate our constitutionnal gains and to try to overcome resisters. We must give official language minorities the means to assert themselves, sometimes in spite of provincial and territorial governments.

For example, New-Brunswick has voluntarily made binding the constitutionnal clauses of 1982, but not the other provinces. As for Ontario, it has adopted Bill 8 on French services which will extend services offered to French-speaking Ontarians. At the same time, Alberta is opposed to the right to address the legislature in French, as was shown by the Piquette case.

The Piquette case is especially surpising, Madam Speaker, as Alberta had just signed the Meech Lake Accord. We would have expected more open-mindedness on the part of the Alberta Government, which should in a generous gesture toward its minority have seized the opportunity to broaden the use of French in the legislature, but this did not happen.

There is still a lot to do to ensure justice. The recent ruling of the Alberta Court of Appeal denies the right of the accused to have his trial before a judge or a judge and jury who speak his mother tongue. Bill C-72 will allow us to amend Part XIV.I of the Criminal Code, which deals with the language used in a trial, to develop a complete code of linguistic rights in criminal law and ensure the application of national standards within a prescribed period.

Madam Speaker, I remember a debate which took place in this House ten years ago when we were considering Bill C-42, whose purpose was precisely to amend Part XIV.I of the Criminal Code. It was suggested during the debate that the provinces needed some time before proclaiming the legislation and providing actual access before the courts to a judge and jury who spoke the language of the accused. It did not happen everywhere, as many provinces have not yet proclaimed that particular piece of legislation. However, Bill C-72 prescribes a specific date, 1990, which means that the provinces will now have to meet this requirement.

Concerning the administration of justice in federal courts, the Act will continue to ensure the right of everyone to use French or English for all matters brought before the federal courts. Subsection 15(1) of Bill C-72 requires every court, other than the Supreme Court of Canada, and I emphasize the words "other than the Supreme Court of Canada", to ensure, and I quote:

> —any judge or other presiding officer is able to understand the official language or languages in which the proceedings are conducted without the assistance of an interpreter.

Sub-section 15(2) provides for a phasing-in of this requirement to understand both official languages and sets a time limit of five years after the Act comes into force.

• (1140)

Madam Speaker, the Supreme Court therefore escapes entirely the requirements of Section 15. We have to wonder why the Supreme Court, the highest court in the land, should be excluded from the requirements of bilingualism.

The Bill does not require that all judges of other courts be bilingual. It does require the presiding officer at a hearing to be bilingual. With respect to the Supreme Court, for all practical purposes it would mean that the Chief Justice is bilingual. Is that expecting too much?

It seems to me that if Canadians now expect their leaders to be bilingual—Governor General, Prime Minister, Leader of the Opposition, and so on—are we asking for too much when we suggest that the Supreme Court of Canada Chief Justice ought to be able to follow the arguments of anglophones and francophones alike without the services of an interpreter? Madam Speaker, we will ask for explanations in committee, and we will consider the possibility of moving amendments.

The 1987 linguistic situation in Ontario, Quebec and New Brunswick as compared with that of Alberta underscores how differently mentalities evolve. We have, on one side, Quebec, New Brunswick and Ontario which have been generous and open to their minorities and, on the other, we witness less generous gestures such as those I just mentioned with reference to the Piquette case.

Still most people readily agree there has been great progress despite resistance fron certain quarters. The new legislation is a must if we want to continue forging ahead in terms of Canada's official languages, while at the same time contributing to bringing opponents on side and filling the gaps in the 1969 statute.

[*English*]

The question is sometimes asked, why this new law and why now? This revised law, Bill C-72, is much more than a cosmetic job. It is a major face-lift, major reconstructive surgery. The official languages framework will not just look better, it will feel a lot better too. It will feel a heck of a lot better than the old law. That is the main reason the Government, after 20 years of experience, after consulting thoroughly, and after inheriting a dossier which I know was well advanced, has had the courage to present this House with what I consider is a good Bill. Why this new law and why now? The best answer is found in a recent article by Mr. Stuart Beaty published in *Language and Society*. Mr. Beaty is an adviser for special projects in the Office of the Commissioner of Official Languages. He writes and I quote:

Proposals to amend the Act itself have also been presented with some regularity over the years by Members of Parliament, by all three Commissioners and by Parliament's own Joint Committee on Official Languages, which submitted 19 recommendations on this subject in 1983.

There have been differences of emphasis in each set of proposals, but there has also been a considerable consensus among them about the deficiencies of the present Act and the best ways of overcoming them. While there have been surprisingly few legal actions brought under the Act in the last 18 years, its day-by-day application had nonetheless brought to light a hard core of issues which need to be resolved.

1) the law's relation to the fundamental political and linguistic nature of the country: its constitutional context in short;

2) the implications of this national commitment where other sectors of Canadian society are concerned;

3) its primacy over other federal legislation;

4) the executory nature of the Act and the need to set out more clearly how it is to be enforced;

5) clarification of how bilingual services are to be adjusted according to regional and other differences; this means, for instance, substituting a more workable concept for the "federal bilingual districts" which were never proclaimed;

6) building into the Act itself the language of work and full participation objectives found in the 1973 Parliamentary Resolution;

7) Clarifying the role of the main federal actors, including the Commissioner, in ensuring prompt and effective application of the Act.

• (1150)

[*Translation*]

Bill C-72 is quite different from the 1969 legislation. The new measure contains a ten-point preamble which clearly defines the link between the constitutional progress achieved until now and the spirit of generosity and reform from which inspiration can be drawn when interpreting the law. We will have to be more generous and more equitable once Bill C-72 has been enacted. According to the Interpretation Act, Madam Speaker, a preamble is part and parcel of the legislation and provides an explanation concerning its purpose and scope. Through an interpretation clause, therefore, the legislator wants to make sure that the constitutional provisions and the law are at one. Is that better than having it included in the legislation? The question might best be put to legal experts, but one thing for sure is that it goes to show how important we legislators want this law to be, for it is rare indeed that an interpretation preamble is found in a public statute.

In its preamble, Bill C-72 refers to Clauses 16 to 20 of the Canadian Charter of Rights and Freedoms and the Federal Government's commitments to the protection and promotion of bilingualism and the protection of official linguistic minorities. In this sense, the Bill goes beyond the Constitutional Accord of 1987 which only recognized the Federal Government's obligation to preserve the linguistic duality.

As the House knows, Madam Speaker, I would have preferred the Accord to state that the federal government is also obliged to promote linguistic duality, but that did not happen.

[*English*]

As I said a few moments ago, Bill C-72 is more than a cosmetic make-up job; it is a major face-lift. In the section on the purpose of the Act we find a strong commitment to ensure respect for English and for French as the official languages of Canada and ensure equality of status and equal rights and privileges as to their use in all federal institutions, in particular with respect to their use in parliamentary proceedings, in legislative and other instruments, in the administration of justice, in communicating with or providing services to the public and in carrying out the work of federal institutions which are defined in the Act.

Furthermore, we find that the Act will support the development of English and French minority communities and generally advance the equality of status and use of the English and French languages within Canadian society. The Act sets out the powers, duties and functions of federal institutions with respect to the official languages of Canada.

[*Translation*]

The purpose of Bill C-72 is to strengthen the Official Languages Act by ensuring equal status to French and English, by supporting the development of English and French linguistic minority communities and by clearly stating the powers, duties and functions of Federal institutions with respect to the official languages of Canada. It is unfortunate that the clause relating to the equality status of official languages and dealing with the rights under Clauses 16 to 20 of the Canadian Charter, does not emphasize their equality as languages of work and in equitable participation.

It would have been desirable to include these two issues under the "Purpose of Act" section because they are not mentioned as such in the Charter, as is the case for the language of service. It is agreed that these issues are dealt with more specifically in the Bill, but their inclusion in the "Purpose of Act" section would have given them priority status.

Bill C-72 confirms such existing principles as those calling for the provision of services to the public as well as Secretary of State programs promoting minorities. Moreover, Bill C-72 offers new elements concerning the language of work and the rule of law, subject to the provisions of the Canadian Human Rights Act. There is also the obligation for the President of the Treasury Board or any other minister designated by the Government to consult the Francophone and Anglophone minorities when drafting the regulations applicable to this legislation.

• (1200)

Consultation itself is not new, Madam Speaker. As far as I know, it has existed for at least 15 years. In June 1973, Mr. Trudeau, who was Prime Minister at the time, sent for the representatives of various official language minority groups to hear their views on his project to extend the national radio and television network everywhere in Canada and to make it possible for the CBC to serve all communities of more than 500 people regardless of where they lived. For that, it was necessary to develop satellite communications technology. It was a major step forward in establishing the significance and justice of our linguistic duality. It was very useful in that it forced us to develop a new technology to meet our own needs and at the same time become international leaders in the area of communications.

In addition to these requirements with regard to minority consultations, the Bill provides for a Committee of the House and/or the Senate to supervise its implementation. I would point out, Madam Speaker, that this clause of the Bill does not require the committee to be made up of members of both Houses. It could be a committee of the House and/or the Senate, each House having its own. This may only be a technicality but it is important to realize that the Bill allows for something other than a Standing Joint Committee. One day, perhaps this House will see fit to have its own Standing Committee on Official Languages.

Bill C-72 had to reflect present realities. Thus, the Official Languages Committee that had previouly been created by an order of the House now has a legal status under an Act. This means that the Government is adding to the Act elements that had come to existence gradually over the years. Since 1969, many improvements were made, both in the administration of the Act and in the implementation of new government programs. They are part of government policy as legal requirements. Therefore, they had to be included in the Act, but they represent nothing new because the programs exist already.

Other elements are new, for example, the requirement to publish simultaneously in both official languages all legislative, regulatory and other documents. This is new in Bill C-72, although the idea is not. As a matter of fact, last Friday, I introduced in the House a Bill to amend the 1969 Act in order to make sure that all documents are tabled by the Government in both official languages in the House of Commons and the Senate. I think that is elementary. And it would certainly prevent disgraceful occurrences of the kind we had recently, when a Minister of this Government who claims to respect official languages read to us, at top speed, a list of amendments to Bill C-22, drafted in English only. It would also prevent documents as important as the Canada-U.S. Free Trade Agreement from being tabled in the House of Commons in English only, as happened initially. There are people in this House, Madam Speaker, to whom this is a matter of vital importance. And it is important that any document tabled by the Government in the House should be made available to all Members, whatever their mother tongue, and made available in both official languages, in French and in English.

Madam Speaker, I am delighted with these new provisions, awaited by so many people for so many years. The necessary amendments to the legislation were identified, considered and in some cases suggested by the Standing Joint Committee on Official Languages which was established in 1979, and the Committee's recommendations were published in a number of reports. Now we are ready to enjoy the fruits of our labours. At this point I would like to thank all those who took part in the consultation process and helped prepare these amendments, and I also want to congratulate the Government once more for taking the initiative of tabling this Bill.

Bill C-72, tabled in 1987, responds to the principal recommendations of the Official Languages Committee. The new legislation includes the concept of active offer of services. In other words, public servants have a duty to invite the public to use the language of its choice. We also find the language of work concept and provisions for its application in the Public Service of Canada. The recommendation to make the legislation executory, which would create rights that would be protected by the courts, is essential if we want the law to be observed. The matter of full participation by both official language groups is also covered, as well as the issue of primacy of the legislation.

There are those who feel that the legislation's primacy is guaranteed by the very fact that Sections 16 to 20 of the Charter of Rights and Freedoms were enshrined in the Constitution Act, 1982. According to this interpretation, the Charter would render invalid the provisions of any other rule of law that would be incompatible, since the Constitution is supreme. Incidentally, the Charter repeats, almost word for word, Section 2 of the Official Languages Act, 1969. Any lack of precision in the Act means that the extremely vague guarantees of Section 16(1) of the Charter will prevail.

Others feel that the Official Languages Act will always be the framework for the courts' interpretation and will enable the courts to determine the spirit and intent of the legislator. Since the Charter is rather vague, they feel it would be preferable to state precisely the spirit and the intent of the legislator by including in the legislation how its provisions are consequential on other Acts. This would provide more specific guarantees which would, furthermore, be supported by the guarantees afforded under the Charter.

Madam Speaker, I admit that I support the second option. I believe that the legislation should serve as a basis for interpreting the Constitution and that it would be more equitable to include that in the legislation.

To protect the provisions of the Official Languages Act, therefore, it becomes imperative to include a clause clearly confirming the intention of the lawmakers to place this legislation above any other Act, ordinance, decree, order, rule or regulation and confirming its supremacy over any other Act.

As a member of this House, I have introduced several private Bills calling on the House to have the Official Languages Act override any other Acts. From 1977 to 1984, I introduced a series of eight Bills with that definite purpose in mind.

I am therefore proud and happy to support this initiative. Bill C-72 ensures that if some essential provisions of this act are in conflict with other federal legislation or regulation, the act will prevail, subject only to the Canadian Human Rights Act. However, there could be problems with the drafting of the section. Indeed, Subsection 79(2) excludes explicitly the Canadian Human Rights Act and any regulation made thereunder. Well, it may happen that some provision of the Canadian Human Rights Act, such as Section 3 dealing with discrimination based on race, ethnic or national origin, or Section 7 dealing with job discrimination, or even Section 8 dealing with job applications and advertising, may come in conflict with the Official Languages Act.

The linguistic rights could in this case be weakened because of discriminatory motives, since the Canadian Human Rights Act is excluded from the overriding clause.

Moreover, the fact that Part VI of Bill C-72 is excluded from the paragraph dealing with supremacy could cause problems in the areas of equitable participation, language of work and language of service. For instance, there could be inconsistencies between the provisions of the Public Service Employment Act and those of the Official Languages Act.

As concerns administrative bilingualism, which covers the three major areas of language of service, language of work and equitable participation, Bill C-72 will first correct the obvious weaknesses of the Act in the matter of the language of work. As for the language of service, everyone knows that this means contributions of public servants who deal with the public as part of their work to serve Canadians. The obligation to provide services in the customer's own language has already been well covered, and this right is in fact guaranteed by the Constitution.

As for the language of work, this is a more complex issue, but Bill C-72 provides that English and French are the languages of work in all federal institutions and that employees have the right to use either official language.

The Government will have to ensure that the working environment allows real use of both languages; it will have to provide central services in both languages and ensure that the documentation and material used at work are available in both French and English.

There is a great variety of applications on the theme of the language of work. Which variations will be implemented under the new legislation? Will there be foot-dragging? We shall have to wait to see the administrative mechanisms implemented by Treasury Board. We all know that Treasury Board increasingly delegates its powers to the deputy ministers and that accountability often leaves much to be desired. We shall therefore have to remain vigilant to ensure an equitable and effective implementation.

In addition, there will be requirements as to the ability of supervisors and senior management to communicate and operate in both official languages.

We may wonder how this will be implemented in practice. Will there be sufficient political will to take necessary action? We may well wonder, and I have already raised this issue in the House several times as the instructions of the Treasury Board allow the deputy ministers and senior public servants to depart more easily from linguistic requirements.

Whatever the President of the Treasury Board might tell me, we all know the influence of a supervisor has over his subordinates. If he is unilingual, there will be a very strong pressure on the department to have all documents and communications in the language of the senior official. This is a fact. I am not suggesting that this senior official will force all others to use his language, I am simply saying that it is more than likely. We will need enlightened leaders who can tell the difference between authority and autocracy, while showing full respect for the linguistic rights of all Canadians.

Again I say that even with the new law, strong political will will be required to make sure it is duly enforced. We can easily live with the principles, but the administrative regulations and their implementation are something else again.

For example, the major issue of equal participation is covered under Bill C-72, to the extent that the Government will have to make sure that all Canadians, regardless of their ethnic origin or mother tongue, have equal employment and promotion opportunities in federal institutions. In addition, the staff of these institutions will have to reflect the presence in Canada of both the English and French-speaking communities.

Well, Madam Speaker, federal employees are not hired by Bill C-72, but by Treasury Board and the Public Service Commission of Canada. We will have to see to it that their hiring practices do reflect the spirit of the law. That is what is called political will.

Thanks to this legislation, individuals or groups who feel their rights have been breached will at least be entitled to legal recourse, which means they may be heard by a court and seek redress. This is an entirely new concept, Madam Speaker, and I do believe it is the essential aspect of Bill C-72, in the sense that it will give executory power under the law, the fact that an individual may appear before the court to seek justice, to seek redress.

The possibility of a legal recourse when one feels his rights have been aggrieved has been included in the legislation. So, ultimately, that could be a means of countering the bad faith on the part of a lazy administration.

Besides a recourse to the Commissioner, this Bill provides for seizing the Federal Court of a complaint six months after lodging that complaint with the Commissioner. One can proceed alone or with the help of the Commissioner.

This is an indispensable guarantee at which one can only rejoice although the process is long and costly. At least, it is there and it can be used.

So, Clause 75(1) states that anyone who has tabled a complaint with the Commissioner can take legal proceedings. It remains to be seen if the courts will act on a single complaint or rather on a series of complaints. As I said, will the courts act on the basis of one single complaint or only on a series of complaints? As we know, Madam Speaker, one swallow does not make a summer—will one language incident be enough to trigger the use of the judicial process? Time will tell!

There are serious gaps that should have been corrected, one of which is the matter of the privatization of Crown Corporations, and in that respect I would like to suggest that as far as I am concerned that whole question will have to be closely scrutinized. As we know, the Government is committed to privatizing certain Crown Corporations that sometimes have been providing essential services in such different areas as transportation, communications, health, security and other areas. There is nothing in the legislation that would prevent a Crown Corporation wholly owned by the Government from avoiding the impact of the legislation by selling 1 per cent of its shares. In fact, the legislation as drafted only applies to a corporation or to its wholly owned subsidiaries. As I said, selling 1 per cent of the shares would be enough to avoid being subject to the requirements of the Official Languages Act. It is clear that such behavior is unacceptable—a mischievous management could turn that clause into a real farce. The Government might answer they intend to preserve language rights by inserting into the privatization sale agreement a clause safeguarding those rights.

I have strong doubts that a satisfactory solution may be reached, so much so that there would be no legal requirements to do so. Each time a corporation is privatized the debate will surface. I find it hard to visualize, madam Speaker, how Air Canada, if it were to sell 1 per cent of its shares, could feel it is not covered by the new Official Languages Act. It is my view that in committee we will have to discuss that whole question with the Minister and hopefully we can find an acceptable solution.

Another gap involves federal-provincial agreements, because Canadians are treated differently according to the region they live in. For instance, a federal-provincial agreement between Canada and Saskatchewan would not have to be written in French. It could be if the provincial Government so requested. Why different standards? Does the Federal Government wear its bilingual hat when negotiating with Quebec, New Brunswick and Manitoba, and a different, unilingual hat when negotiating with other provinces? This Madam Speaker, is a matter that will have to be very closely examined.

It is to be assumed also that if that clause is enacted minorities would not have exactly equal status. That Section, that is Part II reflects a deplorable lack of political courage. The federal Government should at least require full bilingualism from its own institutions.

Madam Speaker, my colleague and friend, the Hon. Member for Cochrane—Superior (Mr. Penner) will deal with a provision he feels strongly about, Clause 90 relating to the Northwest Territories Act. He will have some strong reservations to express on the necessity for Parliament to give consent should the Commissioner in Council wish to amend or repeal the Official Languages Ordinance.

• (1210)

[*English*]

Finally, let me deal with the role of the Commissioner of Official Languages. Indeed, over the years he has been the language ombudsman. His role in Bill C-72 is being clarified. His powers are greatly extended and he will have a very active part on his own or on behalf of a complainant in applying to the Federal Court for a remedy to an alleged violation of the Act. This gives the law the needed teeth, the executory powers to ensure compliance with the law. I welcome this disposition.

The Commissioner will also be able, under the law, to look into complaints arising out of provisions of other federal laws and to review any regulations or directives of the Government made under the Act.

The Government has incorporated other recommendations made by the Standing Committee on Official Languages. In my view it could have gone a little further and established an effective language ombudsman, something like our Auditor General. We will pursue this matter in committee and hope to be able to strengthen the office of the Official Languages Commissioner.

[*Translation*]

In theory, Bill C-72 is satisfactory. In practice, the Government, the Ministers, the agencies, the Crown corporations and all those involved will have to show great understanding. The legal parameters are there to foster harmony and strengthen the will to make Canadian society more just, more open and more tolerant of its minorities.

I hope with all my heart that we will achieve that goal together and that Bill C-72 will prove to be as important a step in the evolution of attitudes as the Official Languages Act was in 1969.

Finally, there must be public education. To discuss and pass bills in the House is not enough. We must also see to it they are explained to and understood by the general public. That is also the role of a Member of Parliament. I count on my colleagues to spread and explain the spirit of the Bill.

I call on all Members of this House to stand up and be counted on this Bill, to make their views known openly here in the House. Madam Speaker, it will be worth while to discuss the Bill. I think it will be useful to do so, but I wish also to assure the Government that on our side of the House, the Liberal side, we want this legislation adopted as soon as possible.

**Ms. Marion Dewar (Hamilton Mountain):** Madam Speaker, I welcome the opportunity this morning to speak to the Bill before the House, because to me, it is a very strong piece of legislation, and I say congratulations to the Government of Canada for tabling this Bill in the House.

[*English*]

We are not only dealing with the substance of Bill C-72, but with the direction in which I hope our country and society is headed. It is with some sadness that during recent provincial elections people in various communities were still attempting to maintain them as unilingual communities. We must get a stronger understanding of our history, as I hope Bill C-72 will help to achieve, but we must also remember that it took Canada almost 100 years to enact legislation protecting the language of both founding cultures.

Canada was established not through war but through an agreement between two colonies who wanted to establish a single country which would make them both the richer while protecting their cultural differences. Unfortunately, we too seldom teach our children the history of how these two cultures were brought together into one country and society. I believe that some of the tensions and difficulties in this country arise because that protection did not exist and different groups in areas of the country did not feel a full part of society.

Two of the most important commissions which have changed the direction and social fabric of Canada were the Royal Commission on the Status of Women, chaired by Senator Bird, and the B and B Commission chaired by Mr. Laurendeau and Mr. Dunton. The establishment of those recommendations into law in 1969 was only a first step. For the first time we saw that our country could be administrated in both official languages.

It is rather amusing to think that some of the crises which arise are very much related to our day-to-day activities, such as the *St. Jean* appeal case in the Yukon. Something as simple as a speeding ticket or parking ticket brings forward the importance of establishing those rights in our country. This Bill has teeth, which is why, as I said earlier, I want to compliment the Government for bringing it forward. It is a Bill with which we can live. I hope it will put to rest many of the concerns that we have heard across the country in the past. It is an affirmation of the Charter of Rights and Freedoms in terms of the protection of both official languages in minority communities.

• (1220)

However, we do have some concerns with the Bill. They can be dealt with at the committee level. They are with respect to the exclusion in the Bill of the Northwest Territories as a federal institution. The fact that the Northwest Territories is excluded while at the same time any change to its official languages legislation must be brought forward to the House of Commons is a heavy-handed move. It is up to Parliament to review such matters. The power is with the Minister of Indian Affairs and Northern Development (Mr. McKnight) to carry out such measures. We should look at these provisions and ensure that we let the Government of the Northwest Territories know that we respect its autonomy with respect to official languages and with respect to its legislation.

My other concern is that the Yukon has not been excluded from the Bill. We recognize that the *St. Jean* appeal is going forward and that something might automatically come from it. If it does not, there is some concern with respect to the ability of the Yukon to implement its own official languages legislation giving priority to aboriginal languages.

There are two scars on our country. One is with respect to the way we treated our native people in the past. There is a consensus across the country wanting to change that and to ensure that future legislation will respect the rights of our aboriginal people while addressing some of the wrongs of the past. We must recognize the resources which exist in the Yukon in terms of being able to implement minority languages. There is goodwill in the Yukon. There have been negotiations between the Government of the Yukon and the Government of Canada to ensure that such legislation can be put in place.

At this point in time perhaps it is not essential to declare the Yukon officially bilingual, at least not until it has the capacity to put bilingual services into place. It has a Bill of its own which will start to put such services in place. I am sure we can come to a consensus to deal with this difficulty if we hear from the Government of the Northwest Territories and the Government of the Yukon at the committee stage.

For the first time we have a Bill in front of us that will allow the children of those from both languages and both cultures the opportunity to feel comfortable in that they will be living in a society which has two official languages. It is with pride that they will be able to say, "This is my country. As an Anglo- Canadian I know that the other founding official language and culture is protected in my community even though it does not represent the majority". A French Canadian youth can say, "Anglo-Canadians in my community can have the same type of pride in what their culture and identity is".

We do not celebrate enough the great steps that we have taken forward. They are steps which have not occurred in other societies. This is what makes me feel proud to be a Canadian. We have taken two very different cultures and two very different peoples and brought them together to form a country. In the process of doing so we have been able to protect individual rights and individual cultures. If we had not had the official languages legislation of 1969 we could not have been quite as explicit as we were in our Charter of Rights and Freedoms. What Bill C-72 does is to take the cosmetic appearance of the 1969 Official Languages Act and give it strength. It has given it a certain amount of justice. What it does is give the responsibility to the people who are there.

The Commissioner of Official Languages will no longer have to be concerned with just reporting. He now has the ability to take action. I was pleased to see that he will be reporting to the Treasury Board. The President of the Treasury Board will be able to use his or her clout to see that the recommendations of the Commissioner are not just recommendations but that they are implemented.

Also in the Bill is a provision that as a last resort matters can be referred to the courts. That is very important. It is important that those who are heard in the courts can be heard in their own language. Anyone who studies our history in any depth knows that we must celebrate our two cultures and our two languages. We have to ensure that our two languages will always be protected. As we learn to celebrate this fact with each other we can then become the kind of people who will be an international influence. We will have dealt with our own difficulties with some justice and with a great deal of dignity and strength. That is very important to me.

It is important for Members of Parliament, not just as Members of Parliament but as members of this society, when we are in our communities and hear people objecting to our language laws to say that a law such as this is a law which was supported by all three Parties. We will hear such objections if we are sensitive to what is happening at the grassroots level of our communities. This is a law by which we can understand our history. It is out of the evolution of our history and our maturation as a country that something as strong as this law is in front of us. We should never back away from that.

My dream is that some day every child who graduates from a Canadian school will graduate with pride in that he or she can understand what the two cultures are all about. They will understand that it was not because of the Treaty of 1763 that we became a country but because of the events which took place in 1967. That is when we had two strong and separate societies which came together. Once people begin to understand that the debate about whether or not we need an Official Languages Act will be over. There is a dream and an image that eventually perhaps in the not too distant future we will have a society that is truly bilingual which can freely express itself in terms of its own culture, arts and language.

I do not often compliment the Government. However, I want to say that the Government has showed courage and strength in bringing this Bill forward. The Government had a choice of saying that there is an Official Language Act and nothing needs to be done about it, but it chose to give us a much stronger official languages Bill. That is something we can all celebrate. Sometimes in the House the whole process is difficult, and that process is difficult because it is adversarial. It gives me great pleasure to rise and speak to a Bill that we know will strengthen the fabric of our society.

• (1230)

Some parts of this Bill we are looking at today are long overdue. I wish to refer to the old Act that provided for the issuance of regulations in both languages, but permits issuance in one language before the other in urgent cases. The legislative instruments and proclamations and the subordinate legislation such as regulations adopted by the Governor in Council would have to be made simultaneously in both official languages. The Government of the Northwest Territories, Indian bands, bands or councils, or other bodies would not be affected by those provisions. That is the part that I referred to earlier; we hope that the Yukon would be excluded from until it is ready to get its own resources, and certainly I would hope that it receives some help from the federal Government to enforce its own language Act.

Parts of the Act are important and will have great importance in the future because of the fact that we still see and know ourselves as a mosaic. We also see that this Act, and Section 27 of the Charter states:

> This Charter shall be interpreted in a manner consistent with the preservation and enhancement of the multicultural heritage of Canadians.

The provision for the two officials languages now would not undermine the preservation and enhancement of languages other than English and French. That is very important, as we look more and more at the richness of multiculturalism in our country. I have often heard people of first and second generation Canadians ask, "Why English or why French?" depending upon what part of the country they live in. They ask, "Why can it not be partly the language that I have brought with me from my roots?" Again, I refer to the fact that that comes from our superficial knowledge of our own history. We want to ensure that every one of those people who came to this country bringing other cultures and other heritages can be proud of those roots, feel good about themselves, and know that they truly contributed to the development of our society. That is very much protected within this law, and that is very commendable. It is something that we should all respect and understand.

The old Act contained an enabling provision which attempted to open the door to proceedings in either official language in criminal trials. In the proposed Act we have Criminal Code provisions. If we are going to get anything that has some strength, we have to address the Criminal Code provisions.

The provisions of this proposed Act would permit the amendment of Part XIV.1 of the Criminal Code which deals with the language of trial. It provides for a complete code of language rights in criminal matters and ensures the national implementation of the law. In the past that is something that we have seen as very difficult. We now have a certain sense of security in that we know the Act has actually dealt with these amendments. I cannot call them amendments because it is a brand new Act, and it is an Act with a lot of strength.

Also when we look at the role of the President of the Treasury Board, or another Minister who is designated, it makes sense that the President of the Treasury Board should be the one who is presently designated, because it is the President of the Treasury Board whose over-all responsibility

is the management of the public and administrative functions. It seems to me that giving that office that type of power is really important.

When I was at the municipal level we had factions within the provincial context that were angry that there could be two official languages in a province. We were able to bring people from our community and municipality together and have a by-law that declared a municipality bilingual. For me, it was something that affirmed the fact that it could be done. I was told that we would bankrupt the municipality, that it was totally impossible. With some very practical applications it was possible.

When I was President of the New Democratic Party, travelling across the country, more and more I realized the richness and the willingness of people in all communities. Sometimes those people rationalized it a little by saying, "I would never want to learn the other language, but for the sake of my children it is important we do", or "I think it is important for the good of the children that we encourage them to learn the other language". But it was the rationalization of older biases that were starting to diminish and the resolution was beginning to be there because they understood the importance of strengthening our country as a bilingual and bicultural country.

As we travel through the country and talk openly, and let us not be afraid to talk about it, even if we do have some differences, let us put them on the table and talk about what type of vision we have. Where are we going with it? Is it correct that an individual who speaks the language of one of the founding nations of our country, either English or French, cannot be heard in a court of law in the language with which he or she is most comfortable? There are not many people across this land who would say that such person should not be heard in the official language with which he or she is comfortable.

In looking at the language of work, it seems to me that certainly the public service is just that, it is giving service to the people of the country. It does not make any sense to suggest that citizens of this country could only receive this service in one official language, either French or English.

We have put a law in place that will say forever more there will be that type of protection; forever more that there will be the ability for us to operate our federal Government in both official languages, and that as we move into the future we will reach that point, I hope, when we are rid of those types of debates that took place in some of the communities across this land during provincial elections. I am quite sure that they also take place periodically during municipal elections.

Today we must state that it is a pleasure to be in the House of Commons and know that we have Bill C-72 before us knowing that it has to go to committee. There are a few areas that I think have to be strengthened or amended. But there is goodwill, and I think this can be done. There are none of us here who do not recognize the difficulty and the tensions that exist in the North regarding the protection of the languages of our aboriginal people. We do want that to be the case, while at the same time we also want to ensure that English and French receive the priority they should receive. It is unacceptable that French and English people living and working in the North cannot receive services in their language.

At this moment in our history it is possible to make some amendments in order that both the Yukon Territory and the Northwest Territories can be excluded from being officially bilingual. I guess that happens by not identifying them as federal institutions. They will then have time to meet the needs of their communities, needs which are very different needs from those in the South. It is important that we recognize that fact.

As we are trying to recognize the justice of our bilingual and bicultural society in our evolution, surely we must remember that the peoples who were here first are those peoples who have probably had the most difficult time in protecting their culture and their language. It seems to me if we can do anything through our Official Languages Act, through other laws, or by providing resources to the territories to help them change the situations that have existed for so long, we should be wanting to do that.

• (1240)

I do not think the Bill will require a great deal of amendment. I think we can do it. However, I would ask Hon. Members to think about perhaps excluding the Yukon as a federal institution under the Act. If we look at the total implications, and recognizing that the Yukon Government is willing to deliver services in both official languages but is trying to balance its resources to protect aboriginal languages, I do not think it is an extraordinary request. The place to do that would be at committee, and I think we can come to some resolution that would make some sense.

I am pleased that this legislation is before us. We have probably taken three steps in this regard. The first step was in 1969 with the first Official Languages Act. The next step was in 1982 when once and for all the rights of both cultures and languages were recognized in the Charter of Rights and Freedoms, and soon we will have a very strong law to protect both languages. Certainly society will recognize the fact that it is not whether it is French or English, but it is because of French and English which gives our country its strength and beauty. As we live with this legislation it will make more sense and legislators and public servants will automatically address the delivery of their services in both languages.

Annually, since 1969, we have always looked at the report of the Official Languages Commissioner. It has had a certain amount of clout. It was always interesting to see what Departments were not doing so well and what Departments were doing better. There was a certain amount of pride when Departments did well, and it was very important. However, this Bill will no longer depend upon a review or a report. We will still be getting reports, but the Bill will put some teeth into

the legislation so that the Commissioner of Official Languages will be able to recommend and enforce. This is very important. If there is anything that is almost pathological in society today, it is the cynicism of recommendations constantly being made without the ability to enforce or implement them. Certainly we can now say with a great deal of pride that we have an official languages Bill that does not only depend upon review and reports but actually has some teeth to implement the recommendations coming from these reports. This is probably one of the most important parts of the whole Bill. As good as is any law, if it is difficult to enforce, it gets watered down or people tend to ignore it. That is not what we want.

I say on behalf of the New Democratic Party that we would like to ask for a couple of amendments at committee. They are nothing very great. It would be just to get some consensus in terms of the Yukon and the Northwest Territories. Apart from that, we are very pleased to support the Bill. It is a step forward in the evolution of our country and our society. It gives me a great deal of pleasure to have been able to speak to it. It is something that has been very close to my heart. As a native Quebecer I saw a lot of discrimination happening to the majority of the community there when I was growing up. Today I see the progress which has been made, and I see people born in English Canada who are proud of the fact that they are part of a bicultural and bilingual society.

All I can say is that we have come a long way and we will still go a long way with positive evolutions in society that will give us the character and fabric of which many of us have dreamed. I think that will be a reality, and the Bill will help it happen.

Without being overly full of praise, I say that this is one time the Government has done something which we can all certainly support.

[*Translation*]

**Mr. Richard Grisé (Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council):** Madam Speaker, I want to start by congratulating the Hon. Members for Ottawa—Vanier (Mr. Gauthier) and Hamilton Mountain (Ms. Dewar) on raising the level of debate on the Bill before the House above any hint of political partisanship. I am sure the Government has no objection to the House adopting this Bill as soon as possible. Madam Speaker, as the Member for Chambly and as a resident of that riding since my earliest years—

[*English*]

I was raised in a very small community which had a few Anglophones. I had the opportunity to learn English at an early age and to attend a French high school where I had good English teachers, which improved my English a little. Of course, Madam Speaker, I would never say that I am as bilingual as you. I also had the opportunity to send my children to English schools. Even if we are Francophones in origin, we understand a little better the two cultures of our great country.

I am very proud to live in a part of Quebec where there is absolute co-operation between French-speaking and English-speaking people living in the community and in fact in the whole riding of Chambly. I am very proud to represent them, whether they are English or French.

• (1250)

[*Translation*]

Madam Speaker, I welcome this opportunity to speak at the second reading stage of Bill C-72, an Act respecting the status and use of the official languages of Canada. This Bill is an important piece of legislation which, I believe, reflects the many linguistic aspirations of French-speaking Canadians, whether they are from Acadia, Manitoba or Quebec, and of English-speaking Canadians, whether they are from Newfoundland, Quebec or Alberta.

Madam Speaker, I would like to start by congratulating the Members of the Standing Committee, Members of both Chambers who worked so hard to prepare and draft this Bill, and especially the Hon. Member for Charlevoix (Mr. Hamelin), who chaired the Committee for several months and the Hon. Member for Abitibi (Mr. St-Julien), the present joint chairman.

The House will recall that the existing Official Languages Act is 18 years old. It was necessary to amend the Act to reflect changes that have taken place in Canadian society in the last two decades and the linguistic reality of the eighties. We had to provide a modern and progressive framework for our language policy for the years to come. The Bill contains a number of new elements that are compatible with the linguistic needs of Canadians.

I think Canadians will approve of the rights conferred under this Bill and the obligations it places on federal institutions, and I am thinking of the proceedings and business of Parliament, legislative documents, the courts, communications with and services for the public, language of work, and so on. Canadians will also have access to judicial recourse when they consider they have been denied their language rights.

The concept of official languages has changed a great deal in the last 20 years. From the report of the B & B Commission to the 1969 Official Languages Act, from the entrenchment of language rights in the Canadian Charter of Rights and Freedoms to the recognition of the Canadian linguistic duality in the Meech Lake Accord—when once more our Government and our Prime Minister, along with his provincial counterparts representing four different political parties, were able to sign this historic agreement that brings back Quebec within the Canadian constitutional family—, we went from what some consider to be a symbol to a concrete and living reality.

This Government, with its commitment to national reconciliation, started early to work for a reform of language policies in order to ensure institutional equality between English and French-speaking Canadians. In June 1987, the Minister of Justice (Mr. Hnatyshyn) introduced Bill C-72,

which is the cornerstone of linguistic renewal in this country. If there is a part of the Bill which reflects the Government's will to concretely and effectively improve established systems, it is the one dealing with administration of justice. In this regard, the Bill is to be considered as an extension of the rights afforded in the 1969 Act and of the basic guarantees given by the Constitution.

Madam Speaker, each and every year, during the Canada Day celebrations, we can see all over the country another concrete proof of the importance of bilingualism and national reconciliation for this Government. Since 1984, and particularly since July 1st, 1985, Quebec in particular celebrates Canada Day. Canada Day is not exclusively for the rest of Canada any more; Quebecers are also full-fledged Canadian citizens and celebrate Canada Day with as much vigor, energy and pride as Saint-Jean-Baptiste Day on June 24.

Madam Speaker, I will not repeat each component of this Bill. My colleague, the Minister of Justice, has stated them very clearly. Just let me, as Parliamentary Secretary, say a few words on language obligations imposed on federal institutions in the administration of justice as well as on this Bill's opening onto Canadian society in general.

In that important area, the new legislation proposes to implement the existing constitutional guarantees, namely, as the Supreme Court of Canada said in the decision on language rights in Manitoba, "to give French-speaking and English-speaking people equal access to the legislative bodies, the legislation and the courts of law."

Of course, the Bill states some obligations that already appear in the existing Official Languages Act. Thus, federal courts will still be required to hear witnesses in either of the official languages, to provide simultaneous interpretation services and to make available to the public their decisions in both official languages. However, the Bill goes even further. For the first time, a federal law will force federal courts to ensure that the judge chosen to preside at a hearing understands without the help of an interpreter the official language in which the case is being heard.

Madam Speaker, also for the first time, the Government of Canada will have to use in legal proceedings the official language selected by the other parties. Finally, under a new provision, forms that are required to be served by federal institutions must be bilingual.

With respect to provincial courts having a criminal jurisdiction, the Official Languages Act provides for some consequential amendments to the Criminal Code concerning the language in which the proceedings are carried on.

We have to remember that the Criminal Code already provides in Part XIV.1 that any accused is entitled to be prosecuted in his own official language.

It has been noted throughout the years that the scope of that right had to be specified. The Bill provides that when a court orders that an accused is to be prosecuted before a judge or a judge and jury who speak the official language of his choice, the accused and his lawyer will be entitled to use any official language during the proceedings; the witnesses will be entitled to testify in one of the official languages; the accused will be entitled to hear the plaintiff in the language of his choice; the courts will be required to offer simultaneous interpretation services; and finally, the file will include a copy of such interpretation.

I suggest this brief statement shows convincingly that this new legislation will enable us to make large strides in the administration of justice. I am firmly convinced of that.

I would now like to point out a significant provision of this Bill which shows the innovating nature of the linguistic renewal undertaken by the Government and its desire to open up the Canadian society.

Once again, Madam Speaker, I refer to the Meech Lake agreement concluded by our Prime Minister (Mr. Mulroney) which has allowed the Canadian people to realize that we are a society unrivalled throughout the world. Canadians are unique.

As I said, the Meech Lake agreement undoutedly shows the interest shown by the Government to allow the Canadian community to become more open.

Madam Speaker, the enforcement of the legislation is not merely restricted to federal institutions. It has a wider scope since it attempts—and I insist on that term—to involve Canadians generally. Thus, it sets forth the Government's commitment to promote full recognition and use of French and English in the Canadian society, to encourage the development of French and English minorities in Canada, with as much equity and equality as must be deserved.

The Bill had surely to provide for means of carrying out those commitments. So the Governement, through the Secretary of State, intends to co-operate with the provinces, and the private and volunteer sectors to pursue those various interests. The Secretary of State will also have to attend to the continuation and development of programs relating to the official languages. The Government's policy in that area is clear: it seeks to foster recognition and use of as well as training in the official languages, everywhere in Canada.

Madam Speaker, the Official Languages Bill is a complete measure in that it makes linguistic duality meaningful. It covers the most important aspects of the linguistic field and gives them a strong and durable basis in law. It proves the very strong will of the Government of truly and really reforming its language policy. It fits in with our efforts to achieve national reconciliation. In that sense, it complements the historical Meech Lake Accord. In short, Madam Speaker, it has all the necessary elements to fulfill everybody's aspirations and expectations in that area. So, as a Progressive Conservative Member and as the Parliamentary Secretary to the Deputy Prime Minister, I am very proud of the contents and scope of this Bill, and I hope it will soon be part of our federal statutes.

**The Acting Speaker (Mrs. Champagne):** It being one o'clock, I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

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### AFTER RECESS

The House resumed at 2 p.m.

## STATEMENTS PURSUANT TO S. O. 21

[*English*]

### ENVIRONMENTAL AFFAIRS

PROPOSAL TO HARMONIZE CANADIAN AND AMERICAN LAWS

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, in its haste to get a trade deal with the United States, the Government neglected to examine possible environmental consequences. The Mining Association of Canada said recently that it favours a "harmonization" of environmental law on both sides of the border so as to achieve "a level playing field" between environmental requirements and costs to industry.

It is fair to say that Canadians would support this concept only if standards are equalized to the higher, not the lower standards, so as to reflect the growing concern of both Canadians and Americans for more stringent environmental protection. But the Government did not address this issue when negotiating the sale of Canada.

If any harmonization of environmental standards to keep industry on both sides of the border on a level playing field is to be made, it must be done with improved environmental protection as the priority. By its own admission, the Government has not studied possible environmental impacts of the trade deal. Thus, the Government has failed to live up to its commitment to the Brundtland Commission report. What a sham!

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### TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—POSITION OF U.S. WHEAT ASSOCIATIONS

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, Canadian critics of the Canada-U.S. trade agreement in their overblown rhetoric claim that the Canadian Wheat board is gone, the family farm has been sold, and other like nonsense. Let us examine the American viewpoint regarding these same provisions.

A delegate to the National Association of U.S. Wheat Growers said: "We got shafted by Canada. We want fair trade, not free trade". The Association President, James Miller, stated: "Canada came out the clear winner in the FTA because it will gain access to the huge U.S. market without giving anything in return".

Winston Wilson, President of the U. S. Wheat Association, stated: "We got our pants taken off on this one. We can't afford any more agreements of this type. We can't see the rights of our producers sold off. Canadians can sell all the wheat they want to us but we can't ship any back".

This is the other side of the coin. These are the comments of leaders of the United States wheat growing groups. Can it be that maybe, just maybe, our negotiators did an outstanding job of safeguarding the interests of Canada's wheat producers?

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### BANKRUPTCIES

PRINCIPAL GROUP—LENGTH OF INVESTIGATION DEPLORED

**Mr. Simon de Jong (Regina East):** Mr. Speaker, thousands of Principal Group investors throughout Canada are angry. They are angry at this Government that promised them over eight months ago that it would soon be completing its investigation into possible misleading representations made to investors by the Principal Group.

Principal Group investors, many of whom lost their entire life savings, are demanding to know why it has taken the Department of Consumer and Corporate Affairs over 240 days to complete its investigation. On August 12, 1987, the Minister of State for Finance (Mr. Hockin) assured us that he was "looking into" allegations of misrepresentation. On August 13, 1987, the Minister of Consumer and Corporate Affairs (Mr. Andre) said that his Department was "attaching high priority to this matter". On August 26 the same Minister said in this House that the investigation would be completed by the end of August. The Minister was later criticized by a bureaucrat in his own Department for going "a little too far".

Eight months later, despite all this talk of action, the investigation is still not completed and thousands of investors are demanding to know why.

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### POLITICAL PARTIES

CANADA-UNITED STATES FREE TRADE AGREEMENT—POSITION OF LIBERAL PARTY

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, the Liberal Brain Trust did so much ripping at its meeting in Vancouver last weekend, where the free trade pact was discussed, that it reminded me of Rip Van Winkle.

"Rip it up! Rip it up", cried the Right Hon. John Turner. "Don't rip it up. Don't rip it up", shouted Paul Martin, an alleged rising star in the Liberal Party.

"Rip, rip, rip!" "Don't rip, don't rip!" "Rip, rip!" "Don't rip, don't rip!"

Do you know, Mr. Speaker, that the Right Hon. Leader of the Liberal Party (Mr. Turner) may rip the Liberal Party apart if he does not wake up and join Don Johnston.

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## INDIAN AFFAIRS

CONDITION OF SCHOOL IN FORT ALBANY ON JAMES BAY

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, Fort Albany is a small Indian community on the western shore of James Bay. There are 130 children, from kindergarten to grade eight, who attend the local school. Their school is a fire trap.

The school's fire hazards were brought to the attention of the Department of Indian Affairs in 1986, and again in 1987, with little response. A recent evaluation by an architectural firm from Winnipeg states that the fire detection, fire alarm and fire-fighting systems are completely inadequate. The firm recommends closing the school immediately. The firm states: "Without over-emphasizing the situation, we suggest that the lives of the children are hanging in the balance".

The Minister must move quickly to make this school safe from the threat of fire. Plans for the construction of a new school, scheduled for completion in four years, must be accelerated. Prompt action now can prevent a disaster.

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## SCIENCE AND TECHNOLOGY

NORTHERN TELECOM—OPENING OF NEW ADVANCED TECHNOLOGY CENTRE IN NEPEAN

**Mr. Bill Tupper (Nepean—Carleton):** Mr. Speaker, on Friday in Nepean—Carleton, the Hon. Minister of State for Science and Technology (Mr. Oberle) opened Northern Telecom's new Advanced Semi Conductor Technology Centre built at a cost of $106 million. This is one of the most significant high-technology investments made by the private sector in Canada in the last decade.

• (1405)

In addition, Northern Telecom's research and operating expenses related to the centre will exceed $205 million between 1986 and 1990.

Northern Telecom is the world's leading supplier of fully digital telecommunications systems and the fourth largest manufacturer of telecommunications systems in the world. Its goal is to achieve world leadership in telecommunications by the year 2000. The company chose Canada for this major investment because of availability of skilled personnel, enhanced trading relations with the U.S., and a favourable tax environment.

Friday was a day to celebrate, in both Nepean—Carleton and Canada.

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## EXTERNAL AFFAIRS

MIDDLE EAST—PEACE CONFERENCE PROPOSED

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, the violence in the Middle East has left three more dead and scores injured. While the Israeli Government seeks control through beatings and killings, the persistent resistance of Palestinian youths attests to the bankruptcy of this policy. Until now the Canadian Government has failed either to issue a diplomatic protest or ask the Israelis to show restraint.

The Israelis and the world now know that the Palestinian call for a homeland demands an urgent response or the Middle East will plunge into dangerous and violent anarchy which will threaten not only the existence of Israel, but world peace.

A long-term solution must be found and an international peace conference will provide a means. More than once the opportunity to resolve the Palestinian problem has been lost because Governments dithered. It is imperative that we do not allow this to happen again. I therefore call upon the Canadian Government to state its support for such a conference and commit itself to working towards its accomplishment with the urgency the situation demands. If this effort is made, perhaps some good can yet come from this turmoil.

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## MEMBERS OF PARLIAMENT

FREEDOM OF EXPRESSION—HONOUR, INTEGRITY, RESPONSIBILITY

**Mr. John Oostrom (Willowdale):** Mr. Speaker, the House is the only institution in Canada where Members can exercise complete freedom of expression without consequence. This intrinsic right, however, entails a heavy burden of responsibility. By our actions we set the moral agenda for present and future generations. Recent events in this House are reason to examine this right more closely.

As a Member who was born and spent the early portion of his life in Holland, I am familiar with the rules and regulations of European Parliaments. When Members in those democracies comment on an event involving individuals, they must be certain of the facts before any names are used. Innuendo, circumstance, and partial facts are not allowed. That protects

individuals as well as the integrity of Parliament and its Members.

A few weeks ago the Leader of the Socialist Party of Canada underscored this point when, using a newspaper article as his source, he accused an innocent person of being a Palestinian terrorist. Freedom of expression means honour, integrity, and responsibility. If we follow these ideals, then no one will be hurt.

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## SCIENCE AND TECHNOLOGY

### CANADA SPACE AGENCY—DELAY IN DECIDING LOCATION

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, once again Canada's space agency has been launched into the world of publicity, but not to the stars and not into orbit. Once again the Government's launch was aborted, and once again its lack of leadership has hit the news. This time it is the frustrated former head of the agency who resigned because of the Conservatives' inertia and inability to take a decision on whether the agency's headquarters should be in Ottawa or Montreal. We have been waiting more than 16 months for the Prime Minister (Mr. Mulroney) to make up his mind, and we are still waiting today.

The Minister of Science and Technology (Mr. Oberle) said the delay had put a lot of extra pressure on Art Collin. More than six months ago the Minister asked the Prime Minister to make a quick decision, and Mr. Ken Lewis, head of the Canadian Aerospace Industries Association, said Canadians are the victims of the space agency delay. If the Government cannot make a decision, who the heck can? Let us have a decision on the space agency as soon as possible.

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## POLITICAL PARTIES

### NEW DEMOCRATIC PARTY—FUNDING THROUGH UNION DUES

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, here are a couple of paragraphs from a letter from a constituent of mine, a union member who is extremely upset:

Dear Felix:

Why do I have to support the NDP with my union dues? More than half of my buddies can't stomach the Socialists, especially here in Manitoba. We're paying through the nose here because of those "beep beep" Socialists under Howard Pawley.

Felix, can't you make a law that stops our union from automatically taking and giving my hard-earned money to Socialists?

Do I, as a Canadian, not have the right to object to this misuse of union funds? Aren't the NDP collecting campaign funds in an illegal fashion this way?



Felix, I read in the *Hansard* you sent to me that the municipal NDP candidates were funnelling money as a tax rip-off through their federal party. There is nothing democratic about this situation. Please help.

Signed, Bill.

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• (1410)

## NATIONAL DEFENCE

### NORTHWEST TERRITORIES—PROPOSED ESTABLISHMENT OF MILITARY BASE IN NANISIVIK

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, the Minister of National Defence (Mr. Beatty) announced last week the establishment of a permanent military base in Nanisivik, Northwest Territories. The Minister promised there would be consultation on the cultural, social, and environmental impacts of this project.

The Government does not have a good record of listening to northerners. The concerns of the Innuit with regard to low level military flights, and of the residents of Cold Lake, Alberta, with regard to Cruise missile testing, have fallen on deaf ears.

I call on the Minister to set out a specific timetable for the consultation process that will take place with groups such as the territorial Government, local communities—particularly those of Nanisivik and Arctic Bay—environmental groups, and other interested groups, and to ensure that the current land claims negotiations between the Tungavik Federation of Nunavit and the federal Government will be respected.

Further, the Minister must ensure that northerners benefit from any development in the North. I call upon the Minister of National Defence to guarantee that skilled job opportunities with commensurate training will be available to the people in whose area this project is built.

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## POLITICAL PARTIES

### NATO—POSITION OF LIBERAL PARTY

**Mr. W. R. Bud Jardine (Northumberland—Miramichi):** Mr. Speaker, last week we witnessed the NDP's dilemma of whether to reject the Party's longstanding policy to pull Canada out of NATO. While anxiously awaiting the result of this battle between ideology and pragmatism, we witness the now true colours of the Liberal Party as articulated this weekend by their Leader (Mr. Turner).

After some 20 years of neglecting our Armed Forces and of not pulling our weight in NATO, we see that the Liberals would further weaken our already rusty Navy while at the same time threaten our traditional freedoms and values by planning to abandon the NATO Alliance.

The Liberals plan to demilitarize the Arctic, yet the Soviet Union has some 200 nuclear powered submarines, with a new one off the assembly line every five weeks. The Liberals plan to discontinue Cruise missile testing, while the Soviet Union continues to fly simulated attacks on the North American continent with their Cruise missile carriers, the Bear H Bombers.

During the last election campaign we found that the Liberals turned to Washington for their foreign and defence policy. In an attempt to swing their Party to the left are they now seeking their policy from Moscow?

Now is the time for solidarity in the NATO alliance, not a time to grab at superficially attractive but substantially inadequate measures.

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## FOOD

CALL FOR LABELLING OF FAST FOODS

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I think the saddest moment I have experienced as a Member of Parliament was when I had a lady in my office last December whose son had died after eating a fast-food apple turnover at Arby's. She cried in my office and said that he died in her husband's arms and he did not even have a chance to wake up. He knew that he had a problem with the food but, unfortunately, the Government has not required labelling of fast foods.

At the time I was so moved that, rather than making a partisan issue of it, I spoke to the Minister directly and asked whether there was something we could do to the Food and Drugs Act to prevent this kind of tragedy from occurring again. I waited some time and nothing was forthcoming. In mid-January I made plans to introduce a Private Members' Bill by seeking legal drafting. I have been waiting for that.

In the meantime another young woman has died. How many young people in the prime of their lives have to be snatched away before we in fact take some action with respect to labelling of fast foods? McDonald's has money for packaging to sell the clowns and the sizzle. Why can it not simply mark what is included in fast foods in order to prevent the senseless deaths and tragedies that we saw recently in Ottawa, and before that in the city of Burlington?

I ask the Minister to support a request I will be making tonight before the Committee on National Health and Welfare to have the Government move with regulations on fast food labelling.

# ORAL QUESTION PERIOD

[*Translation*]

## THE CABINET

MICHEL CÔTÉ AFFAIR—APPOINTMENT OF JEAN SIROIS AS CHAIRMAN OF BOARD OF DIRECTORS OF TÉLÉFILM CANADA

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is directed to the Prime Minister and deals once again with the resignation of the former Minister of Supply and Services.

According to a report published in *Le Soleil*, the Rivard, Hickson and Sirois lawfirm paid some $200,000 toward the purchase of the former Minister's house.

In view of the fact that Mr. Jean Sirois was appointed Chairman of the Board of Téléfilm Canada some two weeks later, is the Prime Minister in a position to tell us whether it was by a happy coincidence that Mr. Jean Sirois was chosen for that job, rather than someone else?

• (1415)

[*English*]

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, that is a matter which does not touch upon the Government's responsibilities. The transactions between a Minister and someone else in this instance are not presently under any inquiry of the Government.

**Mr. Speaker:** Before the Hon. Member begins his supplementary question, I must say that I was listening carefully to the question and I think that the answer that has been given is probably a right observation procedurally. I would ask the Hon. Member to proceed with some care.

TELEFILM CANADA—APPOINTMENT OF CHAIRMAN

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my supplementary question is directed to the Prime Minister. In view of the fact that the appointment of Mr. Jean Sirois as Chairman of the Board of Telefilm Canada was an Order in Council appointment, will the Prime Minister explain to the House why this individual was hired for this job and why, in particular, he received a salary of $64,225 a year when his predecessor's salary was $13,325 a year?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I can only repeat that the Government is prepared to answer questions on government policy. With all due respect, however, I am not nor do I think any one in the Ministry is in a position to answer that particular question.

PURCHASE OF FORMER MINISTER'S HOUSE—APPOINTMENT TO TELEFILM BOARD

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, the Prime Minister and the Minister will know that Order in Council appointments are the responsibility of Cabinet and, more particularly, of the Prime Minister. Will the Prime Minister indicate to the House now why that particular individual who, along with others, had contributed to the purchase of the Minister's former house, was chosen for that position?

**Mr. Speaker:** Order. Is the Hon. Member suggesting or making some charge of wrongdoing with respect to some individual in relation to a purchase of a house by a Minister? If so, this is not the proper place to make it. The Hon. Member for Notre-Dame-de-Grâce—Lachine East.

ISSUANCE OF GOVERNMENT CONTRACTS

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, my question is directed to the Prime Minister. When he announced the resignation of the former Minister of Supply and Services, he said that it was because the Minister did not report a loan as required by the conflict of interest guidelines, and described it as a technical violation.

However, on the weekend we learned that the Minister, who is responsible for government purchasing, had taken this loan from an individual whose corporate enterprises had been given large government contracts. Does the Prime Minister not consider this behaviour as a conflict of interest and not a mere technical violation? Why was it not reported as such? When will the Prime Minister give us the full details with respect to this loan?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, the firms of Adélard Laberge and Talbot Hunter have been on the government supply list for some time—in fact Adélard Laberge since 1979 and Talbot Hunter since 1973. In other words, they have been supplying the Government for some time and there is no suggestion of any improprieties.

We are presently conducting an investigation. As soon as the examination is complete a full report will be made available.

**Mr. Allmand:** No Minister received a loan of $250,000 in the period of time referred to by the Minister.

**Mr. Crosbie:** How do you know?

REQUEST FOR APPOINTMENT OF ROYAL COMMISSION

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, the Minister of Energy, reported these matters to the Prime Minister's Office over a year ago. How can the Prime Minister or his Deputy House Leader say that the Government did not know about these matters? Why did it take them so long to act on them?

Finally, do the Prime Minister and the Government intend to act on the request by the Member for Rosemount, the former Minister, when she asks for a Royal Commission to look into all these very shady matters?

• (1420)

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, as I advised the House, a full inquiry is taking place by the government officials. I think my hon. friend made a mistake when he referred to the Minister of Energy.

As soon as the failure to report was reported to the Prime Minister, the Minister's resignation was demanded.

**Mr. Speaker:** I will recognize the Hon. Member for Oshawa in a moment.

I listened carefully to the question. I think that perhaps the Hon. Member mentioned the Minister of Energy in error. I want to be sure that the record is accurate on that point. Perhaps the Hon. Member can assist the Chair and indicate whether he meant the Minister of Energy or another Minister.

**Mr. Allmand:** Mr. Speaker, I stated that the Minister of Energy is reported to have told the Prime Minister's Office more than a year ago about these matters relating to the former Minister of Supply and Services yet nothing was done. It was in that respect that I mentioned the Minister of Energy.

**Mr. Speaker:** The Hon. Member for Oshawa.

* * *

## THE ADMINISTRATION

PC CANADA FUND—CONFLICT OF INTEREST GUIDELINES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my questions are for the Prime Minister. They concern two subjects about which I wrote the Prime Minister on Friday.

The Prime Minister will recall that last Tuesday he asked for and obtained the resignation of a Minister of the Crown because, in his words, the Minister failed to register a personal loan. Since Section 24 of the Prime Minister's conflict of interest guidelines requires all members of the Cabinet, including the Prime Minister, to register "all direct and contingent liabilities", why did the Prime Minister not act in compliance with this section by registering the moneys that he received from the PC Canada Fund?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, on January 19 the Leader of the NDP rose in the House of Commons and made a false accusation against the wrong man, Mr. Mohammad. On Friday he made another false accusation, using misinformation about me and about my family.

**Mr. Broadbent:** What is the accusation?

**Mr. Mulroney:** He did indeed. The Leader of the NDP on Friday said that either he was telling the truth last year when he said it was a loan, in which case it has to be registered, or it is not a loan, to put it bluntly, and they were lying to the people of Canada. The answer is that it was not either/or. The answer is that it was neither.

There is a statement issued today by Mr. Jean-Pierre Kingsley, Assistant Deputy Registrar General of Canada, which states the following:

> In view of the confusion surrounding this matter, however, I wish to make it clear that my Office has been aware of the Prime Minister's arrangements with the P.C. Canada Fund since they were first mentioned publicly and at no time have I or my predecessor or anyone else considered them to be related in any way to the Code.
>
> Moreover, were I asked today if these arrangements are covered by the Code, I would advise that they are not and I would consequently state that they do not constitute a potential conflict of interest, an apparent one, or a real one, and that they do not require to be reported under the Code.

**Some Hon. Members:** Hear, hear!

CONTENT OF GUIDELINES—REGISTRATION QUERY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my supplementary question is for the Prime Minister. It would have helped if the Prime Minister had answered the question. The question refers to a very specific section of his guidelines where it states that all direct and contingent liabilities ought to be registered. My question was straightforward. I asked him why it was not registered. I asked him that particularly in light of the fact that the same gentleman to whom he referred, prior to the weekend indicated in his view, in terms that we all understand, that money obtained under those circumstances did indeed constitute a liability. The question was straightforward when I put it to the Prime Minister, and I would still like an answer.

• (1425)

Could the Prime Minister, who is responsible for those guidelines, and who has heard the wording twice from me already, tell us why, in his view, the moneys he received from the PC Canada Fund ought not to be registered? It is a straightforward question.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I am under no illusions with the Leader of the NDP, and I say this with some sadness. He has become the master of calumny of the thirty-second clip.

**Mr. Broadbent:** Answer the question now, Mr. Prime Minister.

**Mr. Speaker:** I would ask the Right Hon. Prime Minister to continue his answer, and as much as possible I would ask all Hon. Members to contain their language during this exchange.

**Mr. Mulroney:** I notice, Mr. Speaker, that he made no apology to Mr. Mohammad or his family for having unfairly defamed them, and I expect none today from the Hon. Member. That is becoming, unfortunately, his tradition of throwing out falsehoods and accusations that he cannot sustain, and then backing away from them.

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** Look who is talking.

**Mr. Speaker:** Hon. Members will know that earlier this morning I made it very clear that I expected all Hon. Members to exercise this Question Period at a proper level of parliamentary procedure. I asked Hon. Members who were asking questions to think through very carefully their preambles. While there may be a little straying, there is some indication that those admonishments have been respected.

I would expect that all other Hon. Members, who may be in a position to answer questions, try to ensure that their answers are also as procedurally proper as can be.

The Right Hon. Prime Minister.

[*Translation*]

**Mr. Mulroney:** Mr. Speaker, clearly the New Democratic Leader refuses to accept a completely watertight statement. I will therefore read once more the statement just issued by Mr. Jean-Pierre Kingsley, Assistant Deputy Registrar General, who concludes the following:

"In view of the confusion surrounding this matter, however, I wish to make it clear that my Office has been aware of the Prime Minister's arrangements with the PC Canada Fund since they were first mentioned publicly and at no time have I or my predecessor or anyone else considered them to be related in any way to the Code. Moreover, were I asked today if these arrangements are covered by the Code, I would advise that they are not and I would consequently state that they do not constitute a potential conflict of interest, an apparent one, or a real one, and that they do not require to be reported under the Code.

[*English*]

**Mr. Broadbent:** Mr. Speaker, it would be interesting to know now what other kinds of loans will not have to be registered. We know that loans from the PC Canada Fund do not have to be, and Canadians will be very interested to know what other kinds of loans will not have to be registered.

[*Translation*]

MICHEL CÔTÉ AFFAIR—QUERY WHY PRIME MINISTER WAITED YEAR BEFORE ACTING

**Hon. Edward Broadbent (Oshawa):** But my last question deals with a different matter. According to a report published in *Le Devoir*, a newspaper that is well respected in Quebec and other provinces, the Minister of Energy, Mines and Resources

informed the Prime Minister's Principal Secretary in November of 1986 of certain allegations concerning former Minister Côté. If that was accurate, why did the Prime Minister wait a year before acting?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member referred to a report according to which the Minister of Energy, Mines and Resources informed, I am told, on November 10, 1986 my Principal Secretary of some matter. As it happens, on November 10, 1986, the Minister of Energy, Mines and Resources was abroad.

[*English*]

STATEMENT RELEASED BY ASSISTANT DEPUTY REGISTRAR GENERAL

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is for the Prime Minister on the statement of Jean-Pierre Kingsley which I understand was released at two o'clock just before Question Period began.

I understand that on Friday, Mr. Lortie, the Press Secretary for the Prime Minister, described the payments made by the PC Canada Fund for the Prime Minister as advances. That same day Jean-Pierre Kingsley stated that funds made available to a Minister, whether called a loan or an advance, are subject to the conflict of interest rules.

• (1430)

I would like the Prime Minister to tell the House exactly what was it that led Mr. Kingsley to issue his statement today, taking a position which seemed quite at odds with the one he took on Friday. Could he help the House to understand exactly what happened over the weekend?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I will be happy to help my hon. friend. Mr. Kingsley sets it out very clearly in the first two paragraphs:

> In view of statements attributed to me in the media relating to the "Conflict of Interest and Post-Employment Code for Public Office Holders" and the Prime Minister's arrangements with the P.C. Canada fund, I wish to clarify the matter.
>
> Last week, in response to inquiries from representatives of the media, the Liberal Party, and the New Democratic Party, I advised on what constituted a liability, a loan, and an advance on a loan concerning public office holders generally. I have always refused to discuss the individual situation of any public office holder and I avoided commenting on the Prime Minister's arrangements with the P.C. Canada Fund, either directly or indirectly.

Some Members took the liberty of extrapolating from that statement a conclusion against me. The conclusion was false.

I say to the Leader of the NDP or the House Leader of the Liberal Party: If you have any charge to make against me or my family, rise in your place and make it.

**Some Hon. Members:** Hear, hear!

INTERPRETATION OF GUIDELINES

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I and other Members of the House have a perfect right to know the extent to which the Prime Minister is applying to himself his own conflict of interest guidelines and whether he is dealing differently with himself, for example, than he dealt with the Hon. Member for Langelier.

Now we have Mr. Kingsley's statement, and I want to ask the Prime Minister if he can tell us whether Mr. Kingsley has gone into detail on exactly what loans or advances to Ministers are now acceptable under his guidelines. Can he answer that question?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, there is a classic illustration of the recklessness of the Opposition in regard to the truth. Mr. Kingsley puts out a statement which clearly deals specifically with the question raised by the Leader of the NDP and the House Leader of the Liberal Party and, notwithstanding that, he refuses to accept the word of a senior public official of the Government of Canada and tries to cast aspersions.

I tell my hon. friend, and I tell the Leader of the NDP, that while I accept the cut and thrust of partisan debate, I believe that Canadians think, in regard to the matters that you persist in raising every day, you have crossed the boundaries of fairness and propriety. You have gone too far.

* * *

## CANADA MORTGAGE AND HOUSING CORPORATION

REQUEST FOR USE OF TORONTO LANDS FOR HOUSING PROJECTS

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is for the Minister responsible for CMHC. In view of Metro Toronto's housing crisis due partly to the high cost of land there, what initiative can and will the Minister take to free up some of the land now being held in Metro by the Government, including 50 acres around the offices of Canada Mortgage and Housing Corporation itself, as well as some lands in the city of Scarborough?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, as the Hon. Member knows, a report was commissioned and filed by Mr. McLaughlin who studied all federal sites in the city of Toronto. That study is now being analysed to see if there are any surplus properties that might be made available for housing or for any other reason.

We hope to have the results of that report and that analysis reasonably soon.

[*Translation*]

## CONFLICTS OF INTEREST

MICHEL CÔTÉ AFFAIR—ALLEGATIONS THAT PRIME MINISTER'S OFFICE HAD BEEN INFORMED—REQUEST FOR DETAILS

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is directed to the Prime Minister who will know that one of the most respected journalists in the province of Quebec reported last Friday that in November, 1986—I would not know the precise date—the Prime Minister's Office was made aware of concerns and scandals, and specifically of problems in the case of the Minister, now the Hon. Member for Langelier, about his personnal debts and the cost of his lifestyle. The Minister of Energy, Mines and Resources did not deny that report so far. He did not comment it at all.

Could the Prime Minister confirm that discussions have been held in his office with the Minister of Energy, Mines and Resources, on or about November 1986, about problems in Quebec City? If so, why no action has been taken for 15 months?

[*English*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have just returned from Saint John, New Brunswick, where they are very interested in the regional development policies of my hon. friend. They want to see my hon. friend from Ottawa Centre who announced that the NDP regional development policy was to take business away from the Saint John Shipyards in Atlantic Canada. They do not think that is much of a regional development policy at all, and they are waiting for you in the Maritimes.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I will want to take a look at the newspaper clipping to which my hon. friend refers in regard to a respected journalist, as he says, from the Province of Quebec. I will take a look at it.

My information is that it contains a specific date, in which case my information is that during the time when this meeting was alleged to have taken place the Minister in question was out of the country.

[*Translation*]

QUERY WHETHER PRIME MINISTER'S OFFICE HAD BEEN INFORMED ON PROBLEMS AND LIFESTYLE OF MEMBER FOR LANGELIER

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, Canadians want an "open" answer from the Prime Minister who has had four days now—the PMO has had four days to confirm or deny the article published in *Le Soleil* by one of the most respected journalists in Quebec. Yes or no, during the month of November 1986—I do not have the exact date—did the Minister of Energy, Mines and Resources, Quebec's "political" Minister in the Conservative Cabinet, tell the Prime Minister's Office about serious problems concerning the life style and personal debts of the former Minister of Supply and Services, the Hon. Member for Langelier? And why was nothing done for at least 15 months after being advised that journalists wanted to write articles on this question?

[*English*]

**Mr. Speaker:** Order, please. I listened very carefully to that question and I cannot help but note that a lifestyle or some debts are not necessarily any kind of criminal offence. I just want to make that observation before the Government replies, and I would ask that in that reply Ministers keep carefully in mind exactly what the question was.

[*Translation*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have already answered that question. Having failed in their first attempt to smear the Prime Minister of Canada, the NDP Members—conceited as they are—are now trying to stain the reputation of other persons. Please, talk about issues like employment, regional development, interest rates, national unity, talk about something but not garbage!

* * *

[*English*]

## THE ADMINISTRATION

PUBLICATION OF NEW CONFLICT OF INTEREST CODE

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I have in my hand a copy of the statement by Jean-Pierre Kingsley, which was given to Members just before Question Period.

My question is for the Prime Minister. In light of the interpretation by Mr. Jean-Pierre Kingsley of the Conflict of Interest Code, specifically Section 24, Members can only be left with the conclusion that all loans arranged by Ministers of the Crown through Party funds, or for that matter by extension through riding association funds, are not subject to the Code. I ask the Prime Minister—

**Mr. Speaker:** Is the Hon. Member suggesting that there is any accusation around any Minister getting money from Party funds?

**Some Hon. Members:** No.

**Mr. Speaker:** I just want that clear in the question.

**Mr. Tobin:** Mr. Speaker, I think if you check the "blues", you will see that I have made no accusation. I am asking a question.

**Some Hon. Members:** Oh, oh!

**Mr. Tobin:** Given my premise and given that the Prime Minister intends to publish soon, we are told, new conflict of interest guidelines for public office holders, specifically

Ministers of the Crown, will this interpretation, if it stands with respect to Section 24 and which I submit would be an enormous loophole, be closed in the exercise of publishing new conflict of interest guidelines?

[*Translation*]

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, Mr. Kingsley's statement is straighforward. If that statement raises some concerns with the Hon. Member, it seems to me quite appropriate to discuss those concerns whenever some legislation is tabled in the House. We all want reasonable and leakproof rules to govern the conduct of Hon. Members and Ministers. Therefore, I will listen carefully to any new suggestion from my hon. colleague.

• (1440)

[*English*]

REQUEST THAT PRIME MINISTER CLOSE POSSIBLE LOOPHOLE

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I submit to the Prime Minister that given the interpretation of Section 24 as outlined today by Mr. Jean-Pierre Kingsley in his letter versus a strict reading of Section 24, we have an obvious, massive, grey area. I submit it is a loophole big enough to drive a Mack truck through.

Can the Prime Minister give the House an undertaking today that he will specifically look at Section 24 and the interpretation of Jean-Pierre Kingsley, as outlined in his letter, with a view to closing any possible loophole that will allow public office holders, specifically cabinet Ministers, to use Party fund-raising apparatus as a means of obtaining loans that otherwise would not have to be reported?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, we have just seen a situation with regard to the Elections Act where clearly, on behalf of all Members of Parliament in all political Parties, changes ought to be made. That Act has to be tightened up to protect Members of Parliament against inadvertent errors that could result in unfair charges against a Member in any political Party. That, I think, should be part of our urgent review to make sure that Members of Parliament are not needlessly or unfairly dealt with pursuant to the Elections Act.

It may very well be that when my hon. friend sees the new legislation he will want to raise concerns, to tighten up any suggestions to make the legislation better and more reasonable. Indeed, I will listen with care. What I am looking for is what I am sure all Members of Parliament are looking for, namely, the highest standards which require integrity on behalf of all Members of Parliament on behalf of the national interest which we all seek to serve.



## ABORTION

SUPREME COURT DECISION—POSITION OF B.C. PREMIER—ACCESS TO HEALTH CARE

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, my question is for the Minister of National Health and Welfare. This past weekend the Premier of British Columbia defied the spirit of the Supreme Court decision on Canadian abortion laws, contrary to the Health Care Act.

When the Minister meets with his provincial counterparts will he make sure that Canadians right across the country have fair access to health care?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, as I said in the House last week, I have written to all my provincial counterparts asking for their views.

I think all Members, regardless of what position they take on the question of abortion, and specifically the Supreme Court decision, know that it is not only complicated but also that it runs very deeply into various areas of administration and public concern. The Government, as the Minister of Justice indicated earlier, will come forward with a policy, but we will do it when those consultations have taken place.

CANADA HEALTH ACT

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, it has been more than 10 days now since the Supreme Court decision came out. The Premier of British Columbia is creating a two-tier system, one for the rich and one for the poor. It is very, very irresponsible of the Minister if he does not make a decision very quickly that the Canada Health Act be certainly met by every province in Canada.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I take it that that was a statement and not a question.

SECTION 7 OF ACT

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I have a question for the same Minister on the same subject. Does he feel that Section 7 of the Canada Health Act is currently being respected?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, Sections 8 to 12 of the Canada Health Act very clearly spell out the principles of the Canada Health Act, and Sections 13 and 14 very clearly spell out the action which the Minister has to take.

REQUEST FOR MEETING OF FEDERAL AND PROVINCIAL MINISTERS

**Ms. Sheila Copps (Hamilton East):** Mr. Speaker, I would like to ask the Minister to give me an answer to a very simple question.

Does he believe that Section 7 is being respected? If he believes there is a problem with respect to the application of the Canada Health Act, as set out in Section 7 dealing with principles of comprehensiveness, universality, portability and accessibility, will the Minister within the next 48 hours convene a meeting of the Ministers of Health across the country so that we can start to return some order into the chaos that has erupted as a result of the Government's lack of leadership?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Supreme Court heard the case and took approximately 16 months to come forward with its decision. I think any person who has looked at the issue will agree that some time can and should be taken on these very sensitive issues before a decision is made.

The Member mentions Section 7. I have already indicated, through Sections 8 to 12 and 13 and 14, the exact position of the Canada Health Act.

* * *

## BANK OF CANADA

REQUEST FOR INTRODUCTION OF LOWER INTEREST RATE POLICY

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my question is addressed to the Minister of Finance. The Minister, I am sure, will have noted that various Members of this House, particularly from my Party, as well as government Members and the Premier of Quebec, last week called upon the Government to institute a lower interest rate policy. In fact Mr. Bourassa stated that the high interest rate policy is causing a loss of jobs and that the Government can and should instruct the Governor of the Bank of Canada to lower the rates.

Does the Minister agree with the Premier of Quebec, or does he agree with the Governor of the Bank of Canada and the tight monetary policy that that institution is following?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think what Mr. Bourassa has said in terms of the over-all desire for increased economic growth is something which this Government shares and has demonstrated with the policies we have followed and a broad range of things we have done over the last three and a half years.

What I have made very clear, and I will state quite clearly in the House today, is that we are in support of the monetary policy that has been conducted by the Bank of Canada.

I want to draw to the attention of the Member that in previous times, particularly in the 1970s when inflationary pressures were ignored, this led to considerable economic problems which took a long time to work their way out of the system. It is important to head these inflationary problems off in their earliest stages, rather than letting them develop to the magnitude which they did before.

REQUEST THAT MINISTER ISSUE INSTRUCTIONS TO BANK GOVERNOR

**Mr. Simon de Jong (Regina East):** Mr. Speaker, I have a supplementary question for the Minister. On the one hand we have a government policy attempting to keep the Canadian dollar down, or at least stable in its relationship with the U.S. dollar, yet on the other hand we continue a high interest rate policy forcing the dollar up. The result is a loss of Canadian jobs.

**Some Hon. Members:** No.

**Mr. de Jong:** Is the Minister of Finance not prepared to instruct the Governor of the Bank of Canada to ease up on the monetary policy so that people in Saskatchewan, in rural areas in northern Quebec, northern Ontario, the Atlantic Provinces, and in many regions of this country with high unemployment, know that at least there is a monetary policy to help those regions and create more employment in all our regions?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member has to cast his mind farther afield than on just one element of economic policy. What has produced the good economic results in Canada has been a range of economic initiatives taken by the Government.

If I may quote Peter Martin, chief economist for the investment dealers McLeod, Young, Weir, described in *The Gazette* as an influential voice in the financial community in Canada, he said: "They have had a fabulous economic policy, the best economic performance in Canada's history and an extremely good fiscal policy".

That is what we are standing on. We have followed a range of policies that were first enunciated in September, 1984. The over-all result is the creation of over 1,150,000 jobs, an economic growth in Canada that is best of the G-7 countries, an employment growth in Canada that is best of the major industrialized countries, and an inflation rate that is stable, but on the high side in relation to Japan, Germany and France. It is that inflation rate that we would like to see down a little bit further to improve our competitive position and to improve the job-creating performance that we have today.

* * *

• (1450)

## TRADE

TEXTILE EXPORTS—MINISTER'S DISCUSSIONS WITH UNITED STATES TRADE AMBASSADOR

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I have a question as well to direct to the Minister of Finance. During the visit he made to Switzerland, he had a meeting with Mr. Clayton Yeutter, the chief trade ambassador for the United States, at which time they discussed, I gather in fairly dramatic terms, the question of the proposed remissions on textiles for Canadian garment makers.

Could the Minister confirm that at that meeting in fact the U.S. officials asked Canada to withdraw its proposals? Could he tell us whether the Canadian decision still stands firm to hold towards a program of aiding the garment and apparel people in this country so they will be able to compete properly and effectively?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the answer in part to the Hon. Member's question is, yes, I met with Mr. Yeutter at the meeting in Switzerland. But the content of that meeting, I think, the Hon. Member, who was himself a Minister, would understand is a matter of confidence between Mr. Yeutter and myself.

CANADA-UNITED STATES FREE TRADE AGREEMENT—U.S. SENATORS' LETTER

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** My supplementary question is directed to the Minister of Finance or to the Minister for International Trade. I have here a copy of a letter that was sent by a number of Senators in the U.S. Finance Committee, which is responsible for approving the proposed Canada-U.S. agreement, to Mr. Clayton Yeutter. It is signed by the chairman, Mr. Bentsen, and a number of other Senators. It states that before the committee will turn its attention to the specifics of implementing legislation on the Canada-U.S. agreement, the Congress wants to know how the administration intends to deal with the proposed Canadian moves on both textiles and import controls on dairy products, two very important ingredients in terms of the competitiveness of our own industry.

In light of this kind of position being taken by the U.S. Senate Finance Committee to the U.S. administration, is it not the responsibility of the Minister of Finance to report to this House whether the Government is now under some form of threat, or intimidation, or pressure to change its position? Can we get a firm confirmation that the Minister does not intend to change the position on either the textile remissions or the proposals on import controls for the dairy products of Canada?

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, my responsibility for duty remissions prompts me to answer that supplementary question. I am delighted the Hon. Member is expressing concern about the Canada-U.S. agreement perhaps not being passed. I am pleased he has expressed this concern. Perhaps he will join in helping us bring it about.

More importantly, I feel that quotations from the United States on the duty remission scheme from Canada are vastly premature. We have no formal position in place. We have no program in place. We have no level in place.

**Some Hon. Members:** Oh, oh!

**Mr. Hockin:** Therefore, statements from the Americans are totally premature at this time.

**Mr. Axworthy:** Here we go again.

* * *

## HOUSING

METROPOLITAN TORONTO—VACANT LAND AT DOWNSVIEW AIR BASE

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation as well. It also relates to the affordable housing crisis in the greater Metropolitan Toronto area at the present time. As the Minister is aware, the Government is sitting on some 250 acres of vacant land at the Downsview air base. Will the Minister give the House his assurance today that that land will be made available for affordable housing just as quickly as possible?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, as I previously indicated to another question, we are looking at the McLaughlin report. I might note that the fiscal and housing policies of the Government have realized some 55,000 housing starts in the Toronto area in the last two years, 2,200 of them directed toward social housing. Those are record-breaking numbers that should be observed.

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## REGIONAL ECONOMIC DEVELOPMENT

BRITISH COLUMBIA—STATUS OF ECONOMIC REGIONAL DEVELOPMENT AGREEMENTS

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, my question is directed to the Minister of Finance. He will be aware that his British Columbia counterpart has recently announced that the Province of British Columbia plans to withdraw unilaterally from the Economic and Regional Development Agreements, thereby causing even more difficulties in terms of that regional economy getting back on its feet. In light of this rather peculiar initiative by a Finance Minister from one of our provinces, could the Minister of Finance indicate, first, whether or not he is aware of this withdrawal and, if so, what the Government has considered doing about it?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)):** Mr. Speaker, the question put by the Hon. Member is hypothetical. We are aware that the Province of British Columbia is reconsidering its approach to economic development. Talks are taking place between officials of both Governments concerning the ERDAs which do exist in the province. No decision has been made, to our

knowledge, by the province to withdraw unilaterally. My colleague, the Minister responsible for WDO, is in close contact with British Columbia and is looking after the issue.

FEDERAL GOVERNMENT'S POLICY

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I want to tell the Hon. Minister that I am also in close contact with British Columbia. The Minister of Finance announced a few days ago that the Government of British Columbia was in fact unilaterally withdrawing—had withdrawn—from the ERDA agreement. That has been confirmed as late as this afternoon.

Knowing that the Government of British Columbia had decided to abandon its serious pursuit of economic development in that province, and considering the extremely high unemployment levels throughout the interior and coastal areas of the Province of British Columbia, will the Government now take some initiative on the eve of the Budget to indicate that, while the Government of British Columbia might abandon its business sector and any attempt at economic development, this Government will plan on some special economic affirmative action program to counter that province's particular inaction?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)):** Mr. Speaker, quite in line with our policy of national reconciliation, I do not think it is the intention of the federal Government to dictate to British Columbia how it should deal with economic development within that province. What we have told British Columbia, and what Members of this House will know, is that the Government, through the western diversification initiative, is fully ready and willing to co-operate with British Columbia to address the economic issues affecting that province, and that is what we are doing.

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## HOUSING

PROPOSED SALE OF LAND IN VAUGHAN

**Mr. John Oostrom (Willowdale):** Mr. Speaker, my question is also directed to the Minister responsible for CMHC. In the area of Vaughan, adjacent to the riding of Willowdale, there is also a large parcel of land about to be sold. Can the Minister assure the House that this land will be used, or can be used, for building reasonably priced homes?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I am not aware of the particular parcel of land in question. However, if the Hon. Member would like to give me particulars and indicate his particular wish, I would be happy to direct Canada Mortgage and Housing Corporation to review the possibilities and report to him.

## TRADE

IMPORT CONTROLS ON DAIRY COMMODITIES

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is directed to the Minister of State for Finance. In light of the letter written by Lloyd Bentsen, the Chairman of the Finance Committee of the United States Senate, to Mr. Yeutter, concerning the imposition of import controls on dairy commodities which the Minister of Agriculture announced with great flourish at the meeting of dairy producers of Canada in Vancouver a couple of weeks ago, is the Minister now saying that these import controls were not passed as a cabinet order? Are they not in place? Could he clarify just what the position of the Government is now in this respect?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I can assure the Hon. Member that the measures announced by the Minister of Agriculture are in fact valid measures and are in place as appropriate.

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## FARM CREDIT CORPORATION

STATEMENTS ATTRIBUTED TO CHAIRMAN

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my supplementary question is directed to the Acting Minister of Agriculture in the absence of the three Ministers of Agriculture and the Parliamentary Secretary.

**Some Hon. Members:** Order.

**Mr. Foster:** It concerns the hardship that has been worked on dairy farmers by the Government. I want to ask the Acting Minister of Agriculture if the statements made by the new Chairman of the Farm Credit Corporation, Mr. Jim Hewitt, represent government policy. He said that farmers will be dealing with a tougher, unforgiving federal loan agency in the future, and that the agency will move against farmers who cannot make their payments. I wonder if the Acting Minister of Agriculture can say if that represents government policy or whether Mr. Hewitt was just talking off the top of his head.

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, the statements of Mr. Hewitt will be examined and the Minister of Agriculture will respond to them tomorrow.

**Mr. Foster:** Late show!

• (1500)

**Mr. Speaker:** The Hon. Member for Mission—Port Moody is rising on a question of privilege?

**Mr. St. Germain:** A question, not a question of privilege.

**Mr. Speaker:** Supplementary question.

## REGIONAL ECONOMIC DEVELOPMENT

WESTERN DIVERSIFICATION FUND—APPLICATION TO BRITISH COLUMBIA

**Mr. Gerry St. Germain (Mission—Port Moody):** Mr. Speaker, my question is directed to the Minister of State for Small Businesses and Tourism, and is supplementary to the question asked by the Hon. Member for Kamloops—Shuswap.

**Mr. Marchi:** That is not a supplementary.

**Mr. St. Germain:** It is a supplementary.

I would like the Minister to state clearly in this House, and eliminate any confusion in British Columbia, that the western diversification initiative and all federal programs will remain in place and will progress for British Columbians as set out. Would he verify that, please?

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)):** Yes, Mr. Speaker, I can give that assurance to the Hon. Member.

**Mr. Speaker:** I want to say something to the Hon. Member for Humber—Port au Port—St. Barbe. It may very well be that on his question, which turned out to be completely appropriate, I interrupted too soon. I want to apologize to the Hon. Member.

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## BUSINESS OF THE HOUSE

WAYS AND MEANS—DESIGNATION OF ORDER OF THE DAY

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board):** Mr. Speaker, there have been discussions among the Parties and I think you will find that there is unanimous consent to move the following order immediately and vote on it without debate. It concerns the Budget. I move:

> That further to the order of the House of Jan. 29, 1988 respecting arrangements for budget day, Feb. 10, 1988, the following paragraph be inserted between the first and second paragraphs of the said order:
>
> That, immediately following such budget statement, the House shall revert to the routine proceeding "Introduction of Government Bills" and, following introduction and first reading of such Bill or Bills, the Speaker shall recognize a Member of the Official Opposition in debate on Ways and Means proceedings No. 29; and

There have been discussions among the House Leaders and I appreciate their co-operation in this matter.

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, I just wanted to report that indeed there were consultations and what the Hon. Minister has just explained to the House appears to be a true reflection of the agreement reached.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, I want to say how pleased we are to lend our support to this initiative. In this way the entire budget package will be before the people of Canada on budget night as opposed to dribs and drabs coming out over the following weeks. We appreciate this initiative so that we and the people of Canada can have a comprehensive view of the Budget and its implications on budget night.



**Mr. Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

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## PRIVILEGE

ALLEGED CONTEMPT BY MEMBER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, in my eight and a half years in this House I have never risen on such a question and in many ways I am hoping that before we are done it will go away; that the graciousness and integrity for which this House is known will prevail, and it will not have to be carried even further.

You may have noticed that during Question Period on Friday, on the basis of what I heard, I was obviously distraught and disturbed. This morning I had the opportunity to read *Hansard* and that reading confirmed the feeling I had at that time. Sometimes during Question Period we may or may not hear correctly and I hesitated to raise the matter until I had *Hansard* in front of me.

Privilege is a time-honoured tradition in this House, and I think Joseph Maingot's book, *Parliamentary Privilege in Canada*, has for many of us been the definitive work on privilege in the House of Commons. Those privileges can be breached in a general way when Members or the press or anyone else shows contempt for the Chamber. It can also be argued as to what constitutes contempt. I think it can also be corrected if the record is corrected by the Hon. Member who made the statement. I am referring to statements made in this House by the Hon. Member for Saint-Jacques (Mr. Guilbault) as shown on page 12672 of *Hansard* of Friday, February 5. In his opening statement the Hon. Member said:

> Mr. Speaker, in addition to what we already knew, we are learning this morning—

I would like to stop there for a second and point out to the House that there is information available, about the situation which is the subject matter of the question, which is not known to all Members of the House but is known to members who sat on the committee. It is known to those of us who were not members of the committee but who sat through the hearings.

The Hon. Member for Saint-Jacques was and is a member of the committee and he sat through two very traumatic hearings on Wednesday and Thursday of last week, February 3 and February 4, in which matters related to the Elections Commissioner, evidence collected by the RCMP, and conclusions reached by the Commissioner, were the subject of some five hours of testimony. I assume that the Hon. Member is speaking about what we already knew in the context of his continued attendance at that committee, including questions he asked and information which was given to him by the Commissioner and others in response to those questions.

His words "we are learning this morning" refers to an article in the Montreal *Gazette* which supposedly put new information on the table. It may have seemed like new information to many Members of this Chamber and the general public, but to members who sat on the committee it was not new information.

**Mr. Gauthier:** Point of order, Mr. Speaker. I have been listening to the argument of the Parliamentary Secretary for the last four or five minutes and I do not understand the question of privilege he is trying to develop. He said himself that the assumptions he made are wrong. I would like to know exactly what the point of order is so that we can deal with it in a thorough manner. It is not a question of privilege if, as I understand, his assumptions are wrong.

**Mr. Speaker:** Perhaps the Parliamentary Secretary could respond.

**Mr. Hawkes:** Mr. Speaker, I will just go to the next part of the Hon. Member for Saint-Jacques' opening statement:

> —we are learning this morning that the Minister of Energy would have overspent to the tune of $20,000—

I have in my hand *The Gazette* of that morning. I asked my office to carefully check other sources of information and the only source of information available about the overspending is in *The Gazette* article. The headline says: "Masse hid big outlays: RCMP allege" and then: "Affidavit filed by police during probe suggested excess spending of $20,000."

The affidavits mentioned in this particular newspaper article are related to the alleged overspending of the Minister. I want to point out that one of the statements in the article, and in many other articles over many other months, is:

> By law Masse was allowed to spend $35,500 for his campaign in Frontenac riding. He reported expenses of $32,941.

The publicly available document of election spending reported by the Minister reports spending of $52,328.92. That amount is approximately $20,000 higher than the amount mentioned in *The Gazette* article. Committee members are aware that affidavits were issued and searches were conducted in September and October. All members of the committee who attended the hearings are also aware that all of the evidence from those searches and seizures was presented to the committee and that the Electoral Commissioner—

**Mr. Speaker:** As I understand the alleged question of privilege of the Parliamentary Secretary, it relates to the preamble to the question put by the Hon. Member for Saint-Jacques (Mr. Guilbault) yesterday. I repeat:

> Mr. Speaker, in addition to what we already knew, we are learning this morning that the Minister of Energy would have overspent to the tune of $20,000—

• (1510)

The Hon. Parliamentary Secretary then interjected and said "Wrong!" and others interjected. The Hon. Member for Saint-Jacques (Mr. Guilbault) continued and said: "Information disclosed in 16 police raids has it that the Minister would not have reported the personal chauffeur" et cetera, and a number of other things, at which point I asked the Hon. Member to put his question.

It seems to me, unless I have misunderstood, that the point of the Parliamentary Secretary is that in some way the questions of the Hon. Member for Saint-Jacques leave an impression which is not consistent with the facts as were presented in the committee. Do I understand the Hon. Parliamentary Secretary's point?

**Mr. Hawkes:** Yes, Mr. Speaker, you do.

**Mr. Gauthier:** Well you are wrong then. You cannot do that.

**Mr. Guilbault (Saint-Jacques):** You cannot do that.

**Mr. Gauthier:** Go back to the committee.

**Mr. Hawkes:** This so-called new information mentions the 16 police raids—not 16 affidavits but 16 police raids. The evidence before committee is that all the evidence gathered through that investigation was presented to the Commissioner of Elections and the Commissioner of Elections decided that the Minister would not be charged for overspending, would not be charged for not reporting expenditures made—all of which would be breaches of the Act—would not be charged for signing in improper fashion an incorrect return, and not be charged for counselling anybody else to break the law. That is a brief summary of two days of testimony.

The *Gazette* story presents what the Member for Saint-Jacques describes as new information based on affidavits. I would like to read into the record a very brief exchange between the Member for Saint-Jacques and the—

**Mr. Rossi:** You are boycotting the language Bill, Hawkes, and you know it. That is what you are doing.

**Mr. Speaker:** The suggestion that is being made is that an Hon. Member has made statements in this House which, according to things which have taken place in committee with regard to the Hon. Minister of Energy, do not accurately reflect the situation. As I understand it that is the Parliamentary Secretary's procedural point.

It would seem to me that if the Chair were to find contempt or privilege the Chair would have to be satisfied that even if the statement was incorrect it carried an intention to mislead the House. It may be that hon. friends on the other side listening to the Parliamentary Secretary are a little concerned that that imputation may be being made here and they may very well want to offer it.

I think I have the Parliamentary Secretary's point and I have to ensure that I hear it all. However, I understood also that the Parliamentary Secretary may very well be saying that the newspaper is in contempt of this place. If that is the case, I would like to receive some instruction on that.

**Mr. Hawkes:** Mr. Speaker, the nub of the issue is that the privileges of the House, as they affect contempt, are based on the issue of anything which a Member does in the House which offends the dignity of the House. That is on page 14 of Mr. Maingot's book and it goes further in the same paragraph to provide such protection for officers of the House. The Elections Commissioner is indeed an officer of the House.

As the Member knew the testimony of the officer of the House you face the following situation, Mr. Speaker. If you accept that evidence from the officer of the House you then know that the so-called new information is not correct in many of its particulars, and in particular on the issue of overspending. You have another choice if you believe that the officer of the House has not told the committee the truth. In that case you can make a charge about the officer of the House.

However, it is not possible that the story is correct while at the same time the testimony of the commissioner is correct. There is a libel against the officer inherent in what was said or there is disrespect for the House involved in what was said, and for this Member in particular, who is the only member of the committee who brought forward an RCMP affidavit which the committee accepted and distributed to all Members. There was an exchange about the RCMP affidavit. If I could, just for one second, read from that exchange—

**Mr. Speaker:** My difficulty is that while I think it is incumbent upon the Chair at some times to give considerable latitude, we are now getting into a debate over evidence or information. My difficulty is that I am not quite sure how far it leads. We cannot take up the whole of the afternoon trying to unravel what interpretation might be given.

**Mr. Rossi:** That is what he wants.

**Mr. Speaker:** I am trying very hard to ensure that no one in this place imputes the motive of any Hon. Member and I am having some difficulty with interventions from somewhere on my left.

I am essentially concerned that if this is to be privilege or contempt there has to be a clear indication that, prima facie, the Hon. Member made certain remarks with some deliberate intent to mislead this place or knowing something which, if the Hon. Member had paid any attention to it, would have kept him from making those comments. In other words, there must be some suggestion of intentional wrong-doing.

The Hon. Parliamentary Secretary has certainly made a compelling argument that there are perhaps two sides to the fact pattern. However, the Hon. Parliamentary Secretary has not gone so far as to suggest that whatever was in the preamble of the question of the Hon. Member for Saint-Jacques on Friday was an intent to deceive this place. It may very well be that two Members can come at the same set of facts with a different version.

However, my concern, again, is that the Speaker cannot decide which Member's version of the facts is the most accurate. I must decide whether there is a prima facie case of someone trying to mislead this place. That is the difficulty I am in. Perhaps the Hon. Parliamentary Secretary could sum up and I will consider what other Hon. Members have to say.

**Mr. Hawkes:** I thank you for your wisdom, Mr. Speaker. It would be helpful if more time passed and we had the committee report and all of the testimony before the House. I would be quite willing to stand down at this time in light of what you have said, Mr. Speaker, because it is a difficult case for Members to understand without the transcripts and all the testimony available to them. Members would have to decide for themselves whether or not the knowledge which the Member for Saint-Jacques had by the time February 4 was over should have been used by him in dealing with the so-called new information on the fifth.

The whole issue of protection of the integrity of the House might go away if the Member, either at this moment or between now and then, reflected upon it. Perhaps we are simply dealing with someone who mis-spoke. You can see from the record that the Member was cut off. Had he been allowed to continue he may have had a chance to finish a set of ideas which, in themselves, constitute a kind of privilege. I would certainly be willing to let the matter rest for a while.

**Mr. Speaker:** It may well be that the Chair, in intervening when I did, did the Hon. Member an injustice. I certainly did not want to do that. I will certainly hear the Hon. Member for Saint-Jacques.

**Mr. Jacques Guilbault (Saint-Jacques):** Mr. Speaker, let me first thank the Hon. Member for Calgary West (Mr. Hawkes), not for raising this confusing would-be question of privilege in the House, but rather for his courtesy this morning in advising my office that he would make an attempt at convincing Your Honour that I was in breach of privilege.

First, to clear the air, let me say that whatever I did last Friday—and I will come back to that—was in no way an attempt to try to mislead the House as to facts as I knew them. It was not an attempt to charge a Member of the House. I believe that over the years I have been known for using very straightforward language. If I had wanted to charge someone, I think everyone would have been able to realize it.

• (1520)

The Hon. Parliamentary Secretary was wise enough to guess that when I rose on Friday morning I was quoting the morning issue of *The Gazette*, from an article which I am holding, entitled "Masse Hid Big Outlays RCMP Alleged".

The Hon. Parliamentary Secretary is wrong in saying that this was the only place where the information could be found. It also appears in *The Ottawa Citizen* in an article entitled "Masse overspent by $20,000: Report". I have more than that now. I am holding a pile of affidavits which describe in detail what is only hinted at in these articles.

If I am guilty of something, it would be for quoting a press clipping without properly attributing the source. In fact, I had only three lines in *Hansard* in describing my preamble before I was interrupted by the Hon. Member who is raising the question of privilege and by the Parliamentary Secretary to the Minister for International Trade (Mr. McDermid). I had little time to carry on describing what I was reading verbatim from *The Gazette* when Your Honour stood to say:

> I think that the Hon. Member has put sufficient into his preamble to place the question.

I was getting to the point of quoting a couple of other items from the article and stating clearly that I was quoting from *The Gazette*.

I had to clarify this because if I made these statements on my own I believe I would have to account for them.

I did not even go as far as *The Gazette*. I can provide the Chair with a copy of the article that I was reading. If Your Honour reads the whole article, I think you will see that I was trying only to give the essential elements in the preamble to my question. Your Honour can analyse my statement that the Minister "would have overspent" with the article which states in much straighter language: "Mr. Masse's spending report made no mention". It is very clear. I was very careful to say "Would have overspent". I went on to say in my question, "Would not have reported", contrary to the article which makes an outright accusation.

I believe I can establish that I have been prudent in not trying to lay a charge in the House but to quote from a press report as a basis to a question, as has been done in the House dozens of times and continues today.

I suggest it is wrong for the Hon. Parliamentary Secretary to try to place before the House his confused interpretation of what transpired at committee hearings and allege that I should have known some of the things that happened in committee which would have prevented me from asking my question. Your Honour has known for a long time that one cannot raise a question of privilege because an Hon. Member does not understand committee proceedings the way another Member understands them.

I will not go into the details but simply say that the information that was disclosed before the committee is an opinion of officers of the House. It was clear from the testimony that we heard that this opinion is not shared equally by other participants in these inquiries, the RCMP. The RCMP will appear before the committee tomorrow night and if they give their testimony in accordance with some of the material I have, I think it is obvious that they will not come to the same conclusion as the lawyer from Elections Canada. I think that is all beside the point.

The real issue, I submit, is to determine whether I was willfully trying to mislead Parliament or charge the Minister. If there was anything that I said which led anyone to believe that I was trying to mislead the House, and it was interpreted that I did, I am ready to withdraw anything I said. I have never done that and will not start.

I make the same statement with respect to charging the Minister. I would not want anything I said to be interpreted as making a personal charge against an individual in the House. I will leave it up to the Chair to make a decision and will abide by the Speaker's ruling.

**Mr. Speaker:** I want to thank the Hon. Parliamentary Secretary and the Hon. Member for Saint Jacques I have listened with care. It is a complex matter and may well not have been made any easier by some reports in various places.

However, what is significant is that the Hon. Member for Saint Jacques has made it very clear that whatever differences there may be about what was said in committee or what ought to be known as a consequence of what was said, he did not at any time intend to either charge the Minister or to misrepresent or mislead this place. I think that is the end of the matter.

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## GOVERNMENT ORDERS

[*English*]

### OFFICIAL LANGUAGES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-72, an Act respecting the status and use of the official languages of Canada, be read the second time and referred to a legislative committee.

**The Acting Speaker (Mrs. Champagne):** When the House rose at one o'clock the Hon. Member for Chambly (Mr. Grisé) had just completed his remarks. We are now in the question and comment period.

**Mr. Allmand:** Madam Speaker, one of my highest priorities ever since I came to Parliament in 1965 has been the protection of minority rights, whether these be racial, religious, ethnic, aboriginal or language rights. My constituency in Montreal, Notre-Dame-de-Grâce, is a community of minorities. We have people from many races, religions and ethnic backgrounds.

**The Acting Speaker (Mrs. Champagne):** The Chair would like to make sure that the Hon. Member heard what I said. Is the Hon. Member on debate? I indicated that this was a period for questions and comments and I recognized the Hon. Member for a question or comment. However, as I listen to him I believe he is entering into debate for which I will be delighted to recognize him later.

**Mr. Allmand:** Madam Speaker, I misunderstood. I was entering into debate. I will wait for the question period to finish.

[*Translation*]

**Mr. Kindy:** Madam Speaker, I have a question for the Parliamentary Secretary, the Hon. Member for Chambly (Mr. Grisé), who expressed some of his views about the Official Languages Act.

I would like to ask him two specific questions about the administration of justice. Section 15 requires all courts except the Supreme Court of Canada to be perfectly bilingual within five years and also requires that the judge understand perfectly the language used.

Can the Parliamentary Secretary tell the House whether he believes that, within five years, every court in Canada except for the Supreme Court will be bilingual and that judges, even in Alberta or in Manitoba, will have to understand French perfectly, or does he think that this will not happen? That is my first question.

I have a second question about the language of work. Section 35 states that, in certain regions, employees in management positions must understand the language perfectly. Does the Hon. Member believe that it is realistic to implement such a provision in certain parts of Canada?

**Mr. Grisé:** Madam Speaker, I wish to thank my colleague for Calgary East (Mr. Kindy) for his interest in the official languages. First, as concerns the judges of a federal court, whether in Alberta or in another province, the important thing is to be able to provide judicial services in the language of choice when it is requested. This does not mean that we have to require that all judges of all federal courts throughout the province be perfectly bilingual.

Madam Speaker, Bill C-72 states that when the accused in a trial requests to be heard in French, he be given a French-speaking or at least a bilingual judge, and that the judge be able to hear the accused in his mother tongue, whether English or French.

The Bill will certainly not require that all federal court judges in Alberta be bilingual. That is not the case. However, Alberta courts must be able to provide services to the accused in either official language, whether French or English. I can tell the Hon. Member for Calgary East that, in every province, the Department of Justice and the courts can now provide such services.

As for the second question about the language of work, especially as concerns supervisors and managers, this provision obviously applies to the language of work of the employees at a given office in a given location, not to the whole country.

If in St. John's, Newfoundland, there is a Federal National Revenue office where most of the employees are English-speaking with only one Francophone or bilingual employee, it is clear that English will be the language of work. It would not be administratively possible to demand, just because there is a bilingual or Francophone employee on the premises . . . The same should apply in the various regions of Quebec, but not in Montreal, because Montreal, just as the National Capital Region, has been designated as a bilingual area. As far as the language of work is concerned, however, one should be able to function in the language used by the majority of the employees.

**Mr. Kindy:** A supplementary question, Madam Speaker. The Parliamentary Secretary has presented his view well, but I understand Clause 15 of the Bill differently. Could he indicate whether the Government is prepared to bring in an amendment to clarify the situation? For it is stated that any judge or other presiding officer must be able to understand the language well. I feel that an amendment should specify that such should be the case in one or two jurisdictions, and not in all the jurisdictions in every province. Let us make this clear. On behalf of the Government, could the Parliamentary Secretary assure the House that he will accept an amendment to Clause 15?

**Mr. Grisé:** First of all, Madam Speaker, Clause 15 applies only to federal, and not provincial courts. Only when Bill C-72 applies to courts of federal jurisdiction. If I may, I should like to read again the first part of Clause 15 which reads:

> Every court, other than the Supreme Court of Canada, has the duty to ensure that, in any proceedings conducted before it, any judge or other presiding officer is able to understand the official language or languages in which the proceedings are conducted without the assistance of an interpreter.

My friend the Hon. Member for Calgary East would like to move an amendment to limit the number. Well, Madam Speaker, how could one justify a number? Would a number of 1, 2 or 3, in one province, be justified in another province? What really matters is for this legislation to clearly indicate that the Government of Canada and the Canadian courts at the federal level, wherever they may be, will make sure that the cases are dealt with in the language chosen by the defendant.

• (1530)

[*English*]

**Mr. Domm:** Madam Speaker, I would like to pursue this point concerning the matter of Clause 15(1) which deals with the Federal Court. I would like to reiterate what my colleague has said with respect to the indecisiveness of the wording. Clause 15(1) states:

> Every court, other than the Supreme Court of Canada, has the duty to ensure that, in any proceedings conducted before it, any judge or other presiding officer is able to understand the official language or languages in which the proceedings are conducted without the assistance of an interpreter.

I suggest that that wording needs to be changed. Will the Parliamentary Secretary consider a couple of changes? First, rather than "every court" I suggest it should state "every Federal Court". Rather than "any judge or other presiding officer" it should state "any judge within the Federal Court system". If it says "any judge" it means all judges.

Will the Parliamentary Secretary not consider an amendment in that respect to read "a judge", which clearly would make it more acceptable to me? It would mean to me that in a jurisdiction considered to be a region that is able to enforce this measure the whole region would not need to have every judge, or any judge, able to communicate in both official languages without Translation but rather a judge able to handle the needs of the minority. I say that, whether or not the minority is Anglophone in one region or Francophone in another. Such a change would dispel any anxiety on the part of not only the judges but of certain Members of Parliament as well.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** The time allocated for questions and comments has now expired. However, I will allow the Hon. Parliamentary Secretary to answer briefly.

• (1540)

[*English*]

**Mr. Grisé:** I wish to respond because I know how hard the Hon. Member for Peterborough (Mr. Domm) has worked on this matter. He is very interested, and he has some very good suggestions regarding Bill C-72. I wish to assure my colleague, the Hon. Member for Peterborough, that when this Bill is brought before the committee, I definitely will take note of that. Of course, we will deal with this matter and with the very interesting suggestion from the Hon. Member regarding this matter, and particularly Clause 15 of Bill C-72.

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Madam Speaker, as I was about to say earlier, ever since I came to Parliament in 1965 one of my highest priorities has been the protection of minority rights whether these be racial, religious, ethnic, aboriginal, or language rights.

My constituency in Montreal of Notre-Dame-de-Grâce—Lachine East is a community of minorities. There are people from many races, religions, and ethnic backgrounds, and a strong representation from both language minority groups. In my constituency the French-speaking population is approximately 40 per cent of the total population. This means that the Francophone group in the constituency, while they are a minority in the constituency and a minority in Canada, they belong to the majority group in Quebec. On the other hand, the 60 per cent of Anglophones in the constituency, and here I include people whose mother tongue is English, and those who have another mother tongue but who have opted for English as their official language in Canada, constitute 60 per cent of the population. Therefore, they belong to the majority in Canada and in North America, but are a minority in Quebec.

Because of the strong presence of both language minorities in the constituency, I am very pleased to support this Bill which attempts to strengthen minority language rights in Canada under federal jurisdiction. In addition to strengthening minority language rights under federal jurisdiction, the Bill also has provisions to encourage improvement in language rights at the provincial level and in the private sector.

As the Minister stated this morning, this Bill is a result of wide and long consultation. As a member of the Official Languages Committee in Parliament since 1979, I wish to inform the House that over the years we have held hearings with respect to the Law and have been able to identify weaknesses and loopholes in it. Over those years we have made recommendations in order to strengthen the Law. Now a large number of those recommendations have been brought together and have been incorporated in the Bill.

What then does the Bill say? Well, the Bill deals with improvements with respect to the two official languages in Parliament, in the courts of Canada, in government institutions, with respect to the right of the public to communicate with the Government in the Public Service, and with respect to the Official Languages Commissioner. In all those areas improvements are recommended. I wish to refer to a few sections of the Bill in particular because I think they are extremely important.

In the preamble of the Bill one of the paragraphs states:

> AND WHEREAS the Government of Canada is committed to enhancing the vitality and supporting the development of English and French linguistic minority communities, as an integral part of the two official language communities of Canada—

A further paragraph states:

> AND WHEREAS the Government of Canada is committed to cooperating with provincial governments and their institutions to support the development of English and French linguistic minority communities, to provide services in both English and French, to respect the constitutional guarantees of minority language educational rights and to enhance opportunities for all to learn both English and French.

Those two paragraphs in the preamble are extremely important because they point to new ground. That new ground is spelled out in greater detail, for example, in Clause 38. I refer to the following clause because I think it is extremely important. It states:

> 38 (1) The Government of Canada is committed to ensuring that
>
> (a) English-speaking Canadians and French-speaking Canadians, without regard to their ethnic origin or first language learned, have equal access to appointment and advancement in federal institutions; and
>
> (b) the composition of the work-force of federal institutions tends to reflect the presence of both the official language communities of Canada—

That is a very important clause. It puts into law some of the policies that Governments from both the Liberal Party and the

Conservative Party have been attempting to enforce for years. Similar provisions are found in Clause 40 of the same Bill.

Another clause that I find extremely good and useful is Clause 75 which provides for remedies when a person's language rights are violated. Under the present Official Languages Act if a person thought that his or her rights were violated, he or she could make a complaint to the Language Commissioner who is an ombudsman for language rights. They could make a complaint to that person and the commissioner would investigate the complaint and make a report. It would be up to the Minister or the Government to take action on that report. That is all very good. But now in Clause 75 we have provided for a remedy before the courts, in addition to the remedy before the commissioner. These improvements in the law are important.

While it is a new Bill, this Bill constitutes a series of amendments to the Official Languages Act of 1969, a law that was passed in the early Government of Mr. Trudeau, but which was based on the royal commission report of 1963, a royal commission on the official languages in Canada established by the former Prime Minister, Lester B. Pearson. I had the good fortune to serve on the parliamentary committee in 1968-69 which dealt with that legislation. Therefore, I have a very real interest in it.

This legislation also builds on the constitutional provisions with respect to language rights that we find in our Constitution Act, 1867, and in our Constitution Act, 1982. In the Constitution Act, 1867 there is Section 133 which guarantees the right of people to use the French or the English language before the Parliament and courts of Canada, and before the Legislative Assembly and courts of Quebec. That was the only provision in the Constitution Act, 1867 with respect to language rights.

However, in the 1982 Constitution Act, there are Sections 16 to 22 which entrench very specific language rights for institutions under the federal Government and institutions under the New Brunswick Government. There is a paragraph in those sections that allows any other province to opt in to those constitutional provisions. Of course we are always hopeful that other provinces will do so. Recently the Ontario Government has taken some initiatives to further minority language rights. We hope that they will opt in fully to these provisions in due course.

• (1550)

Also in the Constitution Act, 1982 we have Section 23 which guarantees minority language rights in education to the linguistic minorities throughout Canada. This applies to all provinces, with one exception which I will mention in a few minutes.

The legislation strengthens some other measures as well. Over the last few years we have introduced a court challenges program by which the Government helps individuals to finance their court cases when they believe that their language rights under the Constitution have been violated. A number of cases has been financed by the Government under that program. It is a good program. It can always do with improvement, but it is a good one.

We also have two other government programs to assist with minority language education. There is the minority language education program whereby the federal Government gives money to the provinces to assist with minority language education. We have another program to help provinces introduce programs for second language education.

All these things move in the same direction—toward greater assistance and help for minority language groups in Canada.

Many Canadians might ask how Bill C-72, which is before us, relates to the Meech Lake Accord, in particular to its language provisions. As I stated in the debate on the Meech Lake Accord, there were parts of the accord which we in this Party did not like and tried to amend. The amendments were defeated, but on balance we accepted the accord and voted for it. I want to make it clear that in my opinion and in the opinion of most people in my Party, the Meech Lake Accord did not reduce minority language rights; it did not reduce minority language rights. If anything, it affirmed and added to minority language rights.

A good number of people, some of whom are in my own constituency, will argue that the Meech Lake Accord drastically reduced minority language rights for Anglophones and in fact even eliminated them. That is complete nonsense. The Meech Lake Accord did not take away any of the rights entrenched in the Constitution under the Constitution Act, 1867, that is, Article 133. It did not reduce or take away any of the language rights in the Constitution Act, 1982, the ones to which I just referred, Sections 16 to 22 and Section 23. It did not reduce or touch those articles in any way whatsoever.

What in fact it did, if we read the Meech Lake Accord closely, was to add some new provisions recognizing the linguistic minority communities in Canada. Because this is such an issue, I think I had better refer to it once again. It goes hand in glove with the provisions of the Bill before us.

Those who will argue that the Meech Lake Accord took away or reduced minority language rights—and in particular in my case they refer to anglophone rights in Quebec—the only evidence they will give to support their argument is that part of the Meech Lake Accord which recognizes Quebec as a distinct society within Canada. They say that that provision will harm or reduce the rights of Anglophones in Quebec. I do not know how they come to that conclusion, because there is no definition of a distinct society and there is no provision to indicate that it will harm or hurt other rights.

However, there is a provision in another subsection of the same clause which recognizes the fundamental characteristic of Canada. That clause says that the Constitution of Canada shall be interpreted in a manner consistent with the recognition that the existence of French-speaking Canadians centred in Quebec but also present elsewhere in Canada and English-speaking Canadians concentrated outside Quebec but also present in Quebec constitutes a fundamental characteristic of Canada. In the very next paragraph it says that the role of Canada and provincial legislatures, and that includes Quebec, is to preserve that fundamental characteristic of Canada.

In other words, by the Meech Lake Accord, the Government of Canada and the Governments of the provinces including Quebec must preserve this fundamental characteristic of Canada which includes the English-speaking factor in Quebec. I do not know how those who argue that the accord does away with or reduces Anglophone rights in Quebec can ignore that particular paragraph.

Unfortunately this paragraph has been referred to as the "distinct society" paragraph, but some learned jurists have suggested that it should be called the "D and D" paragraph, meaning the distinct society and duality paragraph because it does both things. It recognizes the distinct society of Quebec, but it also says that duality, the English and French-speaking minorities in Quebec and outside Quebec, must be preserved by the Governments of Canada and of the provinces.

That is a new protection for language rights in Canada. I do not know how those who argue the way my learned colleague from Westmount (Mr. Johnston) does, can ignore the paragraph to which I just referred.

I have challenged those people to show me anywhere in the Meech Lake Accord provisions which would reduce or eliminate Anglophone rights in Quebec or francophone rights outside Quebec. I have challenged them to do that, and I have not had one person come before me who has been able to do so.

I also believe that those who argue in that way are making a serious mistake because by undermining or making little of the duality clause they may be hurting their case in years to come when they would want to use the clause to protect their rights before the courts. I can see the day coming when a provincial Government, as has happened in the past, will take steps through ordinary legislation to reduce Anglophone rights in the Province of Quebec. Those who are harmed may want to go to court and say that according to the Meech Lake Accord the Government of Quebec is to protect the fundamental characteristic of Canada, which includes the English-speaking community in Quebec, and that therefore they want this harmful or destructive legislation overturned. They will want to use it, and they should give it a fuller interpretation rather than ignore it as some have been doing today. This does not say that the provisions of the Meech Lake Accord could not be clearer and stronger. Of course they could be clearer and stronger. The fact of the matter is that they do not specifically reduce or eliminate language rights at all.

Having said that, this is not to say that there have not been attacks on English-speaking minority rights in the Province of Quebec. Of course there have been such attacks, and they have been overwhelmingly carried out by provincial Governments, in particular by certain clauses of Quebec Bill 101. By the way, the Quebec Governments which introduced that Bill did it without the help of the Meech Lake Accord. When a Government wants to act in the way they acted in respect of Bill 101 and wants to attack language rights, it does not need a Meech Lake Accord to do it. They did not need it in the past. There are still several oppressive sections in Bill 101 in respect of language rights.

• (1600)

I can accept parts of that law which are meant to protect and promote the French language, to make sure that it survives, but I cannot accept articles in Quebec Bill 101 which outlaw and suppress the English language which existed in that province going back to the 17th century and which, by the way, in parts of the province was the first European language there. We all know that both the French and English speaking communities only came in the 17th century. There were aboriginal languages long before either the French or the English came. In any case, the English language was in parts of Quebec going back to the 17th century. It is a complete travesty of justice to try to eliminate those language rights.

Of course, the Supreme Court of Canada has already struck down several provisions of Quebec's Bill 101. It has struck down the provision that would have eliminated English in the courts and in the legislature of Quebec. The Supreme Court of Canada has also struck down the provision which would have insisted on the Quebec clause with respect to education rather than the Canada clause. Both the Superior Court of Quebec and the Quebec Court of Appeal have struck down the provisions eliminating English on commercial signs, and that case is now before the Supreme Court for which we are awaiting judgment.

I must say that with respect to the signs law, I am extremely disillusioned and disappointed with the present policies of the Quebec Government. Premier Bourassa in the election of 1985 very clearly said that he would modify Bill 101, the French langauge Charter, to allow the use of English on commercial signs in Quebec. Not only did he promise that in the election but it was part of the Liberal Party platform in Quebec. The polls in Quebec overwhelming supported that kind of action. Francophones in Quebec overwhelmingly felt that Anglophones had the right to put English on signs in addition to French.

One cannot understand what Mr. Bourassa and the Quebec Government is afraid of. Do they think that the 95 per cent Francophone population of Quebec will flood the province with bilingual signs? Do they think we are going to see bilingual signs in Lac-St-Jean, Abitibi, Gaspé, the Beauce, Champlain and so on and so on? Only 5 per cent of the province is English speaking. The English speaking minority is limited mostly to Montreal and the Eastern Townships, in the Gaspé to a certain extent, and up here near Ottawa. They are not asking to be allowed to have unilingual English signs. What they are asking is that they have the right to put English on signs in addition to French. They admit and accept that French must be required on all signs in the province but they are saying that when certain individuals want to add English they should have the right to do so. That is a long standing right and it is wrong for the province to take that right away and it is particularly wrong for the Premier of the province to welsh on promises that he made during the election campaign with respect to those rights.

When the Constitution Act of 1982 was before this House I, of course, supported it.

**The Acting Speaker (Mrs. Champagne):** There is only one minute remaining for the Hon. Member to wrap up his speech.

**Mr. Allmand:** I am sorry I did not have my attention on the Chair, Madam Speaker, and did not see your signals.

The Bill before this House is an excellent Bill. It moves to protect English and French speaking language minorities in Canada. I hope that we pass the Bill and that we pass it quickly. I would ask those provinces out there in the country that also deal with language minority groups, whether the English language minority in Quebec or the Francophone minorities in Ontario, in the Atlantic Provinces and in the west, to do likewise as we are doing here today in this House, namely, to follow the example of this Parliament, this Government and the previous Government and protect the minority language groups in Canada as they should be protected and as the Constitution of Canada has pointed the way.

**Mr. Nowlan:** Madam Speaker, I was very interested, as I always am, in the remarks of the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). He certainly talked a lot about Meech Lake. I think he said more about Meech Lake here this afternoon on Bill C-72 than perhaps he did when the Accord was being debated initially. I will not come to that for the moment.

His closing remarks were on Bill 101, which I am glad the Member mentioned because he comes from the province where that Bill has caused so much political discontent and/or, frankly, betrayal, as I read the papers. In view of what was said in election campaigns and what has actually been done, with the Hon. Member, coming from that province where Bill 101 does adversely affect a good bulk of Canadians within that province, would he be prepared to have conversations with his House Leader on this House doing what we did on the Manitoba language question of passing a resolution asking the Quebec Government to move on Bill 101 and/or to fulfil its promises made in the election campaign? Or will we just sit back and wait until the Supreme Court perhaps comes down and helps resolve the problem?

**Mr. Allmand:** Madam Speaker, if the Government House Leader were to make such a proposal, I would certainly approach my House Leader and ask for support of such a resolution, similar to the one in the case of Manitoba. By all means, I encourage the Government to come forward with such a resolution. We will be glad to discuss it on this side.

I agree with the Hon. Member that fairness must be done on all sides. The same fairness that we are attempting to provide at the federal level must also apply in provinces. That is why I said I hoped Ontario one day will opt in totally to the constitutional provisions in the Constitution Act of 1982. That is why I ask Quebec to follow the example that we are setting here.

We passed the Meech Lake Accord. Let Quebec respond in like kind and pass legislation that would take away those repressive parts of Bill 101.

By the way, I must inform my hon. friend that I spoke at great length on the Meech Lake Accord when it was before the House.

**Mr. Kindy:** Madam Speaker, I have a question for the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). He said the distinct society clause is simply to protect the French fact in Quebec. We have not yet had an interpretation by the courts of the meaning of the phrase distinct society. Is the Member not afraid that once we get a ruling from the Supreme Court of Canada, distinct society might mean all sorts of things, similar to what we have seen lately concerning the abortion legislation which has been struck down by the Supreme Court of Canada. Nobody knew about it, but it happened. We are leaving a lot to be desired because the court might interpret that distinct clause differently than the Member does, then Bill 101 might stay forever.

**Mr. Allmand:** Madam Speaker, perhaps I was speaking too quickly but I certainly did not define distinct society in the way in which the Hon. Member just quoted me.

I said that the distinct society was not defined in the Meech Lake Accord and consequently I did not know how others could interpret it to mean that it would eliminate minority language rights in Canada or in Quebec. That is what I said. I went on to point out that since the distinct society has no definition in the Meech Lake Accord, it is not defined, it cannot be interpreted to come into contradiction with other parts of the Meech Lake Accord which are clear. What is clear is what is called the duality clause. It says that a fundamental characteristic of Canada is that we have French language minority groups outside of Quebec, that we have an English language group inside Quebec and that the Governments of Canada and the provinces must preserve those minority groups. That is very clear in the Meech Lake Accord. The distinct society clause is not defined.

• (1610)

**Mr. Kindy:** Madam Speaker, I understood what the Hon. Member said but I wonder, when he voted in favour of Meech Lake, he voted for something that was not defined. I think it is dangerous for the House to let the courts decide the definition of a distinct society. It might override Bill C-72. The courts might say that because of the distinct society clause, the Bill is going to apply only in English Canada and will not apply in Quebec because Quebec has to preserve its own language.

The constitutional amendment overrides any legislation by Parliament, as we have seen lately with respect to the abortion issue. Does the Hon. Member agree with me on that?

**Mr. Allmand:** No, Madam Speaker, as a lawyer, in my wildest imaginings, I do not know how nine judges of the Supreme Court could interpret the distinct character clause in that way when in the very next paragraph it says that the Parliament and Governments of Canada must preserve the fundamental characteristic of Canada and I put accent on "fundamental" characteristic of Canada which is that there is an English-speaking community in Quebec which must be preserved and French-speaking groups in the other provinces which must be preserved. That is a fundamental characteristic of Canada. How nine judges collectively in a majority decision could just ignore that clause and interpret the distinct society clause to do away with all English-speaking rights, as a lawyer I cannot see that. Some people are arguing that way but they are completely ignoring the duality clause which is only one sentence away from the distinct society clause. They are completely ignoring that.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mrs. Champagne):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Moose Jaw (Mr. Gottselig)—Labour relations—Prince Rupert grain handlers' strike; the Hon. Member for Scarborough West (Mr. Stackhouse)—Finance—Credit card interest rates; the Hon. Member for Fraser Valley East (Mr. Belsher)—Administration of justice—Convicted murderer-rapist charged with triple murder while on parole.

## GOVERNMENT ORDERS

[*Translation*]

### OFFICIAL LANGUAGES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-72, an Act respecting the status and use of the official languages of Canada, be read the second time and referred to a legislative committee.

**Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development):** Madam Speaker, as Member for Madawaska—Victoria in New Brunswick, as an Acadian and a Francophone outside Quebec, I am honoured and privileged to join in this important debate on Bill C-72 respecting the status and use of the official languages of Canada.

I would be remiss if, from the outset, I failed to underscore the historic character of the legislation now under consideration. We all know that this Bill is the first major reform of the Official Languages Act since it was adopted in 1969, yet however valid and avant-garde it may have been at the time no one would question the urgent need for reconsidering and redrafting the law to reflect Canada's changing requirements and new circumstances.

The legislation had to be adapted to the new constitutional and political realities of this country so that it would be a more satisfactory reflection of the linguistic changes that have taken place in Canadian society. Needless to say, Madam Speaker, Bill C-72 goes well beyond these two prerequisites, covering all major aspects of the language question. Today, however, I would prefer to highlight some aspects of the Bill that are particularly important to me as an Acadian and a Francophone from a region outside Quebec. I am thinking more specifically of the Government's new responsibility for promoting and developing official language communities and the special place this Bill has in the process of promoting and implementing the French fact in Canada.

I said that this Bill was drafted in order to provide urgently needed legislation. Actually, it was necessary to update the Official Languages Act, 1969, to bring it into line with the constitutional requirements of the Canadian Charter of Rights and Freedoms. In this respect, there are some important provisions regarding the language of work in the federal Public Service, service to the public across this country, full participation by French-speaking and English-speaking Canadians in federal institutions, and the administration of justice. Furthermore, as I said earlier, it was necessary to adapt our official languages legislation to the linguistic changes in Canadian society. In fact, tremendous progress has been made in this respect since 1969. Hence the need for a better definition of the roles and responsibilities of the various departments responsible for implementing the new policy, and also the need for determining the parameters of federal-provincial co-operation involving the enhancement of official language communities and, finally, the need for expanding opportunities for learning the other official language.

[*English*]

I truly believe that Bill C-72 reaches all of its initial objectives. In fact, the introduction of Bill C-72 in the House on June 25, 1987, was greeted throughout the country by a wave of approval by the opposition Parties, the Commissioner of Official Languages, and representatives of the Anglophone communities in Quebec and the Francophone communities outside of Quebec unanimously agreed on the value and depth of the proposed changes.

[*Translation*]

The Constitutional Accord signed by all First Ministers on June 3 recognized, as was mentioned earlier by my colleague, the Hon. Member for Notre-Dame-de-Grâce—Lachine East

(Mr. Allmand), that the existence of French-speaking and English-speaking Canadians in all regions of the country constitutes a fundamental characteristic of Canada, a characteristic that Parliament and all provincial legislatures now have a duty to protect thanks to this Accord, and this should, in my opinion, be considered a substantial step forward in the age old struggle waged by Francophones for recognition of their language rights.

As I pointed out in this House on October 1 of last year, representatives of French-speaking groups outside Quebec and supporters of their cause would have liked all governments to be given the role of promoting as well as preserving the fundamental characteristic recognized in this Accord. But we know, as all Honourable Members do, that in spite of the efforts of the Prime Minister of Canada himself, his provincial counterparts could not agree on such an objective. This non-commitment on the part of provincial partners, which I hope is circumstantial and temporary, should not prevent us from proceeding resolutely in that direction with regard to matters and in areas under our jurisdiction. So I am glad to read in the preamble of this legislation that the Canadian government is committed, and I quote:

> —to enhancing the vitality and supporting the development of English and French linguistic minority communities, as an integral part of the two official language communities of Canada, and to fostering full recognition and use of English and French in Canadian society;

Moreover, this legislation reflects our government's commitment, and I quote:

> —to cooperating with provincial governments and their institutions to support the development of English and French linguistic minority communities, to provide services in both English and French, to respect the constitutional guarantees of minority language educational rights and to enhance opportunities for all to learn both English and French;

[*English*]

It should be understood that the official languages policy of Canada was not intended to force all Canadians to become bilingual. That is important. On the contrary, the policy allows for the majority of Francophones and Anglophones of our country to function on a day-to-day basis in their first official language, and even to remain unilingual if they so desire. However, this policy does require federal authorities, and encourages the provinces and the private sector, to become bilingual with a view to bridging the gap between citizens and communities of both French and English backgrounds.

My own riding of Madawaska—Victoria is 75 per cent Francophone and 25 per cent Anglophone. Unless the public authorities there can serve these communities in their own official languages, there will be chaos, and this is what we are attempting to do.

• (1620)

[*Translation*]

And as my colleague, the Minister of State for Federal-Provincial Relations and Leader of the Government in the Senate, senator Lowell Murray, was saying quite appropriately in Quebec City on June 26 of last year, and I quote:

> Bridges can only be useful if we prevent both banks they link together from crumbling.

Madam Speaker, that is why I consider that in promoting and supporting linguistic communities, a role the government assumes under Bill C-72, we are dealing with one of the most important and essential aspects of our new language policy.

According to that logic, indeed, could we on the one hand force the federal Government to offer its services in both official languages everywhere in the country and, on the other hand, abandon linguistic communities to their fate without protecting them nor promoting their development?

I am also happy the Secretary of State has been given the responsibility of inciting, encouraging and co-ordinating the fulfilment within other federal institutions of that commitment to help official languages communities prosper and develop.

Allow me, Madam Speaker, to point out that the Department of the Secretary of State did not wait for the coming into force of the new Act to show it was interested in honouring that commitment. The national program that was launched last September to create community radio stations for official languages communities is a very good example of the new role the Department of the Secretary of State, and hence the Government, will be able to play in the social, economic and cultural development of those communities.

I hope that program, as other similar measures, will help the representatives of those communities understand that, contrary to what some of them may say, they are not the great losers in the 1987 Constitutional Accord.

Other departments such as Employment and Immigration also prove to be much more open towards the development of our linguistic communities. For instance, this very day and more exactly one hour ago, in Edmonton, in the province of Alberta, the Department of Employment and Immigration signed a contract worth over $40,000 for personnel replacement and community development training, for a group of nine anglophone organizations in Alberta.

I think we will see other similar initiatives come from this new legislation, and the whole country will benefit.

Madam Speaker, allow me to expand for a moment on the importance of this language policy for the affirmation of the French fact in Canada. The tabling of Bill C-72 is not an isolated and inconsequent move. As I already said, it is part of the whole evolution of the Canadian society, and the result or end-product of more than 20 years of reflection and analysis about official languages.

Consequently, it is not, in its form and content, foreign to the values and concepts put forward by the Canadian Government during 20 years of language policy.

However, when we look at the path followed by our Government, this Bill takes a particular significance. It is consistent with our objectives respecting national reconciliation, social justice and international influence.

On the international scene in particular Canada, thanks to its dual identity, is able to enjoy with French-speaking countries, within the *Francophonie*, newly created at the second summit held in Quebec, the same kind of special relationship it has enjoyed with English-speaking countries within the Commonwealth.

The second summit of countries which have French as a common language, held in Quebec in September, and later the Commonwealth summit, in Vancouver, strengthened the international stature of Canada. It would be ironic on our part to try and play a major role within these two international organizations while neglecting, at home, these two languages and the communities which use them.

Madam Speaker, our official languages communities shall not be left alone in their undertaking towards the preservation and promotion of their culture and heritage. Because their heritage is also ours!

Madam Speaker, I was particularly pleased with the positive and serene atmosphere in which this Bill has been prepared, presented and received. This feeling is all the more vividly felt for me since I had the opportunity of following very closely the painful debate which took place in New Brunswick in 1984 and 1985, during the review process of the province's Official Languages Act.

Indeed, Acadians and the French speaking community had been anxiously awaiting since 1980 for their provincial Government to re-examine in its turn the language legislation passed as well by the New Brunswick legislature in 1969.

I take opportunity of this debate, Madam Speaker, as did my colleague the Hon. Member for Notre-Dame-de-Grâce—Lachine-East (Mr. Allmand), to call once more upon New Brunswick political leaders. I strongly urge them to enact the positions they have sustained in the past and to adopt as soon as possible, following the example of the federal Government, a clearer, more articulate, more open and more generous linguistic law, a law that would have a wider scope and, finally, that would better represent the social fabric of the province.

In conclusion, Madam Speaker, I wish perhaps to underline the leading and exemplary role the Prime Minister has played in order to bring about this linguistic reform. For us it would have been difficult—perhaps even impossible—to undertake such an initiative if we could not have relied on people like the Prime Minister who was able to give us a coherent and articulate insight into what Canada is today and what it should be tomorrow. I sincerely commend him for his unwavering will to work towards erecting a Canadian society based on justice, tolerance, fairness and respect.

I also want to congratulate my colleagues the Minister of Justice (Mr. Hnatyshyn), the Secretary of State, the former President of the Treasury Board—and the new President of the Treasury Board (Mr. Mazankowski) who is continuing the work—for producing a well-balanced, responsible and, in many respects, avant-garde measure. Members of the Senate and House of Commons committee—and I see my colleague the Hon. Member for Charlevoix (Mr. Hamelin) is here—did not spare any effort with respect to this Bill and they deserve our congratulations.

Madam Speaker, my closing remarks are directed to my colleagues in the House. I urge them to give generous support to this Bill and promote it in their respective ridings. This morning I heard the Hon. Member for Hamilton Mountain (Ms. Dewar) say that as Members we should all go to our ridings and promote this Bill on the official languages. I agree with her and I hope that all Members of the House will support this Bill and promote it in their respective regions.

Madam Speaker, I am convinced that Bill C-72 will mark the long awaited new beginning in the realm of the official languages, and I think we all have every reason to be proud.

**Mr. Kindy:** Madam Speaker, I would like to ask a question to the Hon. Member for Madawaska—Victoria (Mr. Valcourt) about the Province of Quebec, which is adjacent to his own province.

What is his position on Quebec Bill 101 and on the protection of the English language in that province? Would he support a resolution of this House asking Quebec to withdraw Bill 101?

**Mr. Valcourt:** Madam Speaker, earlier today during the Oral Question Period, I told a Member who had asked me a question about the economic development policy of British Columbia that, in my personal opinion, it would go against our national reconciliation policy to interfere in areas under provincial jurisdiction.

Bill 101 is an issue which obviously concerns the Quebec Government, and it is also taking a new dimension with the Meech Lake Accord. Once implemented, the constitutional amendments contained in the Accord guarantee to Quebec and English-speaking Quebecers not only their survival, but also their promotion within Quebec. I am certain that the Quebec Government will adapt its own laws to the new circumstances when the Meech Lake Accord is approved, as I hope it will be, by every province in Canada.

• (1630)

[*English*]

**Mr. Nowlan:** Madam Speaker, I have a couple of questions. With regard to the question of my hon. friend from Calgary East (Mr. Kindy), I understand why Parliament does not often trespass on provincial jurisdiction. However, the fact is that this Parliament, under a former regime, had a history of passing resolutions when provincial history was being changed by language law.

The first such resolution came before this Chamber on October 6, 1983. In 1983 the Parliament of Canada in effect passed a directive to the Manitoba Legislature on its language question. We could do the same thing with regard to Bill 101. The next time the issue came up was on February 24, 1984, with "whereases" which could be changed slightly to tell the Province of Quebec that it is abrogating history with regard to Bill 101. However, we will leave Bill 101 aside.

The Minister of Justice (Mr. Hnatyshyn) spoke this morning but our rules do not allow us to ask the Minister questions. I would therefore like to ask this Minister a couple of short questions and, depending upon his answer, perhaps a brief supplementary question.

Does the Minister agree that this Bill is not only an amendment of the Official Languages Act but basically a brand new Bill extending, very fundamentally and substantively, the official language policy of the Government?

[*Translation*]

**Mr. Valcourt:** Madam Speaker, I believe that it is a good thing that the Bill extends the scope of the Act. If it were a perfect replica of the 1969 Act, there would be no reason to discuss it or to adopt it. As I have already said, I believe that the amendments contained in the Bill reflect the new situation in Canada.

[*English*]

The Government had the obligation to bring this Act in line with the charter requirements. The Government also had the obligation to reflect in this Bill the new situation.

The Member has been here for a long time, much longer than I. In 1969 when this legislation was passed my home province of New Brunswick passed similar legislation. I remember the mood in the communities in my home province at that time. I have witnessed tremendous progress in terms of the attitude of people toward the official languages. Although we may talk about Bill 101 in Quebec, as parliamentarians in this House of Commons we must address this Bill before us and the merits of it. We must look at what it attempts to do.

Some people try to portray this as the Government obliging people to become bilingual or to force English or French on to them. That is not the purpose of this. If you want to remain unilingual English, that is fine. If you want to remain unilingual French, that is fine. The Bill only says that when the Government extends services to its people it recognizes that there are two official languages and that the Government should provide those services in the language of choice to our clients, our constituents, our people. That is all it does.

**Mr. Malépart:** Madam Speaker—

**Mr. Nowlan:** I am very glad that I have been recognized for a supplementary question, Madam Speaker.

**The Acting Speaker (Mrs. Champagne):** I have seen the Hon. Member for Montreal—Sainte-Marie (Mr. Malepart).

[*Translation*]

However, I had already recognized the Hon. Member for a supplementary. I shall come back to the Hon. Member afterwards.

[*English*]

**Mr. Nowlan:** Madam Speaker, my supplementary question fits in with the Minister's answer. There is no doubt that things have changed. I was here when the first Bill came through and there are now different feelings.

However, I was very bothered by part of the Minister's answer in that he said that we are not moving into individual bilingualism because even the commissioners said way back in '68 and before that that we must not get into a situation of individual bilingualism. They said that we could have institutional bilingualism to communicate and correspond in either of the official languages.

The interpretation clause 3(2) says that:

> —"court" means any court, tribunal or other body that carries out adjudicative functions and is established by or pursuant to an Act of Parliament.

I would like the Minister to answer me so that we will know what we are doing with this Bill. Pursuant to Clause 15 you have to have the proceeding without the benefit of official translation, which in effect means that you have to be bilingual, that you must have individual bilingualism. With the definition of "court" as any tribunal, is the Minister prepared to argue that that will apply to the parole board, the CRTC, the CTC, the NTA, and any other number of federal boards and tribunals which have adjudicative or quasi-judicial powers?

Does the Minister agree that those two clauses get away from the principle of the initial Act and the B and B report of institutional bilingualism but will compel people who have to serve on those boards and speak before them to represent their clients to be individually bilingual? That is one of the concerns which Members have.

**The Acting Speaker (Mrs. Champagne):** I thought the Hon. Member spoke about a short supplementary. The Hon. Minister of State.

**Mr. Valcourt:** Madam Speaker, my understanding is that the provisions of the administration of justice generally apply to the Supreme Court of Canada, the Federal Court, the Tax Court of Canada, and to every other federal agency including a court, tribunal, board, or commission which exercises judicial power applying legal principles to the assertion of claims under their constituent legislation.

For example, with regard to the parole board, I do not find it offensive at all that the person who will decide the fate of an Acadian from New Brunswick appearing before a parole board should understand the language of the person in front of him. Yes indeed, I believe that is the effect of that clause and I think that is what we want for our people.

Why should an Anglophone in Gaspé appear before a parole board, as an example, and not be able to speak himself, or through his counsel, to someone who will understand him without interpretation? That is what we are talking about. That is what we want Clause 15 to do, and I think it will do that.

[*Translation*]

**Mr. Malépart:** Madam Speaker, first of all, I think everyone knows our Party agrees with the Bill before the House today, a Bill whose purpose is to reflect changes in bilingualism in Canada.

[*English*]

**Mr. Stewart:** Madam Speaker, is the Member on debate? I have a question.

**The Acting Speaker (Mrs. Champagne):** I had told the Hon. Member, when I allowed the Member for Annapolis Valley—Hants (Mr. Nowlan) a supplementary question, that I would recognize him for a short question thereafter. We will then go into debate.

[*Translation*]

**Mr. Malépart:** Madam Speaker, I said that our Party supported the Bill. However, I rose to say how disappointed I am in the two Hon. Members who just spoke, the Member for Calgary East (Mr. Kindy) and the Member for Annapolis Valley—Hants (Mr. Nowlan). They were complaining to the Minister about Bill 101 and worried about the fact that an Anglophone was having trouble in Quebec, while the Hon. Member for Calgary could have spoken out to make sure French-speaking parliamentarians like Mr. Piquette are able to express themselves in French in his riding.

I hope those were the last two Members we will hear worrying about the situation in Quebec. I think Quebecers are mature enough to handle this themselves. I don't think Anglophones are treated any worse in Quebec than Francophones are treated in other provinces, especially in Alberta.

I would be interested to hear the Minister's opinion. I think he is to be commended on his speech, although I rarely congratulate Conservatives in the House, but I think bilingualism is an issue that should be discussed without political partisanship, and this Bill is part of the normal changes that take place in the life of this country. I think some tolerance is in order, because we must not forget that in Quebec, the Montreal area for instance, there are schools where the majority is neither French nor English speaking, and there are neighbourhoods where Francophones have become a minority when they used to be a majority. If we fail to protect the French language in Quebec, Madam Speaker, I think it would be a serious loss. So I would like to hear the Minister's comments on his colleagues in other provinces.

• (1640)

[*English*]

**Mr. Valcourt:** Madam Speaker, I take exception to the Member referring to Members who ask questions about this Bill. This Bill is before the House for debate and we should let all Members pose questions. The questions that have been asked deserve consideration and it is the right, indeed the obligation, of Members of the House to address this Bill seriously and air those concerns. They have been elected to come and represent the interests of their constituents. I take exception to the Member's statement.

**Mr. Cyril Keeper (Winnipeg North Centre):** Madam Speaker, I welcome the opportunity to enter the debate on Bill C-72, an Act respecting the status and use of the official languages of Canada. This legislation needs serious reflection because it is the kind of legislation that must have the benefit of knowledge and facts rather than emotion and exaggerated statements. Our comments on this legislation must reflect our concern for unity and harmony in this country and for a consensus with regard to official languages.

During my remarks I want to deal with the question of official languages, the kind of debate with which we are involved today, as well as to deal with some very serious shortcomings in the legislation.

Until now, the official languages legislation was the product of the Liberal Party. Today is an historical occasion because the introduction of this new legislation by the Conservative Party means that the issue of official languages has moved from being a partisan subject to being a non- partisan issue. The policy of official bilingualism has been supported from the outset by the New Democratic Party.

Bilingualism has a negative meaning to many people. To some, in the worst parlance, it means that French is being shoved down their throats, that they must learn another language and cannot work in the federal Public Service unless they are bilingual. Of course, that is a distortion of the reality because bilingualism means that Canadians can speak their own language without having to learn the other. It means that English-speaking western Canadians do not have to learn French, because Canadians can live in their own language.

Of course, we hope that that right will only encourage Canadians to choose to learn the other official language or any of the other languages that are spoken in this country.

Clearly, once people understand that they have this right to live in their community and speak their mother tongue, they will feel secure enough to enjoy the benefits from learning the other languages that exist in this country.

We must understand that the official language policy means that Canadians have the right to live and work in their own language without having to learn the other.

The official languages Bill is an historic development because it means the end to social prejudice which gave rise to comments such as "speak white" to French Canadians and gave rise to an attitude that somehow French Canadians were less than equal to English-speaking Canadians. It means an end to prejudice and discrimination which led to some powerful and articulate poetry based on those attitudes.

This legislation is a first step toward equality and we must approach it with some understanding as to the meaning of bilingualism while setting aside some of the distortions that have been propagated over the years.

Let us consider the debate in which we are engaged with regard to the Official Languages Act. I suggest it is essential that it be a non-partisan debate that is characterized by its capacity to educate and shed light on this subject, not from an adversarial or political point of view, but on the basis of understanding. It is only through understanding the legislation and through understanding the different communities in our country that we will be able to preserve the unity of Canada. Only in this way will we be able to continue to have a country called Canada.

• (1650)

The debate must be democratic and open. We must listen to all sides of the issue. We must listen to those who are strong proponents of the legislation, those who indicate the need for such legislation. At the same time we must be open to those who have concerns about the legislation, people who say that aspects of it go too far. It is only when people can speak up about the legislation without fear that we can have a useful and open debate and that language policy will find an acceptable place in Canada.

I want to point out one thing about the debate, not only in the House but in the country, with respect to what it should not be. I refer specifically now to a magazine called the *Western Report*. On the front cover of a recent issue it stated: "*Si vous ne pouvez pas lire ceci, vous ne pouvez pas travailler pour le gouvernement federal.*" It then states: "Translation: If you can't read this, you can't work for the federal Government." I just sat here to read the legislation. What this says is a complete and utter distortion of the reality of the legislation. It is a complete and utter distortion of the official languages policy of Canada. This so-called contribution to the debate is what subtracts from it rather than adds to it. This type of characterization of the legislation with which we are dealing is unfortunate. It adds nothing to the debate. In fact, it makes it much more difficult.

Rather than respond to those types of distortions which particular writers place on the legislation, let us remind ourselves that, while this legislation recognizes that there are two official languages in Canada, both French and English enjoy an equal status. The legislation also has its limits. It should have limits. No legislation should be without limits.

Let me point out specifically what I mean when I say that this legislation should have limits. With respect to the right to work concerning those in the federal service, officers and employees of all federal institutions would have the right to use either official language. That is a pretty broad and sweeping principle. I happen to think it is a good one. However, I point out that the principle is limited in its application, as I think it should be. That is reasonable.

This part of the legislation is limited to head offices of federal institutions. It is limited to federal institutions in the National Capital Region. It is limited to federal institutions in other prescribed regions. It does not apply in an unlimited fashion. It is necessary to make these points in order to bring reason back into the debate and to put aside the distortions that lead to excessive emotion with regard to this subject.

With respect to the provisions concerning service, we need provisions with regard to service in the official languages of our country. People must be assured that they can receive service in their own official language. However, those provisions are limited, as I think they should be. They are limited with regard to service to those areas where there is a significant demand for the service. It does not apply to every place and all over but to places where there is a significant demand.

Let us bring some rationality and some reason back to the debate so that we can progress with regard to unity. This will enable us to amend such legislation when it is indicated that an amendment is appropriate. It does not have to be all or nothing. One should not be accused of being a racist if one raises questions about such legislation. One should not be accused of giving special privileges to one group if one is in favour of this legislation. We must bring reason to the debate. We need to stay away from excessive emotion and partisanship. The debate must be open to all sides of the issue.

I now wish to make a couple of points about the legislation which are critical. This legislation deserves to be criticized because it is important legislation. It falls short in two respects. I refer to the provisions affecting the Yukon and the Northwest Territories. With regard to the Yukon, the Yukon is treated as a federal institution in this legislation, while the Northwest Territories is exempted from such designation. Why not exempt the Yukon from the provision as well? Why not respect the legislative authority of the Yukon? In that respect this legislation is ham-fisted. It is too heavy. It ought to show some respect for the local authorities.

With respect to the Northwest Territories, it has an Official Languages Act. Yet there are provisions in this Bill which state that in order for the Northwest Territories legislation to be amended it would require the concurrence of the Parliament of Canada. Surely, that provision should not be there. The legislative authority of the Northwest Territories should be respected. We live in a country which has a federal system of government. That means that we respect the jurisdictions of different legislatures. In that respect this legislation falls short. It must be amended.

I have heard from some quarters of the House concerns with regard to the provisions affecting courts. Those provisions need to be examined critically. Surely, we need a court system

which is capable of serving people in their own language. However, that does not mean that every judge in every court in the country has to speak both official languages. We need to approach this debate in an open fashion, a fashion that will allow, permit and enhance the unity of our country. We must approach the debate about official languages from the perspective of what we have in common as Canadians.

We have one common citizenship. We are all Canadians. There is but one Canada. It is only when we start from that premise that we can then move forward to celebrate and recognize the differences that we have. They are differences in language and culture. They provide a strong foundation upon which to build our official languages policy.

**The Acting Speaker (Mrs. Champagne):** When the House resumes studying this Bill the Hon. Member will have three minutes in which to conclude his speech. A ten minute question and comment period will follow.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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• (1700)

## PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

### SOCIAL INSURANCE NUMBER ACT

MEASURE TO ENACT

**Mr. Reginald Stackhouse (Scarborough West)** moved that Bill C-236, an Act respecting the use of social insurance numbers be read the second time and referred to a legislative committee.

He said: Madam Speaker, anyone who is watching this debate could assume that the process was a democratic one, that elected representatives of the people would debate the merits of this Bill and vote according to choice. The reality is different. The process is a triumph of bureaucracy not democracy. It is a charade of Parliament. We will debate the merits of the Bill but the decision has already been made. The elected representatives of the people will not have a chance to vote at all. That has already been decided. There will be enough speakers to maintain the debate until 6 p.m. when the Speaker will assume that a motion to adjourn the House has been made.

This debate has usually been called "talking out". It is very familiar, and because of its familiarity it has gained a certain legitimacy. It is unworthy of Parliament. I have to believe that it is a form of legislative "coitus interruptus" which is the term for the ancient Roman method of birth control that prevented conception simply by bringing the whole process to an end when a decision could be made. So here we are, the House witnessing the possibility of legislative life being snuffed out by interfering with the process. We are here to talk not to vote, that is the message.

I have to ask, why would this Bill suffer such a fate? Not for the obvious reason that one Minister or many Ministers do not want it to become a law. We know that, because the Minister of Justice (Mr. Hnatyshyn), the Minister responsible for the law affecting the social insurance numbers, spoke in favour of such a Bill when he was a Private Member. We remember when the Minister of National Defence (Mr. Beatty) as a Private Member introduced a Bill comparable to Bill C-236. He cannot be against it. Well, who is? Who wants to talk it out? It is not the elected Government. It is the appointed Government. So such is my inference, that Canada, as I have observed in the years that I have served in the House, has two Governments. There is an elected Government that is accountable to the people; and there is a Government by appointed officials, accountable mainly to each other. Their hand reaches out everywhere in this capital, including the precincts of Parliament. Some are eminent, such as Deputy Ministers and senior officials. Others are not, such as ministerial assistants. But all have power, including the power to shape what will happen on the floor of the House of Commons, a House they cannot enter, but which they can affect.

The result today is that we will have a masquerade ball in which Members of the House will dance a parliamentary minuet with one another, according to music that the bureaucrats have chosen. I understand why bureaucrats would make such a decision, for this is the type of Bill that undercuts power. The assumption of all bureaucracy is that if there is anything they do not control, it is for one reason: they have chosen not to control it. This Bill is a threat to that. That is why, to use another figure of speech, it is going to be aborted.

In the information age knowledge is power. The more you know about a person, the more control you have over him or her. This is the reason that the very thought of reducing the opportunities of demanding the social insurance number of an individual is a threat to bureaucracy.

The social insurance number gives bureaucrats the chance to control us by giving them the key to start up the entire high-tech apparatus. Given the large number of government agencies and Departments, federal and provincial, now using the social insurance number, that number is the key to a mass of information about every one of us in this Chamber, everyone listening to this debate via television, everyone from coast to coast. Thus, the computer gives the bureaucrat an instrument of power such as none before him ever possessed.

When the social insurance number was first proposed, many Progressive Conservative Members of Parliament pointed out how it could become an instrument to identify each person in the country, a registration by which Governments could keep tabs on everyone. For example, the Right Hon. John Diefenbaker warned that it could become a national identifier that could be the basis for a national registration. When he heard that, Prime Minister Pearson insisted that it would never be so

used. When it was suggested that the social insurance number might be used for income tax as well as for unemployment insurance, he immediately interjected, "Certainly not".

The most startling feature of this entire travesty is the claim of Professor Flaherty, who has made an exhaustive study of the social insurance number, and who stated: "The House of Commons was never asked in 1964, or at any other time, to authorize or ratify the introduction of social insurance numbers, which was essentially a decision of the Unemployment Insurance Commission". There you have it, Mr. Speaker, from the very conception, through the delivery, through the growth, it has been fathered, mothered, nurtured, educated and bred by bureaucracy.

Since then it has become the legislated right of 19 federal agencies to require that individuals report their number when seeking service. And they are not all. Without legislation, other agencies have began demanding it, as have provincial Governments, and hospitals. By abusing the social insurance number it has become possible to gain a great, illicit, unmerited grasp of a person's life including many dimensions of his or her life that should be private. One can learn what is the hospital history of a person, whether she has had an abortion, whether he has been admitted to a psychiatric centre. Now such is the abuse of this by Governments.

I want to point out briefly that the potential abuse of the social insurance number is not confined to Governments, for bureaucracy is not confined to Governments. Bureaucracy is a state of mind, and it is found in the corporate dimension of the private sector. The private sector does not as a whole abhor bureaucracy. The entrepreneurs do, and the small business people do. They want to live and work as free individuals and serve other free individuals.

But people who are at home in the mass of corporate structures of the private sector have the same mentality as those who are at home in the massive organizational structure of governments. What difference is there between the management of a government Department and the management of a corporation department? Not very much. Neither assumes that the shareholders own it. They act, whether in government or in corporation, as though management owned it. That is why so many government officials can readily move into corporations and then come back to government. One can almost describe a certain two-way traffic between Toronto and Ottawa in certain dimensions of government. A person may come out of university, come to Ottawa and learn all about a Department, then go down to Toronto or perhaps to Montreal and be in business. They know all the loopholes, how to exploit them, and then they return to Ottawa as a senior official and rewrite the law. One environment is the same as the other. Each is an environment of bureaucracy, and each has the same passion for control of people.

We often find that elements in the private sector are as eager to abuse this as elements in the public sector. The social insurance number is now demanded of customers and employees as though a corporation had a right to it. A person opening a bank account may have to report it. A person applying for a job may have to report it. A person wanting insurance may have to report it. One may ask: Why not? What is wrong with that? This is what is wrong with it: the accumulation of a vast continent of information, its reportability made possible by computers, means that anyone with the right key to this storehouse of data can learn about a person what should be that person's own.

• (1710)

The abuse of the social insurance number is thus an invasion of the privacy to which every citizen in a democracy is entitled. We ought to see the threat that is before each of us. The social insurance number is a key which can open the door to a person's life revealing that which is his own.

Here is a man complaining that two large food chains in Newfoundland demand the social insurance number before cashing cheques. Here is an Ottawa woman reporting that a local hospital emergency ward demanded that her number be reported before she could be admitted for medical treatment. Here is a New Brunswick man complaining that his union insisted its members give their numbers.

If Bill C-236 could only come to a vote, could take one more step toward becoming law, that could change. It would mean that no person, organization, group, or body could demand that a person disclose his social insurance number, and that no federal body should request it without setting out in writing what is the particular purpose for which it is needed and what Act of Parliament authorizes the disclosure. Any organization requesting the number would be required to advise the person that he or she is free to refuse it.

Our need for this legislation has been clear for years. On December 8, 1978, the then Hon. Member for Saskatoon—Biggar, the Minister of Justice gave a carefully crafted, vigorously worded plea for a similar Bill to Bill C-236. He said:

> My real worry arises from the real possibility that use of a single identifying number, such as SIN, in more and more computer files makes it easier and cheaper for organizations to exchange data among themselves and to merge records from files of different agencies, departments and organizations into central data banks. There arises the ultimate possibility that a person with access to the data banks will be able to compile a complete dossier on any individual.

I recognize that some people, perhaps some Hon. Members, may wonder whether that is a critical threat to a person with nothing dishonest, nothing illegal, or nothing subversive to hide. The threat is real. The more a government knows about us, the more power it has over us. The more corporate data manipulators know about us, the more they can exploit us. This is why the Government of the Right Hon. Member for Yellowhead (Mr. Clark) planned legislation to restrict the use of the social insurance number. The defeat of that Government meant that that legislation did not see the light of day until the Hon. Member for Wellington—Dufferin—Simcoe, the

Minister of National Defence, introduced a Private Member's Bill in 1980, as did Senator Jacques Flynn in the other place. Other Bills have been introduced over the years by the Hon. Member for Saskatoon—Biggar, the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), and Mr. John Gamble when he was a Member of the House. In March, 1987 the Standing Committee on Justice and Solicitor General reported that it shared the concerns expressed in these initiatives and recommended changes to the Privacy Act that would achieve many of the objectives of Bill C-236.

When we face this kind of threat to our privacy and hence to our freedom; when we see this issue excite the concern of Hon. Members over many years, patiently returning to the House when one Bill after another has been talked out according to the process that I have described; and when we see a government wanting to take initiative to bring in some control over the use and abuse of the social insurance number, I must ask: Why should we wait any longer? Here is a Bill to be voted on and if approved by the House to be sent to committee. We are not allowed to use the word "hypocrisy", but if we were, we would certainly think of it if we were to describe the process which says that we cannot accept the Bill because it has something wrong with it. What human composition ever lacks something wrong with it? Any Bill which comes into the House invites amendment and improvement. This is what committees are for. If some part of a Bill is deficient and needs to be corrected, the committee is the place to do it. This debate is to focus on the principle of the legislation, and if we are satisfied as a House, then we can work on the refinement of the Bill itself.

Why wait? Why not today strike a blow for liberty by restoring some of every Canadian's privacy? I ask that question but I know the answer, for since there will not be a vote on the Bill we cannot strike a blow for liberty. Liberty has struck out.

**Some Hon. Members:** Hear, hear!

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I should like to congratulate the Hon. Member who just made a very eloquent and compassionate speech to the House. I paid very close attention to his remarks, and I cannot think of anything but praise for the Hon. Member on his effort today in not only convincing Members of the House of the necessity of such legislation but in indeed trying to convince anyone who cares to listen that some people who are not elected unfortunately wield much power around this place and in other circles of government. That message which he gave to us is as important as the Bill which he proposed to the House. Again I reiterate my sincere congratulations.

The issue which the Hon. Member brings to our attention is certainly not a new one. Indeed, from its very inception Members of the House have been concerned with possible misuse of social insurance numbers. The authors of the initiative never contemplated that social insurance numbers would be used, and I would add abused, the way that they are today.

In his annual report of 1986-87, which was tabled in the House, the Privacy Commissioner described some of the worst cases of misuse of social insurance numbers. Let me read a few of them. The first one reads:

> The Privacy Commissioner's participation on CBC's Cross Country Check-up generated an entire two hours of calls about the use and abuse of SIN. One caller, a woman from the Maritimes, told the Commissioner that unemployed workers were required to put their SIN on the outside of the envelope in which they send employment reports to EIC.
>
> The Commissioner, concerned about her allegations, inquired about the practice. In fact, the offending envelope had been replaced some time earlier with one that does not ask for SINs. The regional office has been using up its large stock.

In other words, what we had was a government agency not only requiring social insurance numbers to be used but asking that they actually be displayed within public view on the outside of envelopes. Here is another example which concerns all of us:

> Another caller was upset because Canada Post insisted on a SIN before releasing registered mail. The postal clerk had rejected three other pieces of identification, insisting on the SIN. The clerk relented only when the woman asked that the letter be returned to sender.

• (1720)

How many people would take that amount of time and trouble in order to refuse the giving up of private information such as is the social insurance number? Most people just give in and say, "I don't have time for this argument," provide the social insurance number, as wrong as that is, and go on doing their daily business.

The now Minister of National Revenue (Mr. MacKay) in 1978 and the now Minister of Justice (Mr. Hnatyshyn) in 1979 both proposed in this House a reform of the use of social insurance numbers. Today, of course, those two Members of Parliament are cabinet Ministers. I know that they are listening attentively to the remarks that I am making today and they will want to convey to the rest of their cabinet colleagues my comments and even, more important, the comments of the Hon. Member who proposed the Bill to us. It is my hope that if the Government talks this Bill out today, which I know is the fear of the Hon. Member for Scarborough West (Mr. Stackhouse) because he took great pains to express that to us, at least on the second day of debate the Government will have had time to reconsider doing that. Perhaps there is a message out there to all Canadians to lobby their Members of Parliament whoever they are, whatever Party or constituency they represent, including cabinet Ministers, to ensure that this Bill or one like it is passed by this Parliament.

There are, of course—and the Government will take great pains in telling us that—flaws in the Bill. A number of government bills have flaws in them. We were discussing a government initiative earlier today known as the conflict of interest code. A few people found things wrong with that

particular initiative. It was a government initiative proposed in this House by the Prime Minister (Mr. Mulroney).

There are several other initiatives—I am only using that as an example—of government legislation, which are flawed. Many Bills are introduced in this House and when they are presented to us, they are often, at second reading, filled with amendments. In committee we sometimes get amendments that are so broad that legislation has to be withdrawn and reintroduced. The fact that there may be failures in this Bill, and if there are any failures they are not major, is not an excuse for anyone to refuse having this Bill to come to a vote.

My wish would be that the Bill would have primacy over other legislation to ensure that no other government agency passes or causes an Act to be passed by this Parliament or any other so that we can prevent the use of social insurance numbers by other government Departments. That is not quite covered in the Bill. We could tighten up that provision at committee. Notwithstanding that, what is in the Bill is far better than what is there now because what is there now is almost nothing at all.

[*Translation*]

I would like to take a few moments to share with you, Madam Speaker and Hon. Members, some of my personal experience with the use of unemployment insurance numbers.

A few years ago, when I was a Member of the Ontario Legislature, I received a phone call at my parliamentary office in Toronto. My wife was calling to let me know that Julie, our little girl who had just started nursery school, was given an envelope that morning she was asked to take home to her parents. So Julie had put the envelope in her school bag and brought it home. The envelope was from the school and contained a form to apply for a social insurance number. This was for a four-year-old child!

I was very upset. I called the school and I asked them: What on earth are you sending us this for? Why did you ask our daughter to take this envelope home and give it to her parents to complete and send back to the school? School authorities simply said: Well, that is the policy of the school board. Here, a number is given to each child on the first day of school. So the policy of the school board was then to give each four-year old a social insurance number. Why, Madam Speaker? I have no idea. I was never given a reason.

You can be sure that the next day I rose in the Legislative Assembly to ask the then Minister of Education, Mrs. Bette Stephenson, why school boards asked for the children's social insurance numbers. She replied: That is nonsense, of course, no school board has such a requirement. I rose and presented her with the envelope my daughter Julie had been given the day before.

Needless to say the Minister was startled and that a few days later the school board made it known it no longer insisted children needed a social insurance number.

Our daughter who is now 10 years old still does not have a social insurance number, and I wonder why she would need one at that age. You would be astonished to learn how often she was asked for one to participate in a sport or other activities, as if it was thoroughly acceptable for a child to have his or her social insurance number. I still ask myself the same question: why?

[*English*]

Orwell in his book, *1984*, was predicting that governments would have big computers, the big brother of government as he referred to it, that would have massive amounts of data on people. In a way, he was carrying it a bit far but in another way he was still, nevertheless, close to the point. However, it is not as much big government that has made most of the abuse, it is big government that has permitted others to abuse the system even more than governments have done it themselves, to such a point that I have even entered buildings and have been asked to register and indicate my social insurance number.

Those practices are totally unacceptable, and I think all Members of this House would agree that they are. It was not a federal government building but it was a form of government building, to answer my friend from Winnipeg. There is indeed a need for legislation as proposed to us by the Hon. Member for Scarborough West.

I am sure that if all Members took the time to inform themselves of the abuses of this system and the potential abuses in the future, not just by governments but by corporations that can exchange data of all sorts merely with a social insurance number which, as we know, is not kept privately enough, then that misuse is cause for concern.

Let me conclude by reading an article written by Vicki Barnett of *The Calgary Herald* on July 14, 1987. She said:

> The Canadian Imperial Bank of Commerce asked for it when I opened an account there. I needed to give it for family allowance. Years ago, I couldn't get a student loan without it, and when I studied journalism at Toronto's Ryerson Polytechnical Institute, my SIN was my student identification number. Credit agencies use it to keep track of my credit record. Some retailers want it as identification on cheques, and there is even a local 7-11 video club that demands it before you can obtain a membership.

Clearly, Madam Speaker, Orwell was not too far off.

• (1730)

**Mr. Cyril Keeper (Winnipeg North Centre):** Madam Speaker, I would like to make a few brief comments with regard to the Private Member's legislation before us today. I want to commend my colleague for having brought the legislation forward. I also want to remind him, when he talks about this legislation being talked out, that it will not be anyone from this Party who talks it out. I know this is Private Members' Hour and Party lines are erased, but I also know that no New Democrat will talk this legislation out. I do not know whether any Liberals will do so. I doubt it. But I wonder who will talk this legislation out? Perhaps if the Hon. Member could identify those who would talk this legislation out,

legislation which should go to committee to be studied, if those Hon. Members were named publicly, it would put a little pressure on them and perhaps persuade them to give this legislation the serious consideration it deserves.

I believe this legislation ought to go to committee. The subject ought to be studied. We have to take seriously the concerns expressed by Canadians about the use of social insurance numbers. I have been spending considerable time visiting my constituents and this is one of the things that was brought up frequently. One gentleman who lives in my riding of Winnipeg North Centre is doing quite a study on the use of the SIN number. He has documents from the Privacy Commissioner. He points out the limitations of any citizen who tries to assert his or her right not to divulge his SIN number if he does not wish. He finds that this is a right which is honoured more in the breach than in the practice.

We have to study the way in which the social insurance number is used. On the basis of fact and understanding we have to come to some appreciation of what the number is used for and when its use turns into abuse. There is something to be balanced here. The balance is between privacy and the capacity to get things done. We have a social insurance number because of the need for organization. Yet if the number is used appropriately, I am sure people would accept its existence. However, if it is abused, then serious questions are raised. Therefore, we must examine how the number is being used and abused these days.

I do not know whether Hon. Members recall when the social insurance number was introduced or for what purpose. I am sure it was introduced for some specific and limited purpose. For the life of me, I could not really say exactly what. I am sure it has something to do with the administration of federal social programs. But that is the dilemma we find ourselves in. We know it was introduced some time ago for a good reason and it grew like Topsy. Now it is popping up all over the place. In an age of large organizations and instant communication, the age of the computer, this information on Canadian citizens can be collected very easily. It is time to examine how the social insurance number is used and to what extent it is being abused. It is time to recognize that the social insurance number is just the tip of the iceberg in a modern information age in which we once again must define and assert the notion of privacy. Our individual privacy has to do with our own individual power to assert ourselves as individual citizens rather than being abused by those who can surreptiously collect information about us in ways which were never intended.

I do not want to talk this Bill out. I want the Bill to go to committee which will result in a thorough and public study of the use and abuse of the social insurance number. It is time we did this. I call upon those Members who have been appointed to talk the Bill out to slip behind the curtains and allow this Bill to come to a vote so that this subject can be dealt with. The Whip or whoever it was who told Members to talk this Bill out might be angry and come down upon them, but it will be for a good cause. Show some moral integrity, slip behind the curtains and allow the legislation to be dealt with so we can have a thorough and comprehensive study of the use and abuse of the social insurance number.

**Mr. Dave Nickerson (Western Arctic):** Madam Speaker, it is my pleasure this afternoon to speak in support of Bill C-236 which was introduced by the Hon. Member for Scarborough West (Mr. Stackhouse). This is not the first time a Bill such as this has been brought before the House, nor would I expect it to be the last. It is rather unfortunate that apparently this Bill has not been selected for the five hours of debate and then a vote. Far be it for me to make any critical comments about the committee of my colleagues which makes the selection. However, I would hope that if this Bill does return to the Order Paper at some time in the future, such a selection will be made. I think it deserves much more than one short hour's debate. It is something that should be voted upon.

I am speaking in support of this Bill but I cannot be as forceful, as eloquent or as knowledgeable as the Hon. Member who presented the Bill. I think there is a tendency for Members to become somewhat repetitive due to the fact that when one decides to speak on an issue and starts making notes, it seems that everyone has the same things in mind. Everyone is worried about social insurance numbers starting off with a very limited use and then being used more and more until abuse is built into the system with much more potential for abuse, so that we must look at ways in which this might be controlled. Forgive me, Madam Speaker, if I repeat a few of the points made beforehand.

We have to look with good intent at the spread which has taken place. It has been insidious but it has not been done deliberately and maliciously.

Social insurance numbers were originally brought in with a good purpose in mind. We needed an indentifier for social programs such as unemployment insurance and the Canada Pension Plan. There had to be some form of identification. But then it spread into the tax system because deductions for Canada Pension Plan and unemployment insurance were of interest to the tax Department and it was only natural that it would want to credit the right account. So it all made sense and it grew a little there.

Employers are required by law to deduct tax and unemployment insurance premiums and to remit that money to the Government. It is only logical, in a way, that they should require that same number so that the proper accounts could be credited. Because they have to use this number for every employee, it becomes natural for them to use that as an employee identification number. They could argue: "Why have two numbers? We have to use this one. Why not use it as our employee identification number?" So it grows bit by bit. The same applies to banks which sometimes are required to deduct tax payments on interest or at least provide someone with a T-5 form. It is the same thing with trust companies and stock brokers. They are required to credit dividend tax credits and so on. So it grows and grows and grows and so it spreads.

Perhaps the problem with the social insurance number is that it is just too useful. It is becoming a universal identifier for every reason. In the age of the computer, that can certainly lead to abuse. Everyone who has spoken on this has a vision in mind of what that abuse could be with the computers available to us today.

• (1740)

If this trend continues I can foresee the day when every baby born in Canada will be held upside down and have a social insurance number tattooed on the sole of his or her foot. Then, later on in life, someone will punch a button on a computer and up will come the history of that child from birth. All the taxes paid and taxes owing; where the person lived and lives; marital history and what they were up to when they were not married; how much they owe in maintenance payments or anything else. There will be the child's medical records, list of assets and liabilities, criminal record if any, passports issued, and where that person has travelled around the world.

A veritable mine of information will be available at the push of a button. This information will be extremely useful to certain people and certain agencies. It will obviously be very useful to tax collectors. It will be useful to police investigating certain offences. It will be useful for people involved in assessing security risks and that type of thing.

As much as we do not like tax collectors, for example, we know they are necessary. The difficulty they, for example, may have in drawing the line is that if you have a useful tool, when do you not use that useful tool? That question has to be addressed. If that kind of a situation were to arise, would it be consistent with the relationship we expect in a free society between the state and its citizens? That is where we have to find the right balance.

In certain totalitarian states, and I believe the Soviet Union is an example, people are required to have with them all kinds of information to present on demand to the authorities. In South Africa people are required to have with them the so-called Book of Life which lists all manner of information about them. I know South Africans do not like having to carry around with them all that information to present to the authorities on demand. They consider it to be an abridgment of their freedom and their rights as citizens. They certainly resent the situation, and I would like to think that we are not coming to the same thing in Canada.

If this kind of information is available to Government, you can bet your bottom dollar it will also get into private hands. It is almost impossible to stop that from happening. Even if we have a degree of confidence in our Government, there are very few of us who would want that type of information to get into private hands as well.

How do we address these questions? Evidently a lot of thought has gone into the drafting of this Bill. I compliment the Member for that. He has presented some pretty good ideas which should be considered in detail with respect to the steps we must take to curb abuse or potential abuse. First he suggests the restriction of compulsory use of social insurance numbers to federal Government and agencies thereof. Provincial, municipal and private bodies would be unable to demand social insurance numbers. He proposes to make sure that any other persons who request a social insurance number must point out that it is not necessary that it be given. In addition, there can be no repercussions if the number is refused. He also creates a number of summary conviction offences and civil remedies if someone's rights have been abused.

Thank you very much indeed for giving me the opportunity to speak on this most important subject, Madam Speaker, and once again, I offer my congratulations to the Hon. Member for Scarborough West (Mr. Stackhouse).

[*Translation*]

**Mr. Charles Hamelin (Charlevoix):** Madam Speaker, I am indeed, dear colleague for Scarborough West (Mr. Stackhouse), number 224-490-622. I am pleased to identify myself by that SIN which of course is fictitious because I would not like it to be known across Canada that I am number 224-490-622. You are absolutely right indeed with your proposal. And I appreciate your evident frustration that minuet directors apparently decided to have us talk on that Bill, although it is extremely well taken. And I am telling the good news right now that number 224-490-622 will support you on that private member's Bill, dear colleague. Certainly I will not prevent you from taking this opportunity to have the Bill enacted.

In order that people and especially the French-speaking community understand correctly, the thrust of my dear colleague's Bill is that the famous social insurance number that is imposed upon us at birth does not become some sort of a universal identity card used for this or that, for all sorts of things, a number that deprives you of your identity or that stamps on you a final, abosolute, digital identity that sticks on you all through your life.

Of course I had another opportunity recently, when one of my constituents came to me, Madam Speaker, saying: Sir, I do not exist anymore. She had applied for something with a public institution, which did not find her social insurance number on the relevant list, and the official told her: Madam, you do not exist. That's all. You do not exist. We have no business with you, you simply do not exist in this department. I can absolutely not meet your needs. You have no right to the service applied for, since you do not exist.

In order indeed to condemn such abuse, my colleague put forward this legislation that would further control and limit the use of that almost universal number identity that is hanging about somewhere. And it is my view that even if we only enacted the Bill, it would be a start.

You should not, however, delude yourself into thinking that, by limiting the use of social insurance numbers, people will not know who you are and what you do, how much you are worth, what people you know, and so on. There are now in Canada companies which specialize in stripping you naked, which could be nice in certain cases and less so in others, and which are in the business of investigating systematically your financial means and your record, criminal or otherwise. Certain organizations can say what you are worth, what you will be worth, and so on. Such firms use all sorts of information, including probably social insurance numbers, and they can provide a detailed report on just about anyone and anything. Name it, we have it, they say.

In this regard, I would like to steer the Hon. Member in another direction, as I would really like us to succeed in limiting the activities of such firms which rate people for all kinds of things, and if possible, I would like us to pass legislation to protect all such personal information on yourself and the members of your family.

There is now no such legislation. At this time, if someone has the money to pay, he can strip you naked, my dear colleague, without any problem, and use this information for all kinds of other purposes which are not always very honourable. People might want to sell you all kinds of things or to involve you in all kinds of activities. With this information, people can invade your privacy.

However, even if it were only a fist step, this legislation would be something positive. On the other hand, I would certainly prefer legislation which could protect ordinary citizens from the information specialists who offer their services to those who have money to pay them. Naturally, this brings to mind our tax returns, which contain special identity numbers, especially if we think about the interrelationship or compatibility of IBM and other systems, and I am not trying to provide free publicity for any company. We can all be computerized, and as a matter of fact we already are, and sold for purposes which are not always justifiable and which are certainly not in our interests, at least 98 per cent of the time. Such information serves other interests than ours and threaten our privacy, as you pointed out yourself. There is so little privacy left nowadays. I know that we still enjoy a lot of it in my beautiful riding, but the fact remains that privacy, confidentiality today means self respect and control of the environment; I do think my colleague's proposition is well justified. On this note I will now end my remarks so that this legislation can come to a vote, as is the wish of my colleague which would be a first step, wouldn't it. So, SIN 224-490-622 thanks you, Madam Speaker.

• (1750)

[*English*]

**Mr. Ross Belsher (Fraser Valley East):** Madam Speaker, I would like to compliment the Hon. Member for Scarborough West (Mr. Stackhouse) for a very thoughtful presentation on this subject which is of great concern to many Canadians. While I plan to use up the remaining time allotted to us today to discuss this Bill, I hope that by the time it comes around again some of the questions I would like to raise will have been answered so that we can proceed to pass this Bill.

Bill C-236 deals with a matter which is near and dear to many Canadians. The use of social insurance numbers has been ever-increasing since their introduction. Given the very important object of this Bill it is important that it be clearly understood. To foster this understanding it is necessary to look at the provisions of this Bill in some detail. This I propose to do. However, before I proceed, it is important that the issues which the Bill addresses are put into context. To do this, additional information is required.

First, in my view it would be helpful for Members to have the benefit of some information about the origin of the SIN and subsequent developments with respect to its use. It could also be useful to Members to be aware of a 1980 study which was done by the Privacy Commissioner concerning the extent to which the SIN was being used and the privacy implications arising from its uses.

I also believe it could be useful to Members to know more about the Privacy Act, which came into force on July 1, 1983, and how it affects the collection, use, retention, disclosure, and disposal of the social insurance number. Finally, it would be important to know what initiatives have been undertaken by the Government recently with regard to the social insurance number.

This information is important for two reasons. It will indicate why the social insurance number was created and how it is used. It will also help Members to identify the privacy implications which are associated with this number. Finally, and most important, it will permit Members to assess the controls proposed by the Bill in light of those which are currently in place and those which are now being undertaken by the Government.

The issues raised by the SIN are not new. In fact, in previous sessions of this House efforts have been made by Members to address them. However, the approach which has been adopted in the past has not necessarily been the same. Bill C-236 contains a preamble which provides the underlying rationale for the Bill. The Bill is to prevent the SIN from becoming a general use identification number and to restrict the use and disclosure of the SIN to those purposes authorized by Parliament.

Clause 2 of this Bill sets out the definition of two terms; "federal body" and "social insurance number". It is necessary to define "federal body" because, as will be revealed in future discussions, a distinction is made between entities which are federal bodies and those which are not. Generally speaking the term as defined would include federal Departments and agencies as well as federally created boards and tribunals.

Another matter which requires further study and review before this Bill can proceed relates to the remedies which the

Bill intends to provide. Clearly the Federal Court of Canada plays an important role where relief is claimed against the Crown. However, the Federal Court may not be the appropriate tribunal to deal with the claim of an individual who is seeking a remedy against an entity which is in no way related to the federal Crown. Until the point has also been clarified, the Bill should be deferred for further clarification.

We would do well not to vote on this Bill today but to wait until another day. I propose that we defer this matter to another day to be brought back before the House for further consideration.

**The Acting Speaker (Mrs. Champagne):** The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1) the order is dropped from the Order Paper.

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• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### LABOUR RELATIONS—PRINCE RUPERT GRAIN HANDLERS' STRIKE

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, I welcome this opportunity to expand further on a question I first raised in the House on December 17, 1987. The point I want to make is the futility of strikes as well as lock-outs when a labour dispute occurs.

When a labour dispute occurs it is as a result of a breakdown in negotiations between representatives of labour and management. This was never more evident than in the recent labour dispute in Prince Rupert which began on December 9, 1987.

When operations at the Port of Prince Rupert resumed on January 22, 1988, the Canadian Wheat Board indicated that it had been unable to ship some $70 million worth of grain that would have otherwise been shipped from this port. In addition, there was some $15 million spent on transportation costs to divert grain to the St. Lawrence ports for export.

All of this has taken place while the parties involved in this dispute have both claimed to have the best interests of the western Canadian grain producers uppermost in their minds. Unfortunately, the grain producers of western Canada are the ones who suffer from the lost sales, and it is these same producers who must pay the increased transportation costs as well as the demurrage that must be paid to some of the ocean-going freighters waiting to be loaded.

This was shameful behaviour on the part of both parties in this dispute. Both parties displayed a complete lack of concern for western grain producers. Both parties not only shirked their responsibilities but completely abdicated them. Since this facility is in large part owned by the western Canadian co-operatives which, in turn, are owned by their shareholders who by chance happen to be western Canadian grain producers, it is particularly difficult to understand how this situation could have been allowed to fester for four years before breaking out as a strike by 69 grain handlers last December 9.

The Minister of Labour of the day had appointed Mr. Vince Ready as conciliation commissioner in 1985. He worked on this problem throughout 1985 and in January, 1986, produced a report with recommendations for a settlement. This recommendation was unacceptable to the union although the companies did accept it with reservation. The dispute simmered until December 9, 1987, when the boiling point was reached.

The third party in these labour disputes is the Canadian public, who will not tolerate prolonged disruptions. The Prince Rupert situation was particularly stressful to western Canadian farmers who are already suffering from tight cash flows as a result of the cost-price squeeze. But consider also that 70 employees of CN Rail were laid off as a result of this dispute.

In my opinion, we must have a dispute settling mechanism in place that will start up at the end of a contract if the parties are not able to reach an agreement. It matters little if it is the postal workers or rail workers or the Air Canada workers, the Canadian public must have some safeguards in place. If a new contract cannot be negotiated before a present contract expires, we should have a labour court system that would automatically kick in to gear and would require both parties to submit to binding arbitration.

I further recommend that a parliamentary committee be established with all Parties represented in the House to investigate and implement this type of dispute settling mechanism.

[*Translation*]

**Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Madam Speaker, the Hon. Member for Moose Jaw (Mr. Gottselig) has raised a question having to do with an industrial dispute which, as we are all aware, was dealt with by this House on January 19, 1988, when it passed the Prince Rupert Grain Handling Operations Act. The Act terminated the strike by the 69 grain handlers at Prince Rupert and provided for the settlement of all outstanding issues in dispute between the parties by the use of binding aritration. Although the dispute has been settled, the Hon. Member's question is still very relevant as it has to do with the inconvenience that Prairie farmers were subjected to during the strike.

• (1805)

[*English*]

The Government is fully appreciative of the frustration our Prairie grain producers experience whenever the grain handling system is threatened by a labour disruption. We are all in favour of a labour relations system in which disruption is minimized. In this regard the Government is convinced that our free collective bargaining system is the most appropriate and the most effective method of resolving labour-management conflicts in a democratic society.

Collective bargaining is an adversarial system and, as such, disputes will occur. The key to the effective functioning of this system is the acceptance by labour and management of their rights and responsibilities to settle their differences through reasonable and fair compromise.

Over the course of the tenure of the Minister of Labour (Mr. Cadieux) close to 1,000 collective agreements have been negotiated under the collective bargaining provisions of the Canada Labour Code. Over this period there have been four disputes in which it was evident that labour and management could not accept their responsibility to work toward and to achieve a final, negotiated resolution of their differences.

In these instances, the parties were imposing, as a consequence of their actions, an unacceptable cost to the Canadian economy and the public interest. On each of these occasions the Government fulfilled the responsibility entrusted to it by the people of Canada by ordering an end to the disruption, prescribing a method for the final resolution of the issues in dispute.

With respect to the dispute between Prince Rupert Grain Ltd. and the grain workers union in particular, I would like to draw to the attention of all Hon. Members the fact that Mr. Justice Peter Seaton of the Court of Appeal of British Columbia has been appointed as arbitrator to resolve the three issues the parties were unable to settle.

This approach of providing the parties with every opportunity to negotiate and freely arrive at a settlement of their differences and of reserving arbitration as a remedy of last resort is far more effective in promoting constructive labour-management relations in the federal private sector.

## FINANCE—CREDIT CARD INTEREST RATES

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, on March 26, 1987, I asked the Minister of State for Finance (Mr. Hockin) what action he could take to remind major credit card institutions of the obligations of good corporate citizenship. Since then most banks and trust companies have lowered their rates, but not the major department stores.

They are still charging an incredible, indefensible whopping 28.8 per cent. Not only have they stayed at that line, but they have convinced at least one Minister that they charge less than banks and trust companies because they do not make a charge for the first 30 days. They say users of their charge cards are thus better off, which is true, but only for three months.

I ask Hon. Members to sit down to figure it out. Compound the interest over a period longer than that and Hon. Members will see that after that the 2 per cent per month sky-rockets.

I can tell Hon. Members of one person in Toronto who had his indebtedness to one department store sky-rocket over a period of under two years from $2,000 to $4,000. Many people cannot pay off their accounts in shorter periods of time, so they become victimized by this massive interest rate that is afflicted upon them. I am not referring to prodigals, wastrels, or spendthrifts. I mean those people who simply have no way of coping with the situation for which they are not at fault. I am thinking of a mother, perhaps a single mother who has a group of little children to outfit for winter. Her choice is between using a charge card or letting her children go inadequately clothed through the snow. We both know what decision she makes, and what decision she should make. Very often that woman cannot pay off her indebtedness in short order.

• (1810)

I am thinking of a person who perhaps buys a major appliance when that person has a job and expects to have it for a reasonable length of time. Then that person finds that he or she cannot pay this sizable amount because, through no fault of their own, the plant has closed and they are out of a job. That person is not to be blamed, they cannot help it. It is not their fault if unemployment insurance is only enough for subsistence.

A profound in-depth study of this problem has shown that credit card rates chiefly cause injury to people of low income. This problem to which I refer today is not chiefly a matter of concern to yuppies, to people who have gone out and bought high ticket items and wanted to indulge themselves in a higher, faster style of life. Studies have shown that it is the type of person to whom I have just referred that is the chief victim of the abuse of interest rates on credit cards and charge cards.

I raised this question because a committee of this House, the Standing Committee on Finance and Economic Affairs, in its fine, impressive, and influential report on this entire subject stated that retail stores should reduce their rates on accounts over $400. They recognized the need to draw some line such as that because there were additional administrative charges borne by department stores that were not borne by every other issuer of credit.

However, there has not been the slightest budging by the department stores. They have not moved even a tiny little inch toward acknowledging the message of this Parliament, a message of the parliamentary committee that was reinforced by a Minister of the Crown. When that report was submitted to the House, the Minister of State for Finance stated that he would act if there was not a proper response to the report of the parliamentary committee. In response to my question

raised on March 26, 1987, he stated that, if rates do not come down, as I have stated before, we will consider the best ways to proceed.

Madam Speaker, I am asking the question again. What are the best ways? I am asking, when will he proceed? When will he follow up the commitment made and implied in this question?

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to the Minister of Finance):** Madam Speaker, in March 1987, as indicated by my friend the Hon. Member for Scarborough West (Mr. Stackhouse), the Finance Committee tabled a report on the credit card issue. I think it was a major and even fundamental step toward understanding the cost involved in the use of credit card, especially at the financial level.

Madam Speaker, the Committee did not recommend that the Government should set credit card rates. On the other hand, it did recommend that the Canadian people should be made more aware of the cost associated with using credit cards.

As you know, Madam Speaker, the Federal Minister of Consumer and Corporate Affairs (Mr. Andre) published in December 1987 an information booklet on credit cards, users costs, interest rates, etc., all the costs involved in the use of credit cards.

I suggest that the Hon. Member for Scarborough West should be praised for his contribution and the results he has obtained with this special information booklet on credit cards.

As you certainly know also, in June 1987, the Federal, Provincial and Territorial Ministers responsible for Consumer and Corporate Affairs got together and agreed to set up a special task force to look into the issue of costs and problems resulting from the use of credit cards. The report from that task force should be available shortly.

Since then, and thanks in part to the excellent work which the Hon. Member has done, a number of financial institutions have been offering Canadian consumers products which are definitely more competitive and interesting. Madam Speaker, I feel that the Hon. Member should continue his good work and keep on informing Canadian consumers about the costs involved in using credit cards. I suggest it is in this direction that the Government and the Hon. Members of the House should continue to work.

Madam Speaker, I can assure you that this is in this direction we will continue to move.

• (1815)

[*English*]

ADMINISTRATION OF JUSTICE—CONVICTED MURDERER-RAPIST CHARGED WITH TRIPLE MURDERS WHILE ON PAROLE

**Mr. Ross Belsher (Fraser Valley East):** Madam Speaker, on December 13 last, a 34-year old Chilliwack woman, her 12 year old daughter, and her daughter's best friend, also 12, were murdered by the mother's common-law husband. These murders shocked the small, closely knit community and tragically affected the lives of family and friends of the three victims.

The murderer, Allen George Foster, of Chilliwack was a convicted murderer and rapist who had already spent seven years in jail in the early seventies for murdering an 18 year old girl, Gwen Ann Lingor. When he killed Joan Pilling, her daughter Linda Brewer, and Megan McCleary just 12 days before Christmas, he was out on full parole.

The perversity of the situation is obvious. By the very weakness of our parole system this murderer was given the freedom to murder again, not just once but three times. Had he not taken his own life on December 27 in the washroom area of the Forensic Psychiatric Institute in Port Coquitlam, he very well may have murdered yet another time. It is no wonder that my constituents in Fraser Valley East and countless other Canadians recoiled in shock and disgust at this crime but, even more so, at the system which allowed Foster to be out on our streets.

On January 18, I asked the Solicitor General of Canada (Mr. Kelleher) in the House why this convicted deviant sexual offender, who had committed a heinous murder and rape in 1971 and who was subsequently convicted of indecent exposure in 1986, was let out on full parole.

The Minister's response indicated that there would be a full inquest conducted by the coroner of B.C. at the end of February or March. This is welcome news to the people of B.C.

Many Members in the House of Commons voted against the motion addressing the reinstatement of capital punishment when it came up for a vote in June of last year. At the time and despite the disappointment that I felt personally, I hoped that this would force us to move in a different direction and would lead us to tightening our parole laws. We did not move fast enough for Joan Pilling, Linda Brewer, or Megan McCleary.

I realize that we have made advances in this regard with Bill C-67 from the first session, but unfortunately and obviously they were not enough. The amendments to the Parole Act and the Penitentiary Act, which received Royal Assent in July, 1986 have given us the power for the first time to keep inmates who meet the criteria under the Bill in prison for the full length of their term. I was pleased to hear that since the introduction of the Bill some 25 per cent of all people who have come before the special parole board are now being detained until the full length of their term has expired.

We have been told that the parole board followed the proper procedure before granting full parole to Foster, and I have no doubt that it did. However, human nature being what it is, is there any doubt that even if every rule was followed Foster could have stepped out of line anyway? Who can predict what a convicted murderer will do next? It is time we examined the rules.

I would like to take the House quickly through the life of Allen George Foster from 1971 to December 27, 1987. In 1971, Foster then 20 years old, was living with a young woman in British Columbia. For reasons not known to me or probably anyone else, he decided to rape his girlfriend's 18 year old cousin, beat her to death, wrap her in chains, and throw her body into Okanagan Lake. For this crime he received a life sentence but was granted unescorted temporary absences in 1979, only seven years after the conviction.

In May 1980 the National Parole Board allowed Foster to leave custody on day parole, which meant that he had to report in only at night. One and a half years later, in October 1981, he was granted full parole. Over the years he was watched and psychiatric tests were taken, but despite these precautions he was charged in April 1986 with performing an indecent act and breaking and entering.

• (1820)

Two months later he was convicted for the indecent act and sentenced to 21 days in jail. He remained there until August of the same year. In July, 1986, he was granted day parole and in December of that year he was granted full parole. Over the next year he was closely supervised. Then, again for reasons unknown to anyone, he murdered these three innocent people in Chilliwack. The two young girls, best friends, honour students and athletes were not even born when Foster committed his first act of murder back in 1971. Unfortunately, their destinies were tied in with Foster's even then.

This case is not unique. Another convicted killer out on parole on mandatory supervision from Sumas Centre in Abbotsford did not return to the centre on September 5, 1987. He broke into an unoccupied home and stole food and household items in order to survive and then stole a vehicle belonging to the home owners. He also took a large knife. This knife was to be used by the convict just four days later to terrorize completely a Matsqui husband and wife.

The details of this crime are almost too disgusting to be repeated but will show us in even greater detail why we must do something now to tighten our parole laws. After breaking into the home while the couple was in bed, he sexually assaulted both husband and wife in front of each other, all the while threatening them with the knife. After sexually assaulting the couple, the man made them go into the kitchen and forced the wife to make him a meal. He then demanded, at gun point, that the couple give him liquor, food and other items and made them load their own car for his escape. He then drove away. This entire scene lasted three hours but will live on in the minds of this couple for the rest of their lives. The same prisoner when apprehended three hours later told the detectives "I didn't want to come out. They made me come out. I can't even make it in a backyard, let alone society or the community".

It is up to the parole system to protect society from these criminals, and I am not satisfied that this is being done. I have written to the chairman of the Justice and Solicitor General Committee to ask that when the committee visits British Columbia it have hearings on sentencing and the parole system and that the committee visits the municipalities about which I am speaking, and Fraser Valley East. I am pleased that representatives of the three municipalities have written to the Solicitor General, as have many of the citizens. I know they will welcome the opportunity to put their cases before the committee. I am encouraging the committee to come this spring when it visits British Columbia so that people can be heard and their concerns written into the register.

**Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada):** Madam Speaker, first I would like to express my shock and horror at the tragic death of a young mother, her daughter and a young friend in British Columbia last year. Both as Parliamentary Secretary to the Solicitor General and as a father, I sympathize deeply with the families of these victims.

The alleged perpetrator of these crimes had been convicted of homicide 16 years earlier and was on parole at the time of these brutal murders. Two weeks later he took his own life while under psychiatric observation. We therefore may never know his full role in these crimes nor what could have motivated him.

A police investigation into the matter is now under way and the circumstances surrounding the crime will soon be examined by a coroner's inquest. Officials of the Solicitor General's ministry have been and will continue to offer whatever assistance they can to the police and coroner. In the meantime, it would be inappropriate to speculate on the findings of those inquiries.

The parolee in question was paroled after serving over 10 years of a life sentence for his earlier conviction. He had been on parole for over six years. He was seen weekly by his parole supervisor and received regular psychotherapy from two therapists. He had received psychological and psychiatric treatment throughout his sentence, including three years in the psychiatric treatment centre. By all accounts he was doing well, and at each stage of his sentence when decisions were made with regard to his very gradual release into the community, psychiatric and/or psychological opinions were considered by the parole board.

None of this can compensate for the loss of three innocent lives. The Minister will continue to examine the facts as they become known to ensure that this was the case, to learn what we can from this tragedy and to take whatever corrective action is indicated.

Our parole system must continue to help inmates to make the transition back to the community in a law-abiding fashion. At the same time the degree of risk must remain the key element in making such decisions. The harsh reality is that

assessing risk remains a matter of human judgment to a large extent and human judgment is not infallible. Despite the difficulties which will always remain, I can assure you, Madam Speaker, that this Government has done and will continue to do what it can to improve the process.

• (1825)

First, as Hon. Members know, Bill C-67 was passed in July of 1986. That Bill allowed the parole board to intervene and prevent the automatic release to mandatory supervision of patently dangerous inmates. Up until July 31, 1987, one year after the legislation was passed, 346 inmates had been referred to the National Parole Board for detention hearings. Of these inmates, 81 were ordered detained, subject to yearly review until sentence expiry. Seventy-two were given residency conditions, 65, one-chance mandatory supervision and 110 were released under "regular" mandatory supervision.

Second, the Parole Board is at this time implementing on a trial basis decision-making policies that will focus on undue risk. Third, the correctional service is implementing a case-management-strategies approach aimed at reducing and controlling the risk posed by paroled offenders.

In addition, in response to the Ruygrok inquest, certain measures such as information co-ordinators were speedily introduced and other longer-term measures have recently been proposed to the Solicitor General (Mr. Kelleher) by a sentence-management review conducted by ministry officials. We are striving daily to find ways of improving our performance. To the extent the inquiries into this tragedy reveal any necessary corrective measures, they will be undertaken in addition to those to which I have already referred.

In closing, Madam Speaker, let me again express my deepest sympathies to the relatives and friends of those three victims who so tragically lost their lives.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow morning at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.27 p.m.

# HOUSE OF COMMONS

**Tuesday, February 9, 1988**

The House met at 11 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*English*]

### INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF TWENTY-SEVENTH AND TWENTY-EIGHTH REPORTS OF THE CANADIAN NATO PARLIAMENTARY ASSOCIATION

**Mr. Howard Crosby (Halifax West):** Mr. Speaker, on behalf of the Chairman of the NATO Parliamentary Association, and pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the twenty-seventh and the twenty-eighth reports of the Canadian NATO Parliamentary Association.

[*Editor's note: See today's* Votes and Proceedings.]

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### CRIMINAL CODE

MEASURE TO AMEND

**Mr. Roland de Corneille (Eglinton—Lawrence)** moved for leave to introduce Bill C-281, an Act to amend the Criminal Code (false news and hate propaganda).

**Mr. Speaker:** Shall the Hon. Member have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

**Mr. de Corneille:** Mr. Speaker, I would like to introduce this Bill to amend the Criminal Code of Canada regarding false news and hate propaganda.

Motion agreed to, Bill read the first time and ordered to be printed.

[*Translation*]

### CANADA LABOUR CODE

MEASURE TO AMEND

**Mr. Louis Plamondon (Richelieu)** moved for leave to introduce Bill C-282, an Act to amend the Canada Labour Code (scabs and essential services).

**Mr. Speaker:** Shall the Hon. Member have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

**Mr. Plamondon:** Mr. Speaker, I am pleased to introduce a Private Member's Bill, an Act to amend the Canada Labour Code (scabs and essential services). The purpose of the Bill is to prohibit hiring people to replace Crown corporation striking or locked out employees. The Bill is also aimed at maintaining essential services during a Crown corporation strike or lockout.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*English*]

### PETITIONS

PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is my distinct honour to present a petition on behalf of petitioners from Salmon Arm, Eagle Bay, Vernon, Burnaby, and Maple Ridge, in the Province of British Columbia, who are of the opinion that the Conservative Government does not have a mandate from the people of Canada to conclude a trade deal with the United States.

They believe that this deal threatens the very fabric of Canadian political and economic sovereignty, since it removes the power of the Canadian Government to effectively control

foreign ownership, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between the regions of Canada.

Therefore, the petitioners are calling upon Parliament to dissolve to allow the people of Canada the opportunity to accept or reject the proposed trade deal during a national general election.

• (1110)

SUPPORT FOR BILL C-54

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have the honour to present two petitions. The first one is from a number of residents of Swift Current, Saskatchewan and concerns Bill C-54 which creates new laws against the production, sale, rental, and distribution of pornography.

The petitioners are concerned that the pressures exerted by various permissive minority groups may cause government to water down and weaken this legislation.

Therefore, the petitioners humbly pray and call upon Parliament to support Bill C-54 as is and to pass the Bill without dilution in the belief that it gives recognition to the inherent dignity of individuals, particularly women and young people who are most vulnerable to exploitation in this area.

BLOCK AVERAGING OF INCOME

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, the second petition is from a number of residents of southwestern Saskatchewan who note that farmers and fishermen for many years have enjoyed the right to block average their income, and that on December 16, 1987 the Minister indicated his intention to eliminate block averaging.

The petitioners, therefore, call upon Parliament to take the necessary steps to retain block averaging for farmers and fishermen as recommended by the Standing Committee on Finance and Economic Affairs in its report on the *White Paper on Tax Reform, Stage One.*

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty under Standing Order 106 to present petitions signed by 175 residents from Eskimo Point, Northwest Territories, and Spence Bay, Northwest Territories.

These petitioners are concerned about possible environmental effects and contributions to nuclear proliferation by proposed plutonium flights over northern Canadian territory.

As a result, the petitioners humbly pray and call upon the Parliament of Canada to recognize the dangers of such flights and to say no to the transport of plutonium over northern Canadian territory.

PROPOSED FREE TRADE

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, I have the pleasure to present two petitions. One is from residents of Toronto who say that the Mulroney-Reagan trade agreement between Canada and the United States will have a fundamental impact on Canada's economic, cultural, and political independence.

Therefore, they request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election prior to the signing of any such agreement.

The second petition is from residents of Moose Jaw, Saskatchewan, who say that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

The Prime Minister (Mr. Mulroney), promised in accordance with bilateral trade negotiations, that Canada's sovereignty would not be compromised.

Therefore, they humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement in a national general election.

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I have the honour to present a petition. It is signed by Canadians who are concerned about the Government's trade deal with the United States.

They believe that it will have a fundamental impact on Canada's economic, cultural, and political independence. They believe that the agreement will also have an effect on job loss, especially in many different sectors in Canada and in the various regions of Canada.

Therefore, the undersigned request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election.

It is signed by many Canadians who are very concerned about the deal.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council):** Mr. Speaker, question No. 153 will be answered today.

[*Text*]

REVIEW OF AGRICULTURAL PROGRAMS

Question No. 153—**Mr. Althouse:**

1. Are any agricultural programs being reviewed to determine their acceptability under the criteria agreed to by Canada at the Cairns Group meeting held in Ottawa, May, 1987, and the OECD summit held in Venice, June, 1987 and, if so, which programs?

2. Do the programs continue to meet the criteria as agreed to at the two meetings and, if not (*a*) which ones do not (*b*) what program changes could be made to make the programs fit the new requirements?

3. During the last fiscal year, was financial assistance provided under the programs which no longer meet the criteria agreed to and, if so, in what amount?

**Hon. John Wise (Minister of Agriculture):** 1. No review of agricultural programs to determine their conformity with the internationally agreed guidelines is being undertaken at the present time. However, the OECD has developed a unit of measure, the Producer Subsidy Equivalent, for comparing amongst countries, the amount of support provided to specific agriculture commodities. Agriculture Canada officials are reviewing the PSE calculations as currently applied by the OECD to Canadian programs.

The initiatives of the Cairns Group and the principles agreed to by the Organization for Economic Co-operation and Development (OECD) are aimed at making agricultural production more responsive to market forces. These guidelines will have to be taken into account by countries in their domestic policy formulations to the extent they are reflected in the contractual undertakings in the Uruguay Round of the Multilateral Trade Negotiations (MTN).

At this stage, it is too early to predict the outcome of these negotiations. Canada and other participating countries have tabled proposals on how to proceed with the negotiations. Only when the scope and content of the MTN become clearer will it be possible to ascertain the full implications for change to existing Canadian policies and programs.

2. Not applicable.

3. Not applicable.

[*Translation*]

**Mr. Grisé:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**Mr. Speaker:** The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand.

**Some Hon. Members:** Agreed.



[*English*]

## PRIVILEGE

PRIVACY OF MEMBERS' OFFICES—ALLEGED BREACH—MR. SPEAKER'S RULING

**Mr. Speaker:** On January 28, 1988, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) claimed that the rights of three Members of Parliament had been breached in relation to the privacy of their physical offices. He contended that House of Commons staff had removed software from computers in Members' offices without informing either the Members concerned or their staff what they were doing. I undertook to look into the specific circumstances of this issue and report back to the House. I am now ready to do so.

[*Translation*]

There is a pilot project underway at the present time in relation to the installation of personal computers in the offices of Members of the House. There are some 29 participants involved in this pilot project at the present time.

[*English*]

In an effort to proceed as expeditiously as possible with the pilot, interim software was installed in various personal computers in order for the evaluation phase of the project to proceed on schedule. This interim software was intended to be utilized only until the customized software was available.

On December 2, 1987 sufficient copies of the customized software were available for installation and evaluation in nine of the twenty-nine pilot machines, and the substitutions were made. The balance of the pilot project participants were provided with copies of the final version of the software on January 27, 1988.

It would appear that the intention of staff in the OASIS group was simply to ensure that Members' offices were equipped with the most up-to-date software and, in the case of pilot project participants, that they be provided with the same software that will shortly be provided to all Members' offices.

Clearly, however, the extent to which OASIS staff apprised Members' staff of what they were doing was insufficient. In that context, the complaint raised by the Hon. Member for Thunder Bay—Atikokan is not without foundation. More important, he underscores an issue that pertains to policies and procedures for servicing and maintaining Members' personal computers so as to ensure the confidentiality and integrity of data stored and manipulated on these machines.

I am satisfied that what has occurred in this case was done innocently. However, the point made by the Hon. Member for Thunder Bay—Atikokan that electronic information should be treated no differently from "hard copy" material is well taken. All staff involved in providing electronic equipment or electronic data processing services to Members have been cautioned on the importance, in future, of fully briefing Members' staff and obtaining their prior authorization before

any alterations or changes are effected to Members' data bases or data processing equipment or software.

[*Translation*]

In addition, a policy statement covering these issues is now being prepared and will be submitted to the Standing Committee on Management and Members' Services for discussion, as quickly as possible.

[*English*]

This policy statement is to include not only the procedures and practices to be followed by House staff in relation to their access to and maintenance of computer hardware and software in Members' offices, but also the whole question of the safety and security of computerized data stored in Members' offices. This is an issue of vital importance and one which is to be addressed immediately.

In view of these facts, it would be the Chair's contention that there is no necessity to proceed with a question of privilege at this time.

[*Translation*]

I would like to thank the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) for having raised this very serious issue and assure him, and all Members of this House, that corrective steps have been put in place to ensure that such an occurrence does not take place again.

[*English*]

**Mr. Rod Murphy (Churchill):** Mr. Speaker, I rise on a point of order in relation to your ruling. I think it is a very important ruling and that it sets out the parameters of the concerns raised by the Hon. Member for Thunder Bay—Atikokan (Mr. Angus). I believe it is important that the committees of the House look into the matter.

I would also hope that in doing so the committees would look at ways of ensuring, when copies are made of Members' disks with names, addresses, and all other information, the privacy of what we have been putting on our disks, that they are kept for Members' use only, and ways of ensuring security in that regard.

Obviously a number of names have been given to us from various sources, some of which are very politically sensitive. We want the guarantee that we will have some security in this area.

• (1120)

**Mr. Speaker:** I thank the Hon. Member for his intervention. I will be very sure that his remarks are passed on within a few minutes to all the appropriate officials.

# GOVERNMENT ORDERS

[*English*]

## OFFICIAL LANGUAGES ACT

MEASURE TO ENACT

The House resumed from Monday, February 8, consideration of the Motion of Mr. Hnatyshyn that Bill C-72, an Act respecting the status and use of the official languages of Canada, be read the second time and referred to a legislative committee.

**Mr. Speaker:** The Hon. Member for Winnipeg North Centre (Mr. Keeper) has the floor.

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I understand that I have a few minutes in which to wrap up my remarks.

Yesterday, with regard to this debate on the official languages policy of Canada I was saying that we should be proceeding in a way which builds national consensus. In that context I wish to indicate that my view with regard to the official languages policy of the country is that it is not a policy that should or does confer special privileges on any group but, rather, it is a policy that is designed to remove injustices from Canadian society.

In that connection it is important for people to recognize that the rights which are enunciated in the legislation and which are stated in very broad principles, such as the right to work and the right to service, are limited in their application. I am hoping that that will assuage some of the fears that are being aroused throughout the country in articles about this policy, which are complete and utter distortions of the impact of it.

I also wish to point out that it is better that the debate be carried out more in the nature of a town hall meeting than of a dog fight. It is historic that we have a Conservative Government introducing legislation with regard to official languages policy and that the original sponsor of this legislation, the Liberal Party, is not the only political group in the country that has chosen to approach the notion of official languages in Canada. In this way official languages policy has become a non-partisan question. All three major political Parties have recognized the realities of Canada; they have recognized that we have two major language groups which we call official language groups.

Finally, in the sense that we should have an open and honest debate about this legislation it is critical that the flaws in it be pointed out. I refer to the provisions in the legislation which deal with the Yukon and the Northwest Territories. In that respect the Government is acting in a heavy-handed and ham-fisted way. It ought seriously to entertain amendments at committee. There is no reason why the Yukon should be treated as a federal institution. There is no reason why it should not have the legislative capacity to determine its own

policy in this area, as is the case with the Northwest Territories. There should also be some clarification with regard to the impact of the clause affecting the courts.

Canada is maturing in its approach to the whole question of official languages. It is good that the House hear all opinions with regard to this subject. That is the only way that we can develop a larger consensus with regard to official languages in Canada and develop greater unity.

**The Acting Speaker (Mrs. Champagne):** Are there questions or comments? The Chair recognizes the Hon. Member for Western Arctic (Mr. Nickerson).

**Mr. Nickerson:** Madam Speaker, following along the non-partisan lines adopted by the Hon. Member for Winnipeg North Centre (Mr. Keeper) I would like to compliment him on digging out the flaws in the Bill we have before us. They are flaws which do not deal with the language issue but rather with constitutional issues as they affect the Northwest Territories and the Yukon. I am thankful for the assistance that has been rendered by the Hon. Member in pointing that out. He has pointed out the anachronism that exists in Clause 90 of the Bill. It states that the Official Languages Act of the Northwest Territories, which was enacted by the Legislature of that Territory, cannot be changed without the consent of the Parliament of Canada. That is completely unacceptable to the people who live in the Northwest Territories. There is no need for such a provision in this day and age.

With respect to the Yukon, it is treated even worse. It is treated as if it is a department of Government.

My question to the Hon. Member is this. Is what he has said the official policy of the NDP? Can we count on the support of the NDP when this Bill gets to committee for the necessary amendments that have to be made if this Bill is to be made acceptable to the people of the North?

**Mr. Keeper:** Madam Speaker, it is curious to me that the Hon. Member started out by indicating the non-partisan fashion in which he wished to proceed and then asked me what is the position of the New Democratic Party on this matter.

I am sure that my colleagues will see the wisdom of my comments and that they will recognize that this is a federal country. I hope they will see that there is no way in which the federal Government should be imposing policies on the Northwest Territories and the Yukon. I hope they will see that the notion that there has to be parliamentary concurrence in the Official Languages Act of the Northwest Territories should be removed from the Bill. That the Yukon should be treated the same as a department of the federal Government is a mistake in policy. It should be treated on the basis of what it is, that is, a legitimate legislature of the country. It should be allowed to develop its own policies.

**Mr. Orlikow:** Madam Speaker, I would like to ask a direct question of my colleague, the Hon. Member for Winnipeg North Centre (Mr. Keeper). He has just replied to a question asking him about the policy of the New Democratic Party on this Bill. I wonder if the Hon. Member has noted the comments of the Conservative Member of Parliament for Winnipeg—Assiniboine (Mr. McKenzie) and what he thinks of them, given the fact that in the City of Winnipeg there are each year an increasing number of English-speaking students attending French immersion schools right through to the end of grade nine, including schools in the constituency of Winnipeg—Assiniboine. Would the Hon. Member like to comment on the views expressed by the Hon. Member for Winnipeg—Assiniboine?

**Mr. Keeper:** Madam Speaker, I must be honest, I have not paid much attention to the comments of the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie).

**Mr. Orlikow:** They do not deserve much.

**Mr. Keeper:** I must say that I have noticed that the schools in Winnipeg have increasing numbers of children who are taking instruction in immersion classes. Those in an English-speaking community are learning to speak French. When they complete their schooling they will be able to speak French with ease. They will not have to learn French in the way in which I have learned it, struggling word by word. I am happy to see that this is happening.

I know that the amount of French immersion is increasing in Winnipeg. It has reached something in the order of 25 per cent in the City of Edmonton. In the City of Ottawa it is something in the order of 50 per cent. I know that in a small rural village just outside Selkirk, Manitoba, which is a small town, the families were given the option of keeping their children in the village school or sending them to an immersion school. Half the families chose to send their children to the immersion school.

What this indicates is that we are raising a new generation and that some of the attitudes that are expressed today about the French language in Canada will become a thing of the past with this new generation. We are building a new, more tolerant Canadian society, a society in which the prejudicial and discriminatory attitudes of the past will in fact be a thing of the past. For the moment, we are still going through a period of transition. However, there will be a new dawn with the new generation, people who will understand both communities and both language groups.

• (1130)

**Mr. McKenzie:** Mr. Speaker, members of the NDP have completely missed the point. This Bill has nothing to do with children learning to speak French. In Winnipeg—Assiniboine there is one of the highest entry rates for immersion school because people realize that they will not get jobs in the Government if they do not learn French. However, just because an Anglophone learns French does not mean that he will get the job. He has to take a language diagnostic analysis, and if he does not pass that he is turned down.

For many years, I have been asking for amendments to the Human Rights Act that would insert the word "languages". Then, when any Anglophone is denied employment or promotion, he will have grounds to file a complaint with the Human Rights Commission and will have a proper and thorough examination of why he is being denied employment or promotion. This was recommended by the former language commissioner, Maxwell Yalden. He did not believe in the firing and dead-ending of fully qualified English-speaking Canadians.

I have been working on a case on the Hill here for two years. A uniformed Staff Sergeant here was sent away for language training. He was an Anglophone and was having difficulty learning the French language. The teacher suggested he have a hearing test so he had a hearing test and his doctor told him that he had a problem with one ear and would have great difficulty learning the French language. There was really no point in carrying on. He was sent back to the Hill and was demoted from Staff Sergeant to Sergeant, with a loss of pay.

I do not support discriminatory action like that. French-Canadians are in a different category. There are hiring teams out looking for French-Canadians for jobs in the Government. As well, French-Canadians have special promotional privileges. No other nationality has these privileges and I consider that discriminatory.

This Bill imposes bilingualism on the private sector. I would like to know where, in Penticton, British Columbia, a firm doing business with the federal Government will find fully qualified bilingual persons to handle any customers who want service in French. If the French-Canadian customer does not like the quality of the French that is being spoken by an Anglophone, or if the Anglophone is not writing proper French, the customer can file a complaint with the language czar. I suppose the language czar will warn the firm to start with, but if it cannot correct the situation, the language czar can haul it into Federal Court and prosecute the firm.

I do not support the language czar having dictatorial power and being immune from prosecution. This has not been explained properly to the Canadian people. The press has done a terrible job of explaining the contents of this Bill.

Another thing that deeply disturbs me, and I am sure Canadian taxpayers, is that there has been no figure put on what all this will cost. Will it be $100 million, $1 billion—who knows? That is a legitimate question. We do not have any cost figures.

For years, we condemned Liberal Governments for running blank-cheque Governments. They just shoved through legislation and we did not know what it would cost. I do not support that.

The NDP and the Liberal Party have not explained any of these things to the Canadian people. They are not serving their constituents if they are not pointing out these problem areas. The problems are genuine and we are entitled to answers.

**The Acting Speaker (Mrs. Champagne):** The time allowed for questions and comments has actually expired, but I will allow the Hon. Member a minute to conclude.

**Mr. Keeper:** Madam Speaker, I thank you for the opportunity to respond, because clearly statements like that should not go without response.

I note that in his closing remarks the Hon. Member for Winnipeg—Assiniboine said that the NDP and the Liberals have not explained. He failed to mention his own Party. He is playing partisan politics with the very sensitive issue of national unity.

The Hon. Member did say that people will not get jobs with the federal Government if they cannot speak French. That is a complete and utter distortion of the legislation before the House. Obviously there is an advantage to being able to speak both languages, but the legislation protects the right of the individual to work in his or her own language. That means, in plain English, that the right of an English-speaking person to work in English is protected.

The Hon. Member raised the case of an individual who, in his opinion, had been discriminated against. That is a legitimate role for a Member of Parliament to play. Members of Parliament should take up individual cases, be ombudsmen and see that justice is done. Members of Parliament should continue in that tradition. However, to distort the legislation poisons the debate. This is the kind of debate in which we need more facts and less distortion.

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Madam Speaker, I am pleased to have an opportunity to participate in the debate on the new Official Languages Act, Bill C-72. I think it is important to look at what the Government has tried to do with this Bill. First, we have tried to reflect the principle of equality of status of English and French as embodied in the Constitution Act of 1982. Second, we have endeavoured to improve upon the original Official Languages Act wherever possible. I think it is important that the House understand that both objectives have to be accomplished with the principle of fairness and equity first and foremost in our minds.

No Bill is perfect. We may not have fully achieved our goals. Some of our efforts may have fallen short of the mark. In other cases, we may not have used the most precise language possible in either the French or the English version of the Bill. Nevertheless, the effort has been made. I do not sense that our efforts are being rejected out of hand.

I noticed in debate yesterday that our political opponents, the Liberals and the New Democrats, have been complimentary and supportive of our efforts. I also noticed that members of all Parties have raised questions of interpretation and intent at the same time as they have addressed the principle of the Bill. I submit that that is the purpose of second reading stage.

When we debate this Bill, we do so keeping in mind the principle that Canada is a bilingual country. That fact is found not only throughout history but in the Constitution, and particularly in the Charter of Rights and Freedoms. Canadians are fully committed to equality of language within the parameters found in the Charter of Rights and Freedoms. I refer specifically to Section 16(1) of the Charter of Rights and Freedoms which states:

> English and French are the official languages of Canada and have equality of status and equal rights and privileges as to their use in all institutions of the Parliament and government of Canada.

As well, Section 20(1) states:

> Any member of the public in Canada has the right to communicate with, and to receive available services from, any head or central office of an institution of the Parliament or government of Canada in English or French, and has the same right with respect to any other office of any such institution where
>
> (a) there is a significant demand for communications with and services from that office in such language;
>
> or
>
> (b) due to the nature of the office, it is reasonable that communications with and services from that office be available in both English and French.

Most Bills introduced in the House fall under the jurisdiction of one particular Minister. This Bill falls under the jurisdiction of three Ministers. The carriage of the Bill is with the Minister of Justice (Mr. Hnatyshyn) who is responsible for the proceedings of Parliament, legislation and administration of justice. The Ministry of the Secretary of State (Mr. Crombie) is responsible for the advancement of English and French. The President of the Treasury Board (Mr. Mazankowski) is responsible for communications with and services to the public, language of work and participation of English-speaking and French-speaking Canadians.

• (1140)

In the short time available to me, I would like to refer to those parts of the Act within Treasury Board's responsibility. I would like to suggest solutions to some of the problems which have come to my attention, and send a signal that the Government is open to improvement and clarification, whether in second reading debate or committee. We welcome constructive questions and comments for the purpose of clarification in order that the Bill pass second reading and progress to committee stage.

First I will deal with Part IV, "Communications with and Services to the Public". As I suggested, Section 20 of the Charter of Rights and Freedoms spells out the rights of a member of the public. As it happens, the same numbered article, Clause 20 in the Bill, reiterates the right of the public to communicate with the Government and receive available services from federal institutions in accordance with that part.

In Clause 21 reference is made to "significant demand". In other words, where there is significant demand the federal institution has the duty to provide, and so on. The question then arises, what is significant demand? That has been asked in the House and it is a legitimate question.

I do not have a precise definition of "significant demand", but I would presume that in making regulations under Clause 21 the Government would take into account the following considerations. I refer the House specifically to Clause 31(2) which states that in prescribing the regulations which define significant demand:

> —the Governor in Council may have regard to
>
> (a) the number of persons composing the English or French linguistic minority population of the area served by an office or facility, the particular characteristics of that population and the proportion of that population to the total population of that area;
>
> (b) the volume of communications or services between an office or facility and members of the public using each official language; and
>
> (c) any other factors that the Governor in Council considers appropriate.

I do not think these are exhaustive but they do give us some idea as to what the Governor in Council would take into account in drafting those regulations.

The Bill goes on to recognize that the travelling public has a right to expect that federal institutions which provide services to those people in particular can communicate in either official language. That provision is found in Clause 22. Why? In order to recognize the bilingual nature of Canada, both nationally and internationally. Most of all, I suggest, it is to make all Canadians feel at home everywhere they travel through this unique and wonderful country.

I also want to address Clause 23 of the Bill, more particularly subclause (1) which states:

> Every federal institution has the duty to ensure that any member of the public can communicate in either official language with, and obtain available services in either official language from, any of its offices or facilities in Canada or elsewhere—

It then goes on to spell out the circumstances, the most important of which concerns the health, safety or security of members of the public. In other words, a member of the public dealing with a federal institution has the right to communicate with that institution in either official language and obtain service from that office in either official language.

Clause 25 regulates persons or organizations whose activities relate to the health, safety or security of members of the public:

> —wherever it is reasonable to do so in the circumstances, that members of the public can communicate with and obtain available services from those persons or organizations in relation to those activities in both official languages.

Why? Because we wanted to give federal regulatory agencies a mandate to take the official language needs of the public into account with respect to health, safety or security of the public. Those three things have to be paramount in anything we legislate.

In this part as well there are provisions to ensure that the public is aware that the services are available in both official languages. For example, in the case of federal institutions

there must be signs which point out that each official language is given equal prominence. Clause 29 says in part:

> —it shall communicate by using such media of communication as will reach members of the public in the official language of their choice in an effective and efficient manner that is consistent with the purposes of this Act.

Let me move on now to Part V. First I would point out Clause 30 of the Act which is all too often overlooked. The primary emphasis in Bill C-72 is service to the public. It is pointed out in Clause 30 that where there is an inconsistency between service to the public and the choice of language of work, the service obligation will prevail. As I said, I think that is sometimes overlooked.

In 1969 the Official Languages Act declared the equality of status of the two official languages and equal rights and privileges as to their use in all federal institutions. That fact was raised to the level of a constitutional principle by way of the Charter of Rights and Freedoms. We feel that the language of work regime set out in the Bill takes into consideration the linguistic reality of our country. It recognizes the existence of two types of work environments: first, those in the National Capital Region and the more bilingual parts of our country where both languages are commonly used; and second, where one of those languages predominates. Obviously the obligations of federal institutions are not going to be the same in both cases. I refer to Clause 33 of the Bill which states:

> English and French are the languages of work in all federal institutions, and officers and employees of all federal institutions have the right to use either official language in accordance with this Part.

I now want to look at some of the questions raised by this particular clause. For example, what about the right to work in either official language in accordance with this part? Does that mean this is unlimited? I think the right has to be understood in the context of the Bill which requires federal institutions to provide certain types of services to public servants in both official languages in certain regions and to create work environments conducive to the use of either official language in such regions. Therefore, the employee's right to choice of language of work is linked to these institutional duties.

As well, the Bill provides, and I stated this earlier, that where there is any inconsistency between the duties of the federal institutions to serve the public in both languages and the duties of those institutions in respect of the language of work of their officers and employees, the obligation to serve the public must prevail.

What about the question of supervisors? Does the Bill require all supervisors to be bilingual? In a bilingual institution as large as the federal Public Service there are work units composed entirely of positions requiring the use of only one language. To insist on bilingual supervisors in such units would be useless. On the other hand, the federal government policy will be to require supervisors to have a real bilingual capacity where the work environment requires it.

• (1150)

What about the work instruments that are referred to in Clause 35? Does that include all the technical manuals of the federal Government? The work instruments to which we refer in the Bill are the manuals, guidelines, circular letters, and forms which are regularly and widely used by employees and which are produced on behalf of the institution concerned. For that reason many technical manuals which are only used by a limited number of employees would not fall under this definition. It will be up to Treasury Board to set out the parameters on work instruments through the regulations and guidelines.

What about the participation of English-speaking and French-speaking Canadians? Our objectives are two-fold: first, that English and French-speaking Canadians should have equal opportunities to obtain federal jobs and promotions: and second, that the workforce of the federal Government should reflect the presence of English-speaking and French-speaking populations in Canada while respecting the principle of merit.

All of the comments which I have made with regard to the Bill, and I tried to be specific with regard to the sections under Treasury Board jurisdiction, should be read in conjunction with Clauses 81 and 82 which refer to the regulation-making authority of the Governor in Council and the Treasury Board. We are inviting suggestions as to whether or not this Bill brings together the old Official Languages Act and the Charter of Rights and Freedoms. We are inviting suggestions with regard to improvements to the Bill.

One suggestion which may be considered is the requirement that regulations under Clauses 81 and 82 be printed and distributed for a consultative process prior to their issuance and promulgation. In other words, these two sections seek the views of members of the English and French linguistic minority communities and, where appropriate, members of the public. Clause 82 also provides for a review by the permanent committees of the House of Commons and the Senate. This is another improvement which we think could be suggested at committee.

In conclusion, I want to suggest to the House that the Bill may not be perfect, that clarifications may be required, that there may be interpretations which could be requested in committee. We understand that. That is the process through which all Bills go.

I would like to comment on any suggestion by anyone that this Bill has been held up for an inordinate length of time. From memory I believe that there is on the Order Paper Bill C-30 still at second reading, Bill C-33 which has not had second reading, Bill C-54 which is at second reading, and Bill C-72. In other words, we have progressed in working our way through the Order Paper. Now is an appropriate time to deal with Bill C-72.

In doing so we seek tolerance and understanding in debate, in committee, and in implementation of the Act. Since

September 1984 we have made great strides as a Government and a country. We have the Meech Lake Accord and we have federal-provincial relations on a level which has not been seen in the last 18 to 20 years. Even when provinces and the federal Government disagree they do so on a level and plane which Canadians understand. It is not down on the low road. We have a working agreement. The child care effort, the tax reform effort, and all the improvements which have been made through the Minister of Justice (Mr. Hnatyshyn) demonstrate the ability of the Government to bring the provinces and the federal Government to work together on a regional basis.

This Bill demonstrates the Government's willingness to work together with the founding peoples of this country. I ask that the House and all Members join in the debate, in second reading passage, in committee work, in report stage, and in third reading so that we can send this Act on to the other place as soon as possible.

**Mr. Caccia:** Madam Speaker, I listened attentively to the speech of the Hon. Member. It was very well reasoned, very thoughtful and, by all normal standards, very convincing. Yet I know that the Hon. Minister has difficulties convincing some of his own back-benchers of the merits of this Bill. I fail to understand why he is not capable of convincing a number of them who are present in this Chamber to abandon the backward, ill-informed, and unrealistic position they have on this very important Bill.

This Bill puts forward a basic concept which has not only been accepted but supported in recent decades by Canadians all across the country. This Bill recognizes a cultural and linguistic reality. The Minister has made some very good points in advancing the merits of this Bill which deserve the support of his own back-benchers.

Therefore, I hope that his back-benchers listened carefully and will not come forward with notions of cost as the Hon. Member for Winnipeg did, as though to him dollars are more important than the national fiber and the cultural and linguistic values of the country. That is unacceptable. If Hon. Members prefer to put dollars before Canadian unity, that is their political responsibility, but we on this side of the House will not stand for that nonsense—we will not. That is a backward, asinine concept.

Therefore, why is the Minister not capable, with the well-reasoned position he took a few minutes ago, of convincing some of the backward back-benchers who are sitting behind him today?

**Mr. Lewis:** Madam Speaker, I tried to suggest in my remarks that this subject was worthy of a long, hard, and reasoned debate and that we should try to deal with it on the high road. I am not at all surprised that my hon. colleague deals with it on the low road. It comes as no surprise to my colleagues in my Party that the Member would try to divide my Party as his Party has tried to do in the past.

**Mr. Caccia:** No, no.

**Mr. Lewis:** The Member shakes his head. We were in the House when the legislation on the rights of Francophones in Manitoba was brought forward with one intent in mind, that being to divide our Party. Quite frankly, the gambit failed miserably. We have had a bellyful of being divided by the Liberal Party on this and similar issues. We have had it.

This Hon. Member makes this comment after the Liberals demonstrated four different positions on international trade in Vancouver. Where does the Hon. Member stand on that issue?

**Mr. Caccia:** What about linguistic rights?

**Mr. Lewis:** On this issue there is no need to worry about our caucus and our back-benchers. That Member is a dissident who used to sit rather close to the Leader of his Party but is now out on the edge and clinging by his fingernails. He has to have his nomination early because he is afraid of it. The earliest nomination in the Liberal Party is sitting right there because he is afraid he is going to lose it. Do not try to divide our Party with a simple tactic like that.

**Mr. Domm:** Madam Speaker, I wonder whether it is fair of the Member in the Official Opposition to bring forward this thought without considering whether he would endorse a resolution to the Quebec Government similar to the resolution which his Party put forward to the Manitoba Government. I want him to think about that.

• (1200)

I have a number of concerns dealing with the regulations that will be put in place by orders in council which will permit the Cabinet or Government to implement language in the work place. One of the principal reasons I object to the Bill, and this is a major dilemma, is that we do not know what will be the basis for these orders in council, we do not know the regulations.

The Minister referred to Clause 2(a) and Clause 31 dealing with regulations which refer to such things as population of an area in order to determine where there is significant demand. The Minister referred to what percentage of the total area would cause these regulations to be implemented. In order for me to support this Bill and represent my constituents, I want to know what that population of an area should be, and what the percentage of the total area should be. I could probably consider whether to support Bill C-72 based on that information which the Minister has referred to as important. If that information is important to the Minister in implementing this, it is important to Members of Parliament in knowing what they are approving in principle.

A similar case, which everyone would understand, existed with a former Bill passed in this Parliament under the former Government. It indicated that orders in council could be passed on the recommendations of a metric commissioner to the Cabinet, implementing mandatory metric in various industries. That did not work. Parliament had no input.

I suggest that this Bill is flawed because it does not give Parliament the opportunity to look at the requirements allowing orders in council to be passed, implementing mandatory regional workplace bilingualism. That is what the debate is about. Could the Minister respond?

**Mr. Lewis:** Madam Speaker, Clauses 81 and 82 provide for the review on a permanent basis of all regulations and directives. I stated specifically that one consideration may be to provide for those regulations and directives to be reviewed prior to implementation. We are reluctant to pin down numbers in the legislation because it would be difficult to change the Act if there were changes in circumstances.

Debates of this kind are often difficult. Legislative schedules of Government often include other priorities. One may take the case of 5,000 fishermen on the south shore of Nova Scotia who are francophone Acadians. The fisheries officers may well have to be bilingual. However, if all the Acadians were involved in fishing—which I do not know—it may not be as important for people at the agricultural station to be bilingual.

My point is that by leaving it to regulations which are brought about by a consultative process, that are discussed ahead of time and subject to review by a parliamentary committee, we would have the best of both worlds. Clause 31 describes the basic criteria and those regulations should come under Clause 31 and therefore be up for review.

[*Translation*]

**Mr. Fernand Robichaud (Westmorland—Kent):** Madam Speaker, I welcome this opportunity to speak today to a Bill that I consider vitally important for the country's linguistic minorities. I am of course referring to the Official Languages Act, that to us—when I say us, I mean Acadians, Francophones residing outside Quebec—is particularly important. The Government is to be commended for introducing the Bill at this time, and indeed I want to congratulate the Government for doing so. I also hope that the debate on this Bill will be non-partisan, so that the proposed legislation can be dealt with as quickly as possible.

I said that I congratulated the Government, and I also want to congratulate the Minister of Justice (Mr. Hnatyshyn) who said yesterday, and I support him wholeheartedly in this:

[*English*]

> The renewal of our language policy is intended for all Canadians. It provides for the needs of the majorities by guaranteeing government services for them in their own language. In addition, it recognizes the aspirations of minorities, who have often expressed a desire, and rightly so, to live and prosper using their own language. This Bill reflects the open-mindedness and tolerance of Canadians in matters of language and culture. This generosity of Canadians toward each other is one of the most endearing features of our national identity.

• (1210)

[*Translation*]

Madam Speaker, I think all Members of this House would do well to read this paragraph from the speech made by the Minister of Justice yesterday. It says a great deal about the Bill and about Canadians.

I am sure the proposed legislation will make a lot of associations and a lot of people happy as well, and I am thinking particularly of the Fédération des francophones hors Québec, which at a press conference last week urged the Government to act on the official languages question. The Government was asked to take concrete action as quickly as possible, since we had waited long enough.

Today, the President of the Fédération des francophones hors Québec, Mr. Yvon Fontaine, must be pleased, since the final words of his press release were:

"We believe the federal Government should take action as soon as possible so that the Official Languages Act can become effective without further delay."

Those were Mr. Fontaine's concluding remarks. Well, his wish has almost come true, since we are now at the second reading stage. Madam Speaker, I repeat that I hope we will be able to proceed quickly with the second and third reading stages and that the Bill is adopted as soon as possible.

I also wish to say a few words about an association I know rather well, Canadian Parents for French, who should also be pleased with what is happening here today, especially if they have read, and I am sure they have, the following in the preamble to the Bill, and I quote:

> The Government of Canada is committed to cooperating with provincial governments and their institutions to support the development of English and French linguistic minority communities, to provide services in both English and French, to respect the constitutional guarantees of minority language educational rights and to enhance opportunities for all to learn both English and French;

Of course Canadian Parents for French are delighted, because they have seen it as their role to promote the other official language, in their case French, since most members of this association are English-speaking.

This Bill, as we have said before, is the work of a number of individuals, a number of organizations, associations and even governments. However, I do not think taking the credit is an issue here. The important thing is that we have reached this stage. We have reached our goal, or at least we are well on our way to doing so.

To me, as an Acadian, the Bill also fills a gap left by the Meech Lake Accord. Granted, the Accord recognizes English-speaking and French-speaking minorities. There was also a commitment to preserve that fundamental characteristic of Canada, but only from the province of Quebec. And this is what I would have liked to see in the Meech Lake Accord,

Madam Speaker—a commitment by the Canadian Government to promote official languages across the land, rather than the sole province of Quebec making that commitment.

But, you see, even though the Liberal Party proposed an amendment, that was not accepted. The thrust of the Bill now before us is to fill that gap, and I am in fact delighted the Canadian Government accepts the role of promoting that fundamental characteristic of Canada. This is very important, and although I still would have preferred to see that role entrenched in the Meech Lake Accord, I am happy Madam Speaker to see it in the legislation.

Of course the Bill is not perfect, but it is a stage we must go through, and that stage indeed is of great significance to language minorities in Canada. It must be stressed that over these last few years we made very large strides, and I recognize that. Being an Acadian from New Brunswick, Madam Speaker, I am part of that distinct society which had a very stirring history since the very beginnings of Canada's colonization. With our own language, our own culture, our own customs, we are quite distinct. And our language, our culture were not preserved without hardship and difficulty.

If I go back to the 50's when I was in school, those memories now make me smile. Of course such conditions as we had in school at that time would not be accepted today. Let me explain. When I went to school, I had to study arithmetic in English textbooks, also algebra and geometry, and of course *The World History*. We often had difficulties with mathematics, not because the subject matter was that complicated, but quite simply because we did not understand the language, since everything was received in English. So we had severe difficulties. When I go back and remember the way we were doing the reading and the words we invented because of course we had the wrong accent, the wrong pronunciation, I can tell you that we were making sounds that sometimes were unintelligible. But despite all this, we broke through and we went ahead. How fortunate that this no longer is the case. My children were able to study with French texts and text-books. Of course this is a great step forward, but a lot of ground still has to be covered. Everything has not been done.

This legislation proposes very major changes at the courts level, providing that the individual has a right to be heard and understood in the official language of his or her choice. And this is very important because although a defendant would have the right to be heard in his own language, the presiding judge himself was under no obligation to understand the language chosen. This was a major deficiency which this Bill will remedy. Yet, there is a deficiency in this Bill in view of the fact that the Supreme Court will be excluded. When we deal with this Bill in committee, Madam Speaker, we will have to see whether these provisions could not apply also to the Supreme Court. We know that at least the presiding judge should be able to understand both official languages.

We must also recognize that the amendments to the powers of the Commissioner of Official Languages are also very important. His increased powers will make the legislation enforceable. People will be able to go to court, something they could not do until now. I suggest this is also very important.

Madam Speaker, we need to consider this Bill with a non-partisan, open-minded attitude, and with a will to make progress.

It would be unfortunate if the debate on this Bill would reopen the debate on our official languages everywhere in Canada. I suggest that this debate has already taken place. We should not go back and put everything in question!

We have come a long way and this Bill is the end result of our effort. We should all strive for the success of this Bill by working together in a non-partisan fashion.

Madam Speaker, I am sad to say that when we hear people talk sometimes, one might think of Francophonie or even Anglophonie as a disease. Some people are afraid to accept bilingualism.

To reassure these people who are a little bit afraid, I could tell them not to worry. We do not want to take anything away from anybody, but we want to grant other individuals certain rights.

As I was saying, Madam Speaker, this Bill is not perfect. I did not want to cover all the sections. This is a job we will take on when we deal with the Bill in committee. Madam Speaker, I want the House to know that I fully support this Bill and I strongly urge all Hon. Members of the House to do likewise.

• (1220)

[*English*]

**Mr. Reid:** The Hon. Member for Westmorland—Kent (Mr. Robichaud) comes from a bilingual province and, even though he talks in terms of being an Acadian speaking French, he points out difficulties in making his way through life and reaching the great status that he now holds.

The Hon. Member was probably sitting in the House when the Minister spoke, prior to the Hon. Member having the floor. The Minister pointed out that this Bill was designed, to some degree at least, to help make Canadians all across the country feel at home in whatever part of the country they happen to be in.

Does the Hon. Member think that this Bill will alleviate the problems that he experienced growing up in New Brunswick in his ordinary way of life? Is this Bill not more related to the delivery of services rather than getting down to the level of person to person and people meeting in the street?

When the Hon. Member makes his response, I ask him to consider the most unilingual piece of legislation in the country, that is, Bill 101 in the Province of Quebec, and what deterrent does this have in making people feel at home in different provinces where minorities live and work?

[*Translation*]

**Mr. Robichaud:** Madam Speaker, I want to thank the Hon. Member for his question which is whether this Bill will help us function better as a nation. If we look at the preamble, I do indeed believe it will help us live better lives as Canadians, whether we are Anglophones or Francophones. For instance, this part of the preamble provides that:

> the Government of Canada is committed to enhancing the vitality and supporting the development of English and French linguistic minority communities, as an integral part of the two official language communities of Canada, and to fostering full recognition and use of English and French in Canadian society;

I believe the preamble makes clear that wherever they happen to be, Canadians will not have to cope with the difficult circumstances we faced as Acadians during the fifties. We are making services available to people, and this can only foster the cause of official languages.

My colleague mentioned Bill 101 in Quebec. I would say "Thou beholdest the mote that is in thy brother's eye but considerest not the beam that is in thine own", and I am of course referring, be it reluctantly to the case of MPP Léo Piquette in Alberta, who was denied the right to speak French in the Legislative Assembly. He was not allowed to finish what he had to say, and I am sure no one would get that kind of treatment in Quebec.

[*English*]

**Mr. Graham:** I would like to point out to the Hon. Member for Westmorland—Kent (Mr. Robichaud) that perhaps some people are not so much concerned with the intent of the Bill but rather with the drafting of the Bill and, because of the drafting, the interpretation which may be placed on it. We believe that the law should be written in such a manner that average citizens can understand it. I consider myself in the category of an average citizen.

The Hon. Member for Westmorland—Kent specifically referred to Clause 15(1), the Duty to ensure understanding without an interpreter. If the Hon. Member has a copy of the Bill, I would like him to refer to it. That clause states:

> Every court, other than the Supreme Court of Canada, has the duty to ensure that, in any proceedings conducted before it, any judge or other presiding officer is able to understand the official language or languages in which the proceedings are conducted without the assistance of an interpreter.

We can certainly understand where the Bill may be coming from. I believe that the Hon. Member for Westmorland—Kent is fortunate enough to be able to converse in both languages. I was wondering if he would look at the French translation of that particular clause and point out to me where judges are referred to in Clause 15(1). I am not overly conversant with the French language, but I am at a total loss to see where judges are referred to at all. This raises the point that the drafting of the Bill has left many loopholes and possibly much misunderstanding. Perhaps this is where the concern is, rather than the partisan approach which he suggested may be the reason for the objections to the Bill. Could he conceivably point out for me where it refers to judges?

[*Translation*]

**Mr. Robichaud:** Madam Speaker, I am not sure I understand, because Clause 15(1) provides, and I quote:

> 15. (1) Il incombe aux tribunaux autres que la Cour suprême du Canada de veiller, dans toutes les affaires dont ils connaissent, à ce que le président de l'audience . . .

And I think that is the term he wants, "le président de l'audience"

> —comprenne, sans l'aide d'un interprète, la langue officielle dans laquelle se déroule l'affaire et sont rédigés les actes de procédure.

I don't see any problem at all. When rendering the law in another language, one does not do a literal translation. One renders the meaning, and I think it was done quite satisfactorily in this case. I don't see any problem.

[*English*]

**Mr. Crosby:** Madam Speaker, let me say at the outset to the Hon. Member for Westmorland—Kent (Mr. Robichaud), that I do not quarrel in any way, shape, or form with the principle of two official languages in Canada. I think that all Canadians support that policy.

• (1230)

I think what Hon. Members are concerned with, and myself in particular, is how that policy is implemented and whether it is implemented in a fair, appropriate, and proper way.

I am sure the Hon. Member for Westmorland—Kent would not want to promise Francophones in his province, as I would not want to promise Francophones in my provinces, services which they will not receive in the future under this Bill or any other legislation.

I want to review very briefly with him the past experience in the Province of New Brunswick. He knows that under the Canadian Charter of Rights and Freedoms and under the new Constitution Act passed in 1982 the courts of New Brunswick were made bilingual. The specific provision under Section 19(2) is that English or French may be used by any person in any pleading or process issuing from any court of New Brunswick.

My impression is that in the City of Saint John, for example, if a Francophone comes before a court he cannot be assured that he will be heard in his language. I wonder if the reverse is true in the City of Edmundston. Perhaps an Anglophone can have difficulty being heard in his language.

What we want to be assured of is that if Parliament passes legislation that indicates to Francophones that they can be heard in their language in court, or that Anglophones can be heard in their language in court, we are ready to implement it.

How has that official policy been implemented in New Brunswick over the last six years? Does that situation exist in New Brunswick today, the instant right to be heard before the courts of New Brunswick as guaranteed by Section 19 of the Canadian Charter of Rights and Freedoms?

I say to him at the same time that if that is not a reality today he had better have another thought about supporting provisions in Bill C-72 which would purport to do the same sort of thing for other Canadians.

[*Translation*]

**Mr. Robichaud:** Madam Speaker, I really do not see what the Hon. Member's problem is. Even in cases outside New Brunswick, whether an Anglophone can be heard in English or a Francophone can be heard in French has no bearing on this Bill, and I fail to see why we should not go ahead with this Bill. It does not affect the Bill at all. I think we have now reached the point where we have to do something. We must draft certain laws. We must give rights to English-speaking and French-speaking Canadians. Whatever the situation in New Brunswick happens to be, it does not release us from our obligation to proceed. And I believe it is high time we did. We must go ahead, no matter what the situation is elsewhere.

[*English*]

**Mr. Ron Stewart (Simcoe South):** Madam Speaker, on December 11, 1987 I stood in my place and resigned as Parliamentary Secretary to the Minister of Supply and Services. At that time I said, and I repeat it, that I am a Conservative, a strong Conservative, and a strong supporter of my Party, my colleagues, my Prime Minister (Mr. Mulroney), and in general my Government; that I am also unilingual; that I represent a riding which is overwhelmingly unilingual Anglophone; and that I fear my constituents' rights are jeopardized by Bill C-72 as it is now written.

Why did I resign? It was certainly not because I do not recognize and respect the duality of Canada and the two official languages. I resigned because of the wording and the way Bill C-72 was written and because it is not fair. If Canadians do not believe that it will change the face of Canada judicially, as has been pointed out, the supervisory capacities in the Public Service, the private sector, and by a dictatorial language tsar who is above the law, then they do not believe that Wayne Gretzky plays hockey or that the NDP Leader from Oshawa is or was Vice-President of Socialists International.

I resigned in the vain hope that the Prime Minister would come forth and withdraw this unfair piece of reverse discrimination from the House, or substantially amend it. The Bill was stopped for a little while. We were to have discussions on it, and we had a couple of meetings in which I and most of us who were there were led to believe that there would be no changes in the Bill.

I was more than appreciative of the Minister, the Hon. Member for Simcoe North (Mr. Lewis), when he rose a short time ago and said that perhaps now this is not the case. I certainly hope so.

Prior to this, the Bill had been discussed at meetings of the caucuses of B.C., Saskatchewan, and Ontario, and there were severe reservations about its contents. Hon. Ministers and some people in the House would have you believe, Madam Speaker, that this Bill is about fairness. They would have you believe that it is for unity, and this is untrue. All of us in the House want a united Canada. All of us believe in two official languages, but this Bill is patently unfair. It is not about unity. It is about division. Bilingualism is no longer an emotional issue. It is an accepted fact, but this is a matter of fairness and language should not be a power struggle.

Who really wants this Bill? I would like people to tell me. I am sure it is not the majority of Canadians, not my constituents.

My daughter, who has a Masters in Science, applied just a short time ago to Air Canada for a position. When she filled out the forms she was told that because she was not bilingual there would be no need to have an interview—"You can have the interview if you want it, but our policy is no hiring". I wonder what would happen if Bill C-72 went through in these circumstances.

Bill C-72 is about reverse discrimination. It places linguistics above merit regardless of the claim in Section 38(3) which is totally ambiguous. It makes second-class citizens of Anglophones, the majority of Canadians, the 76 per cent of Canadians who operate in an English milieu. This is Draconian legislation, fitting of Machiavelli himself.

Let me now ask who speaks for English Canada? Well, I do and I entreat my other English-speaking colleagues, who I know sit silently opposing the Bill, who have spoken out in committee and in private, to rise to their feet and voice their opposition and not allow constituents to be treated as second-class citizens.

I particularly challenge the press. I want to see the press take apart this Bill clause by clause, understand every part of it, and explain to their readers and viewers, the Canadian public, the true significance contained therein.

• (1240)

Let us look at the facts. Since the Official Languages Act makes us equal and gives equal access and opportunities, supposedly, to both linguistic groups, what has happened in the Public Service since the Act came into force under a Liberal Government and, in particular, Pierre Elliott Trudeau? Administrations became overstaffed with Francophones by 1984. This is what happened in 1986. I have in my hand statistics with respect to 26 departments. Statistics do not lie. I will not read them all out, but I will tell Hon. Members what happened with respect to the percentage of Francophones in these departments from 1984 until now.

In 1984, 50 percent of the staff of the Canadian Human Rights Commission was Francophone. That figure has risen to 59 per cent today. At the offices of the Canadian Intergovernmental Affairs the figure went from 83 per cent to 91 per cent. At the Canadian Radio-Television and Telecommunications Commission office the figure went from 65 per cent in

1984 to 70 per cent today. The Federal Court went from 53 per cent to 57 per cent. The Law Reform Commission went from 65 per cent to 71 per cent, while the offices of the Chief Electoral Officer went from 84 per cent to 88 per cent. The staff at the Veterans Allowance Board went from 33 per cent Francophone to 87 per cent Francophone. Francophone employees at the office of the Commissioner of Official Languages went from 82 per cent to 85 per cent.

Is this fairness? Would this Bill have repercussions the way it is written on these statistics and more? I ask Hon. Members to think about that. This is what has occurred without the dictatorial powers that we would give the Commissioner of Official Languages above the Government and above the law.

The Official Languages Act states "bilingualism where numbers warrant". This wording is to be changed to a "significant demand". What does this mean? Does it mean that 20 Francophones from outside Quebec can complain once a month to the Official Languages Commissioner, that an airline, an officer, a company is not toeing the mark as the Bill is written and interpreted by the Commissioner? Will it be a case of, "Give me the service or I will take you to court"? There would be no recourse to take a person back to court, none in the least.

I have a letter in my hand which I received from the Commissioner of Official Languages some time ago. In this letter he brings to my attention a complaint which he received to the effect that my office provided unilingual telephone reception during the morning of March 14. Although the Official Languages Act applies only to the institutions of the Government of Canada and not to Members of Parliament he takes it for granted that I would wish to be made aware of complaints received by his office and to concern myself with my staff.

From 1979 until to date I have not received one letter written in French from a constituent of Simcoe South. In 1981 I received 10 letters written in French from inmates of Laval Prison in Quebec in answer to a questionnaire dealing with capital punishment which I issued. In February of 1988 I received a letter from Jacques Marchand, of the French-Canadian Association of Ontario. Not one constituent has ever phoned me and spoken in the French language. Yet this Bill will change the face of these things. I ask everyone to read it carefully.

I now refer to an article written by Frank Howard which appeared in his column "Bureaucrats" on February 2, 1988. He writes about the former director of Chancellery of Canadian Orders and Decorations at Government House. He was reported to have caused a commotion because he drafted a letter to the Queen, so to speak, from Her Excellency, so to speak, with respect to some matter of heraldry. The Governor General, a disciple and an appointed head of state, refused to send the letter in English. The Director found himself to be *persona non grata* and he now finds himself in the Department of Fisheries and Oceans.

I recently sent my householder out in a bilingual format. I noted in it that the average cost of an English only householder is $4,011.23. The bilingual householder cost $7,468.78. I included a questionnaire in the householder to which I received 1,973 replies. I asked the following question:

> Do you favour bilingual service for all federal government departments and crown corporations?
>
> (a) For communities of 5,000 (eg. Toronto, etc.) or more whose mother tongue is French.

Thirty-three per cent replied yes; 59 per cent replied no; and 8 per cent were undecided.

The second part of the question states:

> (b) For communities with 50 or more who request bilingual service for 12 consecutive months?

Sixteen per cent replied yes; 71 per cent replied no; and 4 per cent were undecided.

The next question I asked in the questionnaire was:

> Do you wish to receive my Householder as bilingual in future?

Fourteen per cent replied yes; 82 per cent replied no; and 4 per cent were undecided.

The next question I asked was:

> Do you favour compulsory bilingualism for the Province of Ontario?

Eleven per cent replied yes; 85 per cent replied no; and 4 per cent were undecided.

I have in my hand an article which appeared in *The Ottawa Citizen* on January 27, 1988, written by Keith Spicer, the former Commissioner of Official Languages. He stated:

> The new law's more legalistic and coercive approach may put at risk the old gentle, persuasive ombudsman approach to language rights—

That is something which we all accept and champion. He went on to state:

> —Quebeckers are linguistically secure with Bill 101 and broadly convinced that the old Official Languages Act has worked; only French-speakers outside Quebec and Ottawa's language administrators really seem eager for a stronger law;

Amen, Madam Speaker.

In 1981 we received the Canadian Charter of Rights and Freedoms. As has been pointed out time and again by the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) and by myself, is there anywhere in the Charter which protects you, Madam Speaker, or me from discrimination by reason of language? I will tell Hon. Members that there is not. There is no provision for property rights. There are notwithstanding clauses. We have problems before the House with respect to abortion because of this imperfect document. I am proud to say that I voted against it.

In 1987 we had the Meech Lake Accord. Bill 101 was already in place in the Province of Quebec as a result of our good friend René Lévesque. For all intents and purposes that made Quebec unilingually French. There are no English signs. When Premier Bourassa said that he would relax that law,

Zellers put up some bilingual signs which were fire bombed. Is that fairness? Is this how the Official Languages Act of this country works? Is this how the Charter of Rights and Freedoms works?

If Meech Lake is passed and "significant demand"is instilled into the Charter of Rights and Freedoms and our Constitution then what will happen with Bill 101? Is there any element of English-speaking persons in Canada who want Bill 101 and want to institutionally and individually bilingualize the country the document which we have in front of us? I want a united Canada. I want an Official Languages Act that will work. But I do not think that any free people should ever have a minority language right enforced by the law of the country.

The Meech Lake Accord refers to distinct society. Is Premier Bourassa now waiting for the distinct society provision to take effect in order to legitimize this discriminatory Bill? What a hammer to have in place in conjunction with Bill C-72 as well. The distinct society provision could legitimize unilingualism while the rest of us would be struggling for a bilingual country.

Regarding the preamble of Bill C-72, there are two approaches to bilingualism in Canada today. One is that all Canadians have access to the institutions of Canada and essential services yet remain unilingual without jeopardizing their careers. We all support that. The second option is that everyone has the capacity to interchange language in any way, in other words, be fluently bilingual. Until now that has worked as everybody has been saying. It has been enshrined in the Charter of Rights and Freedoms. However, for the first time, we have legislation through Bill C-72 which will force the abandonment of option one and pull this country inexorably toward institutional bilingualism.

The quote I have in my hand has been given in the House of Commons time after time. I will not go through the Alberta report again. What this quote is saying can and probably will be true if Bill C-72 goes through in its present shape and form.

I would like to quote what the Minister of Energy Mines and Resources (Mr. Masse) has said in his hiring practices. On page three under the objectives it is stated that the suppliers of goods and services of the Department in bilingual regions shall provide such goods and services in both official languages. This would pertain to any corporation in Canada doing business with the federal Government. The manual also indentifies springboard positions that foster the accelerated development of incumbents and staff with high potential candidates, 30 per cent of whom are to be Francophones, not bilingual but Francophones.

• (1250)

The old Act was based on service to the public. Bill C-72 changes all that, giving every public servant the right to work in the language of his or her choice. The Language Commissioner would like us to believe that this will pertain only to the National Capital Region and designated areas. However, we know that in reality, any supervisory position or opportunities thereto in the public service will have bilingualism as a prerequisite because of this Bill, just in case one should have to communicate in both French and English.

Bill C-72 states that the instruments of work must be provided in both official languages. I heard the Minister reply to this by saying that it was nothing to think about. Every piece of software, hardware and equipment for communication in Canada must be bilingual-capable. The DND regulations were just translated a while ago, costing tens of millions of dollars. The cost will be astronomical in the face of the deficit we are fighting so hard.

Both the federal and the Ontario Governments have designated Toronto as a city where French-language services are to be provided. They should be providing it in Italian. How can they justify this course of action when the 1981 Census figures show that the number of residents of Metro Toronto who speak French is only 0.69 of the population? To serve the people in French, 99.3 per cent of the population will pay the millions, and I mean millions of dollars, to have everything done in two languages. Obviously it means jobs, jobs for Francophone people. Unfortunately, that provision will not protect the ethnic people. The ethnic people of the City of Toronto and elsewhere will have to be bilingual as well.

Bill C-72 confuses two important issues. The present Official Languages Act commits the Government to bilingualism, not the country. Bill C-72 commits the country to such a concept.

The Official Languages Commissioner is above the law. He is a tsar. He is answerable only to the Charter of Rights, not to Parliament. He can charge, subpoena and accuse but he himself cannot have that done to him.

Language in the workplace will change the face of this nation. It will mean that the private sector doing business with the Government will have to have bilingual employees in order to serve public servants in the language of their choice. Bill C-72 does this by simply making a bilingual capacity a prerequisite for all government jobs.

Indeed, it is apparent by the thrust of the preamble that an ability to speak in both languages will become a prerequisite for all jobs in Canada. The Bill may not spell that out loud and clear, one may have to search a bit for it, but it is there.

Already the Act denies the right of unilingual Canadians to take any position in the Public Service with a supervisory capacity. It demands that all federally-appointed court judges with the exception of the Supreme Court be bilingual. My hon. friend, the Minister of Justice (Mr. Hnatyshyn), suggested in his opening remarks that Bill C-72 would not do that, that although the actual legislation refers to all courts, somehow, some way, not all courts would be affected. One of the officers of the Law Society of Canada phoned me, however, to tell me of his grave fears about the whole issue.

Canadians want to be bilingual. We should teach French in schools from kindergarten on. The ability to absorb a second language falls drastically from the age of six. This has been proven by Chomsky, the father of linguistics who I studied in anthropology and who is still alive and well at MIT. Put it in the schools, but do not jam it down our throats through a Bill that takes away people's rights. Who wants this Bill? Is this what Canadians really want? Let us be very clear. The bilingualization of all Canadians means a great deal of expense, energy and effort. It is not fair and it is a decision which should not be taken lightly. Without having to resort to a complex and expensive poll, I can tell Hon. Members that the answer is no, my constituents do not want this, westerners do not want it and most maritimers do not want it. Even some people from Quebec do not want it. Certainly I believe that the provinces in general do not want it. I wish we could have a secret ballot on this. I wish this Bill would be amended drastically or would be totally withdrawn. I challenge Members from all parts of the House to think very carefully on it.

[*Translation*]

**Mr. Malépart:** Madam Speaker, I certainly do not share the views just expressed by my colleague, particularly when he claims that Anglophones in Quebec are not allowed to speak and that bilingualism is a fact of life in the rest of Canada.

I should like the Hon. Member to tell me whether he accepts the fact that a French-speaking MLA, say in Alberta, is not allowed to use his mother tongue, French of course. So how can he tell us that the rest of Canada is bilingual, but that Quebec is not? I think that is false.

I would like to know his views. Why be so strongly opposed to this Bill which would ensure that federal institutions provide services in both official languages throughout the country but which does not apply to all provincial legislatures?

Can the Hon. Member tell us how come he is so dead set against Quebec's Bill 101 and yet does not say anything about the other provinces, about MLAs like those in Alberta who dare not speak French lest they be dragged before the court?

[*English*]

**Mr. Stewart:** Madam Speaker, I am not opposed to bilingualism where the numbers warrant it in all federal institutions as the Act spells it out now. Leave it alone; it is not broken, do not fix it.

How would we expect the people of Alberta to ever countenance bilingualism in the Alberta Government on the strength of what has happened in the Province of Quebec with Bill 101, with Meech Lake in limbo and with all the things that have gone on there? I do not recall hearing of any fire-bombings or mailbox-bombings in Alberta. I do not recall hearing of a linguistics struggle in Alberta.

I might point out that the English-speaking population of the Province of Quebec is more than that of many of the western provinces themselves. The problem exists and we know it. However, this Bill will not correct it.

Again, I would like to reiterate for the Hon. Member that I champion bilingualism from kindergarten up in the educational system, not through phoney legislation designed to force francophone participation in Canada. That is what this Bill is, make no mistake about it. It does not force Anglophones into positions. I would meet the Hon. Member at any time, and I want it clearly understood that I do not oppose the French language but I certainly oppose this Bill.

**Mr. Epp (Thunder Bay—Nipigon):** Madam Speaker, I appreciate the opportunity to comment briefly on this speech and to do so in English. I am a Member who challenges the question that has been asked, who speaks for English-Canada?

This has been an extraordinarily divisive speech behind the protestations of support for national unity, support for bilingualism and support for the Official Languages Act of 1969. It makes me as a member of the Joint Standing Committee on Official Languages think that we really do work there in one of those solitudes that this country has known far too often.

It is quite clear to us, dealing with agencies of the Government and officials who head Departments, that the Official Languages Act points to the changes that are being proposed by this Bill. The Hon. Member recognizes that bilingualism is advancing in various Departments, which is not to say that there are 85 per cent Francophone Canadians in the Official Languages Commissioner's office but rather that 85 per cent of the persons there are capable of working in both languages. When he brings that kind of reality into the question to pander to the fears of some parts of the Canadian population, he is doing something extraordinarily divisive.

I realize that it is one o'clock. One could say a great deal more, but I, as one Canadian who speaks English far better than French, regret what the Hon. Member has said.

[*Translation*]

**The Acting Speaker (Mrs. Champagne):** Order, please. It being one o'clock I do now leave the chair until 2 p.m. later this day.

The House took recess at 1 p.m.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

## CANADA POST CORPORATION

### JOB SECURITY FOR RURAL CONTRACT AGENTS—NEED FOR GOVERNMENT TO MAKE CORRECT DECISIONS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Some time ago, Mr. Speaker, I called the attention of the House on

the unacceptable situation Canada Post rural contract agents must live with. At the time, I described the situation faced by Mr. Ronald Laliberté, from Hawkesbury, in my Glengarry—Prescott—Russell riding, who has been a rural contract agent for the Post Office for over 30 years and who, because of some Canada Post procedure, could find himself without a job in spite of his long and loyal services. For almost two years now, 5,000 rural contract agents are faced with the same dilemma as Mr. Laliberté when they see their contracts extended without any guarantee from Canada Post.

The Minister responsible for the Canada Post Corporation should make the required decisions by making it possible for rural contract agents to renew their contracts without jeopardizing their jobs. Why should a Canadian citizen who has been a Post Office employee for 30 years have to make a bid each year to keep his job? Mr. Speaker, such an attitude is altogether unacceptable, and the Government of Canada should protect the job of rural contract agents in this country.

* * *

[*English*]

## ABORTION

SUPREME COURT DECISION—EFFECT ON UNBORN BABIES

**Mr. Jim Jepson (London East):** Mr. Speaker, the recent Supreme Court ruling overturning Section 251 of the Criminal Code leaves all unborn babies defenceless in their mother's womb.

Did you know that four days after conception sex can be determined under a special microscope? Or that 24 to 25 days after conception the heart begins to beat and pump its own blood? Or that 43 days after conception brain waves can be detected? Or that 30 days after conception, foundations of the brain, spinal cord, nerves and sense organs are completely formed?

All of the following occur even before the mother knows she is pregnant: nerves and muscles begin working together; lips become sensitive to touch and the shape of the body is unmistakably human and possesses all the internal organs of an adult. In fact, the stomach produces digestive juices, the liver manufactures red blood cells, and the kidney eliminates uric acid from the body. Even the legs, arms, fingers and toes have already been formed. From this point on the only changes will be in size and sophistication of use of the unborn's parts.

Under Canadian law there is no cut-off date after which abortions may not be performed. It is incumbent upon Parliament to exhibit moral leadership in establishing laws to stop the killing of approximately 100,000 babies in their mothers' wombs each year.

*S. O. 21*

## HOUSING

PLIGHT OF HOMELESS—INCREASED GOVERNMENT FUNDING URGED

**Mr. Neil Young (Beaches):** Mr. Speaker, in Toronto, Montreal, Vancouver, Ottawa, and in every other Canadian city, there are men and women without shelter. They sleep in the streets, on park benches, in abandoned buildings, and under bridges. The number of people chronically without shelter is still relatively small but nonetheless significant, and the fact it is increasing is alarming.

During 1987, the United Nations International Year of Shelter for the Homeless, the Canada Council on Social Development produced a comprehensive study of homelessness in Canada. Its recommendations, ranging from a complete review of the Canada Assistance Plan, expanding social programs and developing new ones, to establishing national objectives for increasing the supply of low-cost housing, and viewing housing construction as a vehicle to put people back to work, have the potential to go a long way. What is needed now is a strong commitment by the federal Government and provincial Governments to provide the money and support necessary to implement these recommendations.

The International Year of Shelter for the Homeless has passed, but the problem will persist until we can find the political will to change it. I urge the Government to meet that challenge, and there is no better place to do it than when the Minister of Finance (Mr. Wilson) brings his Budget forward tomorrow. He could increase the funding allocation for the homeless then.

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## POLITICAL PARTIES

ARCTIC SOVEREIGNTY—POSITION OF LIBERAL PARTY

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, the Conservative northern defence policy of providing optimum protection and sovereign control at a reasonable price is compelling in its good sense and logic. The NDP policy of surrendering the nation to the first Russian soldier to step off his skidoo might appeal to a few. What makes no sense at all is the Liberal policy outlined in Vancouver by their Party Leader (Mr. Turner) on the weekend.

The Liberals would spend billions of dollars on diesel submarines completely incapable of operating under the ice, thereby abandoning any semblance of Canadian Arctic sovereignty to the Americans. Using the same logic, maybe the Liberals would want to replace our tanks with Roman catapults, equip our infantry with longbows, and reintroduce the cavalry.

*S. O. 21*

## EXTERNAL AFFAIRS

ISRAEL—DISTURBANCES IN GAZA AND WEST BANK—UNITED STATES PEACE PLAN

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, it is with a sense of unease that I watch the struggle, feel the hostility, and sense the futility on all sides of the disturbances in the Gaza and West Bank. The confrontations have created a dangerously unstable situation which causes serious concern for many people in Canada and around the world.

Since 1945, 150 regional wars have caused 20 million casualties, mostly civilian men, women and children, and forced many people to seek refuge from violence and oppression. While some of these disputes in the Middle East have been settled, the same is not true in the Gaza and West Bank despite many concrete attempts to resolve the situation. Recent events demonstrate the need for direct negotiations towards a peaceful resolution of the conflict. Valuable time is being lost in the search for a just and lasting peace that recognizes Israel within secure boundaries and responds to the aspirations of the Palestinians.

Restoration of order is a necessary first step. While no army or police force in the world should have to forgo its right to self-defence, it remains true that human rights know no boundaries and must be respected. I urge all parties to refrain from further aggression and to work towards an environment in which a negotiated settlement can be found. The U.S. peace plan may be such a starting point. It is an initiative worth serious consideration. Let this not be another tragedy of lost opportunity.

* * *

• (1405)

## IMMIGRATION

SENATE DELAY IN PASSAGE OF LEGISLATION

**Mr. John Oostrom (Willowdale):** Mr. Speaker, during the past two weeks Canadians have been skilfully manipulated by Mahmoud Mohammad, the terrorist convicted in Greece of attacking an Israeli jet in which there was a loss of life. Flanked by his family, this individual told Canadians that he was rehabilitated, and gave a hazy account of the terrorist attack.

It has now been proven that Mr. Mohammad's account of the incident was false. However, there is a major principle at stake here. The principle is what this individual represents. Terrorists have no compassion, pity, or remorse. Their only aim is terror, to be achieved by any means they have at their disposal. Any human being is a potential target for these cowardly people for they only prey on those who cannot defend themselves.

These individuals have been responsible for thousands of innocent deaths throughout the world. They are responsible for the unprecedented security now enforced at all points of departure. Yet this individual is making a mockery of our immigration system. While the Government has passed C-55 and C-84 to control this abuse, the Senate continues to stall its process. I call on the other place to act before more criminals enter Canada.

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## CANADA ELECTIONS ACT

GREATER DISCLOSURE OF INFORMATION REQUIRED

**Mr. Rod Murphy (Churchill):** Mr. Speaker, yesterday the Assistant Deputy Registrar General, Mr. Kingsley, claimed that the Prime Minister's (Mr. Mulroney) arrangements do not constitute a potential conflict of interest.

I would assert that this is not the case. By his actions the Prime Minister is in a natural conflict. As this House knows, we are studying Bill C-79, an Act to amend the Canada Elections Act. Negotiations are ongoing regarding the disclosure of the financial status of local political Party associations and a fuller disclosure of the financial transactions of the central Parties.

Ordinary Canadians deserve to know what is happening with money provided by rebates and tax credits. They wish to know what the federal Parties are doing with this money. The New Democratic Party has always been in favour of open disclosure. Despite our attempts during negotiations with the other Parties, all we have been given in the Bill is a voluntary disclosure of the financial status of local association funds. This is simply not good enough. We must either eliminate this farce, or make the legislation binding and enforceable.

It seems that working Canadians cannot expect the Prime Minister and his Party to be in favour of the disclosure of his Party's financial records when it includes information that is embarrassing to himself. Mr. Speaker, ordinary Canadians, through the tax rebate system and the tax credit system, are paying a lot of money to the PC Fund. We deserve to know and should have legislation to ensure that that information is available to the public.

* * *

## ABORTION

SUPREME COURT DECISION—CALL FOR MEASURES TO PROTECT UNBORN CHILDREN

**Mr. Bill Gottselig (Moose Jaw):** Mr. Speaker, the Supreme Court of Canada has struck down the abortion law as breaching the Charter of Rights. However, the court has not said that the Charter gives a woman the right to an abortion. Rather, it

has said that, although Section 251 of the Criminal Code breaches the Charter, Parliament does have the power to enact legislation restricting abortion and protecting the unborn child.

As one of my constituents said, we did not elect the Supreme Court to govern Canada. Surely, with due respect to Parliament as a mechanism of Canadian democracy, we could re-enact Section 251 of the Criminal Code as well as invoking the provisions of Section 33 of the Charter of Rights and Freedoms to provide protection to the unborn child pending a permanent solution to this very pressing problem.

* * *

## ABORTION

SUPREME COURT DECISION—CALL FOR GOVERNMENT ACTION

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, the natural reaction of the Government when facing a controversial issue like abortion is to sit on the fence and avoid falling into either camp. That is exactly what it is doing now.

Last week the highest court in the land ruled that women have a right to decide on the choices affecting their own reproduction. As a result, the country is in a state of confusion. Abortion is now supposed to be legal but most provinces have done nothing to come to terms with this reality.

The tidal wave has swept across the country and the Conservative Government is refusing to clean up the chaos left behind. I ask the Government to start cleaning up, to start facing today's new reality. Canada is confused and needs direction.

When is the Conservative Government going to stop studying the document and start facing its responsibilities? When are Canadian women across Canada going to have equal access to all services and options regarding reproduction? When is the federal Government going to give the provinces and the people of Canada some leadership on this issue?

I ask the Government at least to recognize that women have more choice today than they did last week and that access to all choices and options concerning reproduction must be guaranteed. It is time that the Government started cleaning up the confusion.

* * *

[*Translation*]

## TRADE

IMPORTANCE OF FREE TRADE FOR QUÉBEC

**Mr. Gabriel Fontaine (Lévis):** Yesterday, Mr. Speaker, 800 members of our important business community got together in Quebec City to hear Ambassador Simon Reisman talk about free trade.

The business community of the major 03 area have come to realize that free trade means above all the preservation for the Province of Quebec of an export market in the United States of nearly $18 billion a year. Quebec businessmen see free trade as a tremendous opportunity to reach an additional market of nearly 250 million customers. The manufacturing industry, the service industry, the agricultural industry are winners, and so are Quebecers, together with Premier Bourassa!

When Mr. Reisman was asked about the position adopted by the Leader of the Liberal Party of Canada, he said, and I quote: "Are you referring to the statement he made on Tuesday, or that he made on Wednesday, or to the contradictory statement on Thursday? If we wait until Saturday, he might have something entirely different to say".

* * *

## YOUTH

SOCIAL PROGRAMS—ABSENCE OF REAL POLICY IN CONSERVATIVE PARTY FOR YOUTH—OUTLOOK FOR FUTURE

**Mr. Gilles Grondin (Saint-Maurice):** Mr. Speaker, an article which appeared in the newspaper *Le Devoir* has raised a very important matter for the future of the country, more specifically dealing with young Canadians.

This question is raised at a time when the various governments are considering the rationalization of funds invested in social programs, including higher contributions of workers to various pension funds.

Mr. Speaker, what is the Government doing for our young people? Why such striking disparity between the financial assistance granted to them and that granted to other groups in the community?

Let me quote part of that article: "If, as it is considered, contributions to the Quebec and Canada pension plans have to be increased to more than 10 per cent, it would be disastrous for unskilled workers and especially young people."

The financing of pension plans appreciably reduces their wages which are already low.

Our young people should not be penalized in the interests of other groups in our community. They should be granted the necessary aid to face such social changes.

Unfortunately, it seems that we cannot rely on the Minister of State (Youth) (Mr. Charest) for the implementation of such programs, thus showing the lack of any real policy for young people within the Conservative Government.

I will not ask directly to the minister what are his intentions because I already know his answer: "The rate of unemployment has decreased, the economy and our young people are doing fine."

With such a reply, what kind of future can our young people who are experiencing problems and youth generally expect?

* * *

• (1410)

[*English*]

## EXTERNAL AFFAIRS

BERLIN WALL—DISMANTLING URGED

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, 1988 marked the beginning of the twenty-sixth year since the erection of the Berlin Wall, first established in 1961 to seal off the Soviet sector from the rest of Berlin.

The Berlin Wall remains an ugly and hated symbol of the division of Germany and the German people, and is a monument to the distrust and paranoia of the communist regime. While we struggle to deal with the many and vast differences between East and West, the tragedy that is the Berlin Wall should not be allowed to slip into obscurity.

The Wall epitomizes the difference between East and West and defines the reality of the Soviet Bloc, a vast prison from which there is little chance of escape. It has divided a nation and a people, and must be demolished. Not to do so would be a betrayal of the many brave individuals who have lost their lives attempting to scale its treacherous walls.

I call upon the Secretary of State for External Affairs (Mr. Clark) and the Government of Canada to use all available measures to maintain pressure on the Soviet Union until this barricade to freedom is dismantled, never to be erected again.

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## HEALTH

MEDICAL RECORDS—ABSENCE OF UNIFORM REGULATIONS GOVERNING RETENTION

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, at present no federal legislation regulates the length of time medical records must be retained, nor does legislation require doctors or hospitals to release medical records or test results to patients.

When doctors do not release this kind of information to their patients and files are eventually discarded, a patient is left with no records at all.

The need for these records is becoming increasingly evident. Many illnesses take considerable time for diagnosis and medical histories have a bearing on the health of descendants and other family members. Our increasingly mobile population adds to the difficulty of updating medical records.

• (1415)

At present each province and territory has jurisdiction over its own Health Ministry regulations on the issue of the retention of medical records. These run the gamut from no regulations at all in Newfoundland, Saskatchewan and the Northwest Territories, to Prince Edward Island which retains records for 50 years if microfilmed. Other provinces retain them for varying lengths of time, from five years in Quebec to 30 years in Manitoba.

I urge the Government to work with the provinces to develop a consistent policy across the country on this important matter.

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# ORAL QUESTION PERIOD

[*English*]

## ABORTION

SUPREME COURT DECISION—REQUEST FOR INTRODUCTION OF NATIONAL POLICY

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, it has been about two weeks since the Supreme Court of Canada made its ruling on abortion. It is a controversial decision, but the Supreme Court has ruled and it is now the law of the land.

The Supreme Court has said that whether or not a woman may have an abortion is not a matter for a therapeutic abortion committee, or a provincial Premier, to decide. Any future changes to the law must be made by Parliament, not by the provinces. Has the Prime Minister advised the Premiers that they should not attempt to frustrate the ruling of the Supreme Court of Canada?

I should think the Prime Minister would agree with me that it is for Parliament to show some leadership in this matter, so I ask when he will bring forth a detailed national policy for abortion so that women in this country from one coast to the other are treated equally?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I appreciate the question of the Right Hon. Leader of the Opposition because it allows me the opportunity to remind the Right Hon. Leader again of the fact that we on the federal level have indeed been giving very urgent priority to this matter and giving leadership on a national level.

The fact is that the Supreme Court decision has left a void in terms of the law of our land with respect to abortion. That has been acknowledged. We in the federal Government have

been in consultation, my colleague, the Minister of National Health and Welfare, with his provincial counterparts, and I with the provincial Ministers of Justice and Attorneys General of the provinces. We in the federal Government believe that a legislative approach on the federal level is appropriate and are therefore dealing and consulting with our provincial colleagues who have a very significant role in terms of the delivery of medical services.

I conclude by saying that Canada now, I think, as a result of the Supreme Court decision, is the only western industrialized country which does not have legislative rules with respect to abortion. We are considering all of our options in that regard and hope to present them to Parliament, so that we can debate the matter on the floor of this House at the earliest possible date.

**Mr. Turner (Vancouver Quadra):** That is a more positive response than the responses we received earlier when both the Minister of Justice and his colleague, the Minister of National Health and Welfare, said they were consulting with their provincial colleagues but, frankly, giving the country the impression that this consultation was a surrendering of jurisdiction or responsibility.

DIFFERENCES IN PROVINCIAL APPROACHES TO PROVISION OF SERVICES

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I want to come back once again to the Prime Minister. Does he think it is acceptable that in one province a rape victim will not have an abortion paid for under medicare unless she faces death, while in another province all abortions are fully funded?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I won't answer the question directly. I want to say to the—

**Mr. Turner (Vancouver Quadra):** Just answer the question.

**Mr. Epp (Provencher):** No, I will not answer it directly—

**Mr. Kaplan:** That's your job.

**Mr. Epp (Provencher):** —and I will tell the Right Hon. Leader why.

• (1420)

I said yesterday, along with the Minister of Justice today, that we are looking at various options. I mentioned yesterday that there are certain interpretations, for instance, also relating to the Canada Health Act which are not correct.

It is better to consult with the provinces and put forward exactly the types of questions and positions that the right hon. gentleman has put forward, than to speculate on the floor of the House.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, I had hoped that the consultation described by the Minister of Health would be leadership and not just an attempt to build up a consensus when it is obvious that various provinces are treating this matter in different ways, to the detriment of equality across the country.

[*Translation*]

SUPREME COURT DECISION—"NOTWITHSTANDING" CLAUSE—GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I would like to address my third question to the Minister of Justice.

I thought the Minister had assured me in this House, eleven days ago, that the Government would not use the "notwithstanding" clause of the Charter of Rights and Freedoms to try to disregard the Supreme Court ruling, but the Hon. Member for Grey—Simcoe has indicated on television last weekend that the Minister had said to some Members of his caucus that he was still thinking of using the "notwithstanding" clause to bypass the Supreme Court ruling.

The Minister has had two weeks to reflect on that. Will he tell me whether or not he is going to use the "notwithstanding" clause to try to thwart the decision of the Supreme Court?

[*English*]

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I appreciate the advice and counsel that I have received from the Official Opposition, and I look forward to hearing their unanimous view as to how to deal with this very serious problem.

The Right Hon. Leader of the Opposition—

**Mr. Turner (Vancouver Quadra):** You have heard our view. You are the Government; now tell us your view.

**Mr. Hnatyshyn:** The right hon. gentleman was the Minister of Justice when the present law, which was struck down by the Supreme Court of Canada, was in fact passed in the House. Subsequent Ministers of Justice in previous administrations gave us assurances, not only with respect to this legislation but also in terms of our debate on the constitutional matter, that this provision was quite within the parameters of the Charter of Rights and Freedoms.

I have responded fully and frankly to the right hon. gentleman.

**Mr. Turner (Vancouver Quadra):** Section 33 or not Section 33?

**Mr. Hnatyshyn:** I have answered that question, Mr. Speaker, on behalf of the Government. I now tell the right hon. gentleman that we are anxious to give leadership, because I believe that this is an issue which the people of Canada do not want partisanship to enter into, but they want a sense of

leadership, cohesion, and co-operation to bring the best possible result in a difficult situation.

I ask the right hon. gentleman to join with me, the Prime Minister, and other members of the Government to bring this matter to a satisfactory conclusion.

* * *

[*Translation*]

## THE CABINET

QUERY WHEN PRIME MINISTER WAS TOLD OF SERIOUS PROBLEMS CONCERNING TWO MINISTERS

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, my question is for the Prime Minister and concerns the circumstances surrounding the resignation from Cabinet of the former Minister of Supply and Services, the Hon. Member for Langelier.

Can the Prime Minister tell us exactly when he was advised that scandals were about to come out involving two of his Ministers, the Hon. Member for Joliette and the Hon. Member for Langelier, during the fall of 1986, and whether it was on November 10 or on some other date? When exactly was the Prime Minister informed about the existence of serious problems involving two of his Ministers and what action did he take at that time? Why did he wait to be publicly embarrassed before taking action?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the premise of the question is false. I have already given a clear and specific answer to the House about the information I was given. I acted immediately and quickly in this matter.

[*English*]

INFORMATION ALLEGEDLY CONVEYED TO PRIME MINISTER'S PRINCIPAL SECRETARY

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, according to reliable reports, Mr. Bernard Roy was told by none other than a Minister of the Crown of imminent problems involving two of his cabinet colleagues.

I want to ask the Prime Minister the following question. Has he, during the last three days, asked Mr. Roy of his office for an explanation as to why the Prime Minister was not apprised of the circumstances, and what has he done to ensure that he is informed of difficult and potentially embarrassing situations in the future? If he has not done that, why not?

• (1425)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think colleagues will want to remember the prefatory remark of my hon. friend. He says: "According to reliable reports". He then goes on to quote an article in *Le Devoir* which reads as follows:

[*Translation*]

*Le Devoir* has been able to verify that it was during the week of Monday, November 10, 1986, that Mr. Masse advised the principal assistant of Brian Mulroney that the situation was such that it might also smear the reputation of Ministers Roch La Salle and Michel Côté.

*Le Devoir* would not have been able to verify that because, during the week of November 10, 1986, Mr. Masse was not in Canada.

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## FINANCE

FORTHCOMING BUDGET—NON-PAYMENT OF TAXES BY PROFITABLE CORPORATIONS—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is for the Prime Minister. Perhaps tomorrow we will have the last budget of this Government before the next elections.

**An Hon. Member:** I hope so, I hope so!

**Mr. Broadbent:** Mr. Speaker, even with the so-called reforms of the Minister of Finance more than 60,000 profitable companies will not pay any taxes at all. My question to the Prime Minister is very simple: would he guarantee right now that the Government will turn the situation around tomorrow?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I wonder why we should overhaul a system which has created in excess of 1.1 million new jobs since September 1984 and which has produced the highest rate of economic growth among the seven summit member countries.

[*English*]

Housing starts at 10-year record levels, double digit business investment, and consumer and business confidence at record levels.

In 1987, 474,000 new jobs were created under policies brought forward by this Government. That represents the largest number of jobs ever created in Canada since Statistics Canada began collecting data.

**Mr. Broadbent:** Mr. Speaker, I will tell the Prime Minister why we want change. First, it is because he promised that there would be fairness, in the 1984 election, and, second, because the tax system in Canada is still unfair. That is why we want change.

REQUEST THAT ALL CORPORATIONS PAY TAX

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, considering that, for example, the Alcan Corporation with profits of $220 million last year will not pay any taxes with this system, that the Power Financial Institution with profits of $132

million will pay no taxes, and that Hudson's Bay with profits last year of $50 million will pay no taxes, and considering what the Prime Minister himself promised in the 1984 election, will he now deliver on that promise and make sure that these companies, as well as others, will have to pay a minimum tax when they make profits? Will they pay taxes like other Canadians?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, a number of important initiatives have been introduced by the Minister of Finance since 1984 to ensure that all Canadians pay a fair share of tax. A large number of tax avoidance measures have been introduced. I might point out to my hon. friend that we shut down one of the great scams in the history of Canada introduced by the Liberals, the SRTC, which drained almost $1 billion out of research and development in Canada.

My hon. friend mentions Alcan, Hudson's Bay, and other corporations. I would have to examine to see whether these corporations took losses in the past, whether they made investments, whether these are "loss carried forward" situations.

[*Translation*]

I know that Alcan is creating thousands of jobs in Saguenay—Lac-Saint-Jean. Is the Hon. Member suggesting that we ought to do something against the interests of Alcan even though the company has followed the basic rules applying to Canada?

[*English*]

With regard to the fairness situation, my hon. friend can do a great deal in regard to the importance of fairness that he raises. The Minister of Finance has introduced tax reform which will mean that eight Canadians out of ten will pay less tax, that nine seniors out of ten will pay less tax, and that 875,000 Canadians will pay no tax at all.

He should support the Progressive Conservative Government. There is a fundamental measure of tax fairness.

• (1430)

REQUEST THAT MINIMUM CORPORATE TAX BE INTRODUCED

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I am sure the Prime Minister has at his fingertips additional material on his briefing note that will show that after 1984 his Government increased taxes on the average family by some $1,300 and that when these so-called reforms are put in place the only people who will be paying lower taxes than when the Conservatives were elected in Canada in 1984 will be the richest 2 per cent of Canadians. That is the so-called reform coming from the Government.

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** The Prime Minister cited a number of companies that perhaps did not make any profits in one year and therefore are not paying taxes. We agree that if, in a given year, they do not make profits then they do not pay taxes that year. I would have thought that the Prime Minister would do as his friend Ronald Reagan of the United States did. He brought in a minimum tax. When a company makes a profit, it pays taxes, as they do in the United States. Therefore will he bring in tomorrow a Budget that will ensure that the 60,000 companies that will be profitable will not go scot-free but will pay their taxes like other Canadians?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, Ronald Reagan will be delighted with the compliment from the Leader of the NDP. I will phone him right after Question Period.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** My hon. friend is asking me to be—

**Mr. Riis:** Fair, honest.

**Mr. Mulroney:** Talking about projections and predictions, I should remind him that when the Minister of Finance in 1984 introduced his Budget the Leader of the NDP stood up in the House and predicted that our Budgets would mean the loss of 150,000 jobs in Canada. He was dead wrong in his economic projections. There were not 150,000 jobs lost. There were 1.1 million new jobs created. That is how wrong my hon. friend has been.

With regard to tax fairness, obviously we want everyone to pay his or her fair share of tax. However, my hon. friend, and I may be wrong, just went down to Montreal. He talked about incentives for medium and small business—*la PME à Montréal*—and he talked about tax incentives. When a company accumulates tax incentives it takes tax write-offs to create jobs. That is exactly what the Hon. Member was suggesting on the weekend, that they have these kinds of incentives to create employment.

When a company does that, it is not violating fairness if it takes those tax write-offs in a subsequent year. That is part and parcel of programs put forward by the NDP in Manitoba and by the NDP in this House. You cannot have it both ways.

**Some Hon. Members:** Hear, hear!

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## THE ADMINISTRATION

CONFLICT OF INTEREST CODE—POSITION OF ASSISTANT DEPUTY REGISTRAR GENERAL

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is for the Prime Minister. I believe he will appreciate after 24 hours' reflection that the position announced yesterday by Mr. Jean-Pierre Kingsley with respect

to an exemption from the Conflict of Interest Code, specifically Clause 24 dealing with political Party funds, has potentially far-reaching implications for all Category A public office holders, both current holders and future holders.

My question to the Prime Minister is the following. Given that Mr. Kingsley is not an officer of Parliament and therefore not accountable to Parliament, but is, rather, a civil servant accountable to the Minister of Consumer and Corporate Affairs and to the Prime Minister, will the Prime Minister direct Mr. Kingsley to provide Parliament with a full explanatory briefing setting out the rationale for the position announced by him yesterday? I hope that the Prime Minister will welcome this prudent and reasonable suggestion.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I answered that question yesterday. I indicated yesterday and on other occasions that there will be an important piece of legislation introduced soon in the House that will deal with this and important allied matters. At that point in time, clearly, my hon. friend will no doubt want to raise matters of concern to him involving this and other items. At that time I will be happy on behalf of the Government and my colleagues to listen to him and to produce to the extent humanly possible any expert testimony that he might wish.

I think what all Members of Parliament want is an effective piece of legislation, recognizing that there is no substitute for personal integrity. We want an effective piece of legislation that does not needlessly place Members of Parliament in a straitjacket which will preclude them from leading lives. I seek this. I presume my hon. friend seeks the same thing. I will be happy to work with him and officers of the Government to bring this about.

REQUEST FOR EXPLANATION OF POSITION

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, the Prime Minister is indeed right. He did say yesterday that legislation is coming and he promised to work with the Opposition. We welcome that. That is not what I am asking about today.

I am asking about an exemption declared yesterday by Mr. Kingsley without any explanation whatsoever based on the current legislation that now applies. Given that Mr. Kingsley is not an officer of Parliament and therefore not accountable to Parliament, but rather a civil servant accountable to Cabinet and ultimately to the Prime Minister, will the Prime Minister direct Mr. Kingsley to explain the rationale behind the judgment brought down yesterday based on the current conflict of interest guidelines, and not based on some future legislation the Prime Minister might introduce in the weeks ahead?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the question raised by my hon. friend deals with Mr. Kingsley's opinion. It is one that he delivered. It is clear cut. It deals with the matters raised by Members of the House. My hon. friend, I suppose, if he wishes to interrogate him or any other public servant, can seek the appropriate instrument to do so.

In fairness to Mr. Kingsley, because certainly no one would want to impugn his motives, he provided a public document which stands by itself on its own. If my hon. friend has any questions he wishes to ask him, then I suppose he can direct them to the appropriate people.

* * *

[*Translation*]

## THE ADMINISTRATION

MICHEL CÔTÉ AFFAIR—QUERY WHETHER PRIME MINISTER BRIEFED BY HIS PRINCIPAL SECRETARY

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I also have a question for the Prime Minister. According to *Le Devoir* reporter Michel Vastel, Bernard Roy and the former Minister of Energy, Mines and Resources had a conversation last November about a potential conflict of interest for the Hon. Member for Langelier. As the Prime Minister has said that the Minister of Energy, Mines and Resources was not in Canada during the week of November 10, I would like to ask this question: Has the Prime Minister spoken with his principal secretary about the events of November 1986, and can he now confirm whether or not Mr. Roy and the Minister of Energy, Mines and Resources had a conversation about a possible conflict of interest for the Hon. Member for Langelier some time in November 1986, if not necessarily during the week of November 10?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I have already replied to this question. I have no further comment. I hope that the Hon. Member will not ask me to comment every speculation or opinion published by Canadian newspapers! He is going fishing. He would like me to cross-examine all the officials of my Government. If you have an accusation to make against a Member of Parliament or a member of my staff, please stand up and have the courage to make a specific accusation. Otherwise, please shut up.

[*English*]

QUERY WHETHER PRIME MINISTER SPOKE WITH PRINCIPAL SECRETARY

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, once again the Prime Minister is trying to be a bit too cute.

**Some Hon. Members:** Oh, oh!

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** I am sure that all Hon. Members who want to put questions will put them and all of those responding will want to stick to the answers. The Hon. Member for Yorkton—Melville.

**Mr. Nystrom:** Mr. Speaker, the Prime Minister has had since Friday to have a conversation with his Principal Secretary to see whether or not the Minister of Energy brought to the attention of the Principal Secretary the possibility of a conflict of interest concerning one of his Ministers back in November of 1986. What I want to know is whether or not he has spoken with his Principal Secretary. Can he confirm now that such a conversation took place? Yes or no. Do not try to skate around it.

• (1440)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, this is one of the most unusual suggestions that I have heard. My hon. friend, based on rumour and speculation and unsubstantiated information, is asking me whether I will conduct a witch-hunt throughout the Government of Canada today with respect to that rumour, tomorrow with respect to another rumour. Then the next day it will be in regard to another rumour.

If members of the NDP want to indulge in witch-hunts and McCarthyism, they can do it themselves in their own Party. I will not inflict it upon the Public Service of Canada.

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## HEALTH

AIDS DISEASE—EFFECT ON HOMOSEXUAL COMMUNITY—EDUCATIONAL POLICY

**Mr. Jim Jepson (London East):** Mr. Speaker, my question is directed to the Hon. Minister of National Health and Welfare. As the House knows, the Minister recently returned from a national AIDS conference in England. Canadians continue to see the AIDS epidemic increase with alarming results.

Bearing in mind that the greatest purveyors of this disease in North America continue to be the homosexual community, can he tell the House whether or not education is having any significant results when it comes to the lifestyles of the homosexual community and others?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, at the London conference the main agenda item was how we best, as Ministers of Health, could convey to our respective populations the need to take personal decisions for personal health care and specifically the spread of AIDS, and what educational messages might be most appropriate and most effective. The evidence of that was shown. Obviously it varies dramatically from country to country. There are various reasons for that, including demography and different religious, moral and social mores.

What is clear is that at the moment there is no cure. There is no projected period of time for a cure. Education is the best approach at this time. All of us recognize as well that, while education is necessary, the evidence of changed behaviour in high-risk groups was not nearly as direct as many of us had hoped for.

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## TRADE

DUTY REMISSION PROGRAM FOR TEXTILE AND APPAREL INDUSTRIES

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I have a question for the Minister of Industrial Economic Expansion. Yesterday in the House I posed a question to his colleague, the Minister of State for Finance, concerning the proposed government development of a duty remission program for the textile and apparel industries. I asked the question in light of the letters that had been issued by the Chairman of the Senate Finance Committee in the United States asking that any program like that be altered in hostage to the proposed trade agreement.

The Minister of State for Finance said that the Government has no position on this issue. However, I have in my possession a letter written by the Minister of Regional Industrial Expansion which says that, with regard to duty remission programs, the Government has long been on record as favouring these for both the apparel and the textile industries.

In light of the fact that there is now a contradiction between the two Ministers, I ask the Minister if we can be assured that the Government still intends to proceed with a major, comprehensive duty remission program for the textile and apparel industry, and that it will not concede to the kinds of demands that are now being placed as hostage to the trade agreement.

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I can assure the Hon. Member that his concerns are premature. Considerable work is going on in this field, and I remind him that the free trade agreement provides for the bringing in of further duty remission programs within the text of the free trade agreement. The nature and the timing of these programs are still under discussion.

GOVERNMENT POSITION ON DUTY REMISSION

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I would suggest to the Hon. Minister for International Trade that it is hardly premature when there is a clear statement signed by 10 Senators who will be considering the Government's proposed trade agreement, indicating that they do not intend to proceed unless there are clear answers from the Government indicating that it will not go ahead with the duty remission program.

In light of that circumstance, will the Minister tell us the nature of the discussions that took place between Mr. Yeutter of the U.S. administration and members of this administration concerning the duty remission program? Why will the

Minister not simply say publicly, so that there will be no misunderstanding on the part of U.S. Senators, that the Government fully intends to go ahead with a duty remission program to ensure that the textile and apparel industries will stay competitive and healthy? Why will she not answer that very specific question?

**Hon. Pat Carney (Minister for International Trade):** Mr. Speaker, I would be delighted to answer the question. I spoke to Mr. Yeutter last evening and I made the same reply to him that I have just made in the House. We discussed the fact that this is provided for in the free trade agreement that both he and I negotiated. This matter is being addressed within the framework of the free trade agreement. No decision has yet been made. When it has been made, it will be announced.

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## REGIONAL ECONOMIC DEVELOPMENT

REQUEST FOR SPECIAL GOVERNMENT ACTION

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, my question is directed to the Right Hon. Prime Minister. He will know that in the first three years of this Government there were substantial cuts to various regional development programs and subsequently they were replaced with various agencies, but the level of funding never reached the levels that were actually cut. The Prime Minister will be aware that in centres of Central Canada there has been good prosperity, but in the regions of Canada such has not occurred. There is a real imbalance in economic activity in Canada.

Would the Prime Minister indicate that the upcoming Budget will provide an excellent opportunity for the Government to show that it really is concerned about the regional economies of Canada and that the Prime Minister is prepared to commit the Government to take special action to ensure that the regions of Canada reap the economic prosperity we have witnessed in Central Canada?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I must say that I view with some concern statements made by the NDP in Montreal the other day indicating that 80 per cent of the jobs created in Canada are created within an 80-mile radius of downtown Toronto. That is dangerous regionalism, trying to put one region against another. I think that is a very, very dangerous development.

We are very pleased with the economic development in Ontario and in southern Ontario. We wish the NDP would stop knocking that and start celebrating job creation across Canada, as opposed to trying to raise regional rivalries. This is what took place with regard to the frigate program in Saint John, New Brunswick.

I want to tell the Leader of the NDP that he should stop smiling about it because the people of Saint John, New Brunswick, and the Maritimes are most displeased with the capricious nature of the statement made by the Hon. Member for Ottawa Centre in respect of taking away matters from Atlantic Canada.

Apart from the 1,100,000 jobs that were created since we were sworn in, 38,000 jobs were created in January. This brings the total since September of 1984 to 1,158,000. May I tell my hon. friend that the unemployment rate remains at a six-year low of 8.1 per cent. The Quebec unemployment rate last month fell to 9 per cent, its lowest level since September of 1979.

In the regions, the British Columbia unemployment level fell to 10.1 per cent, the lowest level since March of 1982. In fact, in British Columbia, and this will please my hon. friend because it will convey to him the strength of what the Government is trying to do, the unemployment rate has fallen 3.9 percentage points in the last year alone.

REGIONAL DEVELOPMENT—GOVERNMENT FUNDING

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, my supplementary question is directed to the Prime Minister. I must say that we are pleased with the prosperity the market has provided for Central Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** We are simply asking that the Prime Minister recognize that there are serious economic difficulties facing the regions. Rather than read the general statistics on the state of the economy, I want to tell the Prime Minister that there are regions of Canada that have still not experienced virtually any prosperity over the last number of years. These areas require some special attention.

Going back to what my Leader said, if the Prime Minister started to tax those 60,000 profitable corporations, he could raise $1 billion to $2 billion and really start to help the regions of Canada as opposed to simply ignoring them.

• (1450)

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, yesterday I referred to the dismaying hypocrisy of the NDP. I want to point something out to my hon. friend and perhaps he can explain it to the Canadian people. He just made a pitch on behalf of regional development. I have already pointed out to him the extent to which regional development programs are working.

**Mr. Riis:** We want more.

**Mr. Mulroney:** He wants more. Fair ball. With the Expos in the gallery I think that is an appropriate comment.

**Some Hon. Members:** Hear, hear!

**Mr. Mulroney:** I would say the same for the Blue Jays, Mr. Speaker.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** Perhaps the NDP can explain this. On December 10, 1987, the NDP voted against the Government's Supplementary Estimates B and C. In so doing the NDP voted against $127 million to fund the Atlantic Canada Opportunities Agency.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** They voted against $101 million to fund the Western Diversification Office, and $456 million in additional funding for regional industrial expansion.

**Some Hon. Members:** Shame!

**Mr. Mulroney:** You are a bunch of hypocrites! You had an opportunity to do something and you did nothing!

**Some Hon. Members:** Hear, hear!

**Mr. Riis:** Call an election!

**Mr. Crosbie:** You struck out, you bum.

**Mr. Holtmann:** We love you, Nelson.

**Mr. Riis:** Call an election.

**Mr. Mazankowski:** Call an election? You phoney!

**Mr. Speaker:** The Hon. Member for Saskatoon East.

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## NATIONAL DEFENCE

### ACQUISITION OF SUBMARINES TO ASSERT ARCTIC CANADIAN SOVEREIGNTY

**Mr. Don Ravis (Saskatoon East):** Mr. Speaker, my question is directed to the Minister of National Defence. The Right Hon. Leader of the Opposition has proposed that we build a fleet of conventional submarines and scrap the plan to create a nuclear powered submarine fleet.

**Some Hon. Members:** Hear, hear!

**Mr. Ravis:** Is it realistic to ask our Armed Forces to undertake the responsibility of defending the vast territory of Arctic Canada if they are provided with obsolete equipment, or will this simply lead to further Soviet and American violations of the Canadian North and eventual loss of sovereignty?

**Hon. Perrin Beatty (Minister of National Defence):** Mr. Speaker, there is actually more confusion about what the policy of the Liberal Party is after the right hon. gentleman's speech than before. He says no. He shakes his head. I can hear it from over here, Mr. Speaker.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** The Hon. Minister of National Defence has been asked a question by an Hon. Member of his own Party, which I think suggests the answer. I would ask that the Hon. Minister answer the question quickly.

**Mr. Beatty:** The answer is yes, Mr. Speaker.

* * *

## TRADE

### IMPORT CONTROLS ON U.S. DAIRY PRODUCTS

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is directed to the Minister of Agriculture concerning implementation of import controls on U.S. dairy products such as yoghurt and ice cream about which Senator Bentsen complained to Secretary Yeutter in a letter yesterday.

Can the Minister assure Canadian dairy farmers that the import controls are firmly in place and will be operated in such a way as effectively to exclude U.S. dairy products coming into Canada, just as American controls effectively exclude Canadian dairy products going into the U.S?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, the short answer is yes. I want to remind the House that the Hon. Member put a question on this subject yesterday to my colleague, the Minister for International Trade. My colleague's response was accurate. The Hon. Member should know that we made a commitment to the dairy farmers of Canada, in keeping with the Canada-U.S. Trade Agreement, Section 710, that we can move products onto that import/export list consistent with Article 11 of GATT. The Order in Council has already been passed. There is a procedure which one has to follow: Number one, notification of trading partners, which has been done; number two, you negotiate import levels with your trading partners.

### CANADIAN POSITION

**Mr. Maurice Foster (Algoma):** Mr. Speaker, in his letter Senator Bentsen suggested Canada has violated the free trade agreement and suggested the U.S. may retaliate against Canada for not observing the standstill provision of the agreement, perhaps by not excluding Canada from provisions of the U.S. omnibus trade Bill.

Can the Minister assure Canadian dairy producers that, regardless of the pressure from Senator Bentsen and the U.S. Senate, the Government will not sell out Canadian dairy farmers and allow a flood of cheap surplus dairy commodities into Canada?

**Hon. John Wise (Minister of Agriculture):** Mr. Speaker, again the short answer is yes. We made it very clear where this Government stood concerning supply management. The action we took is consistent with Article 710 of the trade agreement.

It is also fully and completely consistent with our rights and obligations under Article 11 of GATT.

* * *

## ABORTION

SUPREME COURT DECISION—REQUEST THAT PRIME MINISTER COMMUNICATE WITH B.C. PREMIER

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, my question is directed to the Prime Minister. He will know that women in the Province of British Columbia are being denied access to safe therapeutic abortions by a Premier imposing his own extreme anti-choice views on this sensitive issue.

**Mr. Mantha:** That is not true.

**Mr. Robinson:** Will the Prime Minister finally show leadership and communicate directly with his counterpart, Premier Vander Zalm, and tell him to stop displaying such contempt, both for the decision of the Supreme Court of Canada, and for the women of British Columbia whose lives are being seriously threatened by this very dangerous Premier?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I have pointed out that my colleague, the Minister of National Health and Welfare, very shortly after the Supreme Court decision came down, was directly in touch with all of his provincial counterparts. Even as we discuss this matter on the floor of the House he is involved in discussions and consultations with the provinces which, as the Hon. Member knows, have a significant constitutional responsibility for delivery of health services.

We are moving in this area. We are dealing with our provincial counterparts across the country. I have every confidence that my colleague, the Minister of National Health and Welfare, will deal with this matter not only in the best interests of British Columbians but in the best interests of all Canadians.

**Mr. Robinson:** Mr. Speaker, it is unfortunate that the Prime Minister himself will not show the kind of leadership he should be showing on this issue.

**Some Hon. Members:** Order!

**Mr. Thacker:** Where is your leadership?

[*Translation*]

INVOCATION OF *NON OBSTANTE* CLAUSE—GOVERNMENT POSITION

**Mr. Svend J. Robinson (Burnaby):** Mr. Speaker, my supplementary is for the Minister of Justice. On Friday, January 29, the Minister stated in the House that he had no intention of invoking the notwithstanding clause with respect to this matter. Is that still the position of the Government today?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, my answer is the same as the one I gave Friday after the Supreme Court ruling.

* * *

[*English*]

## INDIAN AFFAIRS

PEACE RIVER PULP MILL PROJECT—POSSIBLE EFFECT ON LUBICON LAND CLAIM

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, my question is directed to the Prime Minister. He will know that his Minister of Indian Affairs recently announced the provision of sizeable aid, some $9.5 million, from the Western Diversification Fund for the establishment of a Japanese owned pulp mill to be located in the Peace River district of northern Alberta. Be that as it may, the timber for use in this mill is to be cut from lands which are subject to the yet unsettled Lubicon Indian land claim.

• (1500)

How can it be reconciled that the Minister takes action of this kind as Minister responsible for the Western Diversification Fund at the same time as he has constitutional trust obligations to protect the interests of Indian bands? Is there not here a very classic case of conflict of interest?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the answer to the last part of the question is very directly no. There is a question as to whether the lands for which cutting rights have been received are even within the area claimed. The Hon. Member puts that as a fact in the preamble of his question and that is not necessarily agreed upon.

The Hon. Member knows that cutting rights and provincial jurisdiction flow from that as well. The judgment which he made in his concluding statement does not necessarily follow from the facts, and neither does it follow that the conclusion he drew is correct.

**Mr. Penner:** Mr. Speaker, I think the Minister takes much unto himself when he denies that there is any conflict. I think that is a very large constitutional question.

LUBICON INDIAN BAND LAND CLAIM—REQUEST THAT MEDIATOR BE APPOINTED

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, has the Deputy Prime Minister been made aware that this morning in the Standing Committee on Aboriginal Affairs a motion was agreed to by all Parties that the Government of Canada commence, without any further delay, bilateral negotiations with the Lubicon Indian Band and that the Hon. E. Davie Fulton be appointed as a mediator in that dispute?

Will the Minister direct his Minister of Indian Affairs to get those negotiations going right away? Will he use the services of this most distinguished Canadian as a mediator in this longstanding and very troublesome dispute which is attracting so much international attention and blotting the good name of Canada?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I think the Hon. Member will recall that there were answers given by the Minister of Indian Affairs and Northern Development to questions very similar to the one posed by the Hon. Member today. Those answers are on the record.

With regard to what happened in the committee today I will convey that to the Minister, and I am sure his staff will do the same.

**Mr. Speaker:** That is the end of Question Period. I have received notice of a question of privilege from the Hon. Member for Skeena.

* * *

## PRIVILEGE

### LUBICON LAND CLAIMS—ANNOUNCEMENT BY MINISTER—ALLEGED BREACH OF TRUST

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question of privilege relates to information which came before the Standing Committee on Aboriginal Affairs this morning before which the Hon. E. Davie Fulton appeared as a witness. As was pointed out by the Member for Cochrane—Superior (Mr. Penner), all three Parties have now joined in urging bilateral negotiations with Mr. Fulton as the negotiator on the Lubicon claim.

However, during the committee hearing we learned that yesterday the Government of Alberta made a joint announcement with the federal Government through the office of the Minister of Indian Affairs and Northern Development (Mr. McKnight) who also handles western diversification. An announcement was made of plans to fund jointly the $500 million pulp mill in Peace River on lands that are, at least in part, those lands in question presently being negotiated with the Lubicon Band.

The Minister of National Health and Welfare (Mr. Epp) just indicated to the House that the lands involved with the Daishowa company are not lands overlying the Lubicon claim. However, the Minister of National Health and Welfare may have inadvertently misled the House in that the Forest Minister for Alberta, Mr. Fjordbotten, has now confirmed that the lands involved, some 11,200 square miles of land, do in fact overlie the Lubicon claim and the lands that are presently being negotiated.

**Mr. Lewis:** Mr. Speaker, I rise on a point of order. I am naturally reluctant to interrupt my hon. friend's dissertation, but I would suggest that this is once again a committee matter which should be dealt with in committee. If my hon. friend has some way of proving that it is something on which the House should use its time, then I suggest he should come to that point of his argument very quickly and we can then listen to the rest of it.

**Mr. Fulton:** I have no difficulty with that, Mr. Speaker, I was just coming to that very point.

The fact of the matter is that the Minister of Indian Affairs is responsible for the negotiations which are presently high centred in relation to the Lubicon claim. The same Minister is responsible for the Western Diversification Fund, and yesterday he made an announcement of an expenditure of $9.5 million which now removes those very lands that were supposedly being negotiated in good faith.

The Minister of Indian Affairs and Northern Development is the only Minister of the federal Crown who holds a specific trust relationship with a specific group of Canadians, that being the first citizens, the first nations of this country. These 11,200 square miles of the Province of Alberta have been transferred without public hearings and without tendering. The Minister who is now funding the Diashowa project, the same Minister who was supposedly dealing in good faith with the Lubicon Band has, in my humble view, involved himself and the good offices of the Ministry of Aboriginal Affairs in a breach of trust. I think it is a very simple and clear-cut case in which the federal Crown has not lived up to its responsibilities to the Lubicon people. This has been carried forward in reports by the Ombudsman of Alberta and various groups including the World Council of Churches and the United Nations.

My friend, the Member for Cochrane—Superior, has several additional points which he would like to make. However, I think this is a prima facie case of a Minister of the Crown with specific constitutional responsibilities and specific legislative responsibilities in relation to the first citizens which are not being upheld and have now been specifically violated by an expenditure under another part of a portfolio held by the same Minister.

**Mr. Speaker:** It may very well be that the Hon. Member for Cochrane—Superior (Mr. Penner) could add a great deal to the general issue. I think Hon. Members who have known him for many years would be in agreement with that. However, I am having a great deal of difficulty finding any question of privilege in this, although I think the matter is very serious. I am going to examine carefully the point the Hon. Member for Skeena (Mr. Fulton) has made. If I think I need to hear further argument I will return to the Chamber.

Nothing I say takes away from what I think Hon. Members know is a serious matter, but I am having trouble finding a

question of privilege. If, upon examination, I feel it is necessary to come back to the Chamber for further discussion, I shall do so.

## GOVERNMENT ORDERS

[*English*]

### OFFICIAL LANGUAGES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-72, an Act respecting the status and use of the official languages of Canada, be read the second time and referred to a legislative committee.

**Mr. Speaker:** I should advise Hon. Members that there was an Hon. Member on his feet when the matter was adjourned. I have looked for him and he is not here. I think I should appropriately recognize the Right Hon. Leader of the Opposition (Mr. Turner).

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I in no way wanted to intrude upon the Secretary of State (Mr. Crombie). I look forward to what he has to say as I did on many occasions when he held high office in the City of Toronto.

I have taken part in many debates on constitutional matters. During the course of my public life I have seen some important breakthroughs. I am very proud that I had the honour, when I was the Minister of Justice, to share the responsibility for piloting the original Bill on the Official Languages Act in 1969. Consequently, you can understand my pleasure in being able to rise to take part in this debate on the second reading of Bill C-72, the up-dated version of the Official Languages Act.

Some talk about state sanctioned bilingualism as if it were born with Bill C-72, or with the Meech Lake Accord last year, or with Mr. Trudeau's 1982 Constitutional Act. The fact is that bilingualism began with the British North America Act of 1867, Section 133. Admittedly, that was only a parliamentary and judicial regime applicable only to Ontario and Quebec, to federal and Quebec parliaments and our courts of justice.

• (1510)

By the early 1960s it was still so meek and mild a regime that when I arrived in this place in 1962 the main aspects of bilingualism being discussed on the floor of the House were bilingual family allowance cheques, bilingual menus in the parliamentary restaurant, dollar bills, and in eloquent terms I can still remember the late Réal Caouette, Leader of the Social Credit Party, complaining about the lack of bilingualism on TransCanada Airline planes, later Air Canada.

As a Member from Montreal at the time, for the now disappeared riding of St. Lawrence—St. George, I felt as dismayed, indeed as outraged, as my other Quebec colleagues.

André Laurendeau wrote in his famous letter of January 20, 1962, that became the starting point for the Laurendeau-Dunton Commission:

[*Translation*]

"Issuing bilingual cheques is too little, too late, considering the present aspirations of French Canadians".

[*English*]

He understood well the mood of that age. As a result of that type of persuasion, the persuasion of Liberals around Mr. Pearson, particularly Maurice Lamontagne, Mr. Pearson brought in the Royal Commission on Bilingualism and Biculturalism, known familiarly as the Laurendeau-Dunton commission.

From 1964 to 1970 the commission issued six reports which were to revolutionalize Canadian thinking on the subject. The preliminary report called for two equal official languages in Canada. Another report called for the protection of minority language rights across the country. The third report called for the guarantee of the rights of public servants to work in their own language and culture.

The Bill we are discussing today reflects the spirit of Laurendeau-Dunton as it has been revived and nourished by several commissions and committees.

[*Translation*]

I have the honour of sitting in the House with my old friend, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), and I would like to pay tribute to his work and to the role he has played and continues to play in promoting bilingualism in the Public Service and protecting language minorities in the provinces. I don't want to embarrass him, but it is always a pleasure to praise my colleagues from time to time.

During the past 20 years, the Hon. Member for Ottawa—Vanier worked first for the school boards here in Ottawa and subsequently in the House of Commons, but always spurring governments onward, both Liberals and Conservatives.

He did so especially from 1980 to 1984, as Chairman of the Special Joint Committee of the Senate and the House of Commons. He still does today as a Member of the Standing Joint Committee, and he has had considerable input in some of the concepts and mechanisms contained in Bill C-72.

The Hon. Member for Ottawa—Vanier is a typical example of the Member who believes in a goal, a mission, and who manages to get his message across, despite the slowness of our procedures and the often crushing pressure of the executive on the business of the House.

I thought the expressions of appreciation that came to him from all sides of the House during the debate on January 25 were well deserved.

[*English*]

Let me make three points on the principles of this Bill. In advertising terms, the time is right, the subject is right and the content is right. Some commentators, particularly on the other side of the House, say that we do not need the Bill. They suggest that because there is peace on the language front now we should let sleeping dogs lie rather than arouse the passions of the country or provoke old antagonisms. In other words, why do we not wait for a crisis?

We have done that too often before. We waited too long before bringing in the Bill finally in 1969. We waited too long to patriate our Constitution in 1982. We waited too long to bring Quebec fully into Confederation as we have attempted to do in the Constitutional Accord. Goodness knows that we have not really set our mind on reforming the Senate, something I hope to live long enough to see reformed—I would like to see an elected Senate.

There is a difference between prudence and procrastination. Prudence gets there eventually, procrastination never does. We are fortunate that there is no major linguistic conflict nationally at the present time, even though there are several regional and serious difficulties in language. That is why I believe that now the time is right to proceed to consolidate and enhance the Official Languages Act. Now is the time to weave in the many advances made since 1969 to keep the Act abreast of a changing mood and a positive tolerance in Canada. Therefore, the time is right.

Second, the subject is right. Some may be surprised to hear me speak about this Bill as a constitutional matter. Let me remind them and Members of the House that the Constitution is more than the separation or division of powers. The Constitution now includes our rights and liberties and provides for the equality of the two languages we speak.

The subject of Bill C-72 on the Official Languages Act is right for another reason. We passed a major constitutional Act in 1982 which includes a Charter of Rights enshrining language equality. Section 16 of the Charter states:

> English and French are the official languages of Canada and have equality of status and equal rights and privileges as to their use in all institutions of the Parliament and the Government of Canada.

Through Sections 16 to 23 of the Charter a whole new institutional bilingualism regime is built in general terms and enshrined. Those sections cover Parliament, the administration, the courts, minority language system. Now some flesh must be placed on those bones. We cannot proclaim equality and then simply let it happen by accident. We must adjust our laws to accepted constitutional principles. The laws of this country must accord with the Constitution. That is a primary impetus behind bringing this law up to date.

Another major principle will be proclaimed when the Meech Lake Accord becomes the law of the land. According to the Constitutional Accord, English-French duality as a fundamental characteristic of our country will be proclaimed. My Party is in agreement with that. Some of my colleagues have had problems with the second leg of the principle, the recognition of Quebec as a distinct society. I want to remind everyone in the House that this Party, in its resolution in November, 1986, by a majority of 85 per cent, approved the recognition of Quebec as a distinct society, not as a constitutional innovation but merely as a recognition of the fact that Quebec is unique and distinct, having been the only province speaking French in its majority and having a different system of law, different collective psychology and history.

There has never been any hesitation on the question of duality. My Party has been a perennial promoter of that concept since 1867. I have read some historians who say that we even invented it.

Those words in the 1982 Charter and the Meech Lake Accord must now be given flesh, teeth and specific meaning. That is what Bill C-72 does and that is why, once again, my Party is willing to support the Government against the attack of its right flank. It may be overly generous on our part electorally, but we are not about to abandon one of our deepest traditions, the promotion of national unity, identity and equality of our two languages, merely to score some political points on the floor of the House.

I leave to the Government benches their responsibility in bringing their Members into line and ensuring that they do not retard further progress of this Bill.

[*Translation*]

Third, the content is right. During the debate on January 25, when the Opposition—our Party—insisted that Bill C-72 be tabled in the House for second reading, some Government backbenchers asked, as if they had just invented the wheel, what the Liberal Party had done about institutional bilingualism between 1969 and 1984, when it was in power. Madam Speaker, ignorance is bliss.

One of the reasons why this Bill is acceptable to us and to a substantial majority of Canadians is that it is in our Party's tradition, which includes the 1969 Act, the experience we acquired from 1969 to 1984, the Parliamentary Resolution of 1973, the 1982 Canadian Charter of Rights and Freedoms, the proceedings of the Joint Committee on Official Languages, especially from 1980 to 1984 when it was led and chaired by the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Take, for instance, the right of public servants to work in their own language. That right was expressed for the first time by Mr. Pearson, together with the right of public servants occupying a position designated bilingual to receive language training. The right to choose one's language of work is implicit in Section 2 of the 1969 Act. It was the object of a parliamentary resolution in 1973 and the joint committee agreed that it was urgent to amend the legislation because it was ambiguous, as was confirmed by the many court rulings.

Among other things, Madam Speaker, that is what Bill C-72 does. Why is that possible? Because mentalities have evolved and because parliamentary, judicial, administrative

and academic bilingualism has progressed at both provincial and federal levels.

Madam Speaker, I regret to say that a monthly publication delivered across western Canada, *Western Report*, printed these words on its cover: If you cannot read this you cannot work for the federal Government. It appears in both languages.

• (1520)

[*English*]

The magazine, *Western Report*, is carried throughout our western provinces. It had on its latest front cover a sentence in French which read: "If you can't read this, you can't work for the federal Government". That is simply not true. That it should be written and widely distributed in the current climate of this country, I think, is a shame. The Government knows that is not true and it should be telling Canadians that it is not true. I hope the Secretary of State when he gets to his feet, will say so. The truth is that thousands of Canadians can read those lines in French because of the progress which has been made in the last 20 years.

In every major community in western Canada immersion courses in the French language are becoming more and more popular. In my riding of Vancouver Quadra we have 15 high schools. There are French immersion courses in each. I try to visit every one of those high schools and the students proudly put questions to me in French—probably to test my own French—which demonstrates that in Canada we can feel comfortable using the other language. The students look forward not only to becoming better Canadians by speaking the other language but by becoming part of the human race in a wider civilized scope while enjoying two of the greatest cultures ever brought forward by the mind and ingenuity of mankind. That is why the cover of that magazine is contrary to that spirit.

In fact those who cannot speak French can still work in the federal Government. Sixty per cent of all federal positions in the public service of Canada are designated unilingual English. Only 7 per cent are designated unilingual French. That is the truth. That is what western Canadians should know. That is what English speaking Canadians should know. The Government has the responsibility today to tell them the truth. Sixty per cent of all federal positions are designated unilingual English and only 7 per cent are designated unilingual French.

[*Translation*]

Madam Speaker, I said more about one aspect of the contents of the legislation, freedom of choice with respect to the language of work in the federal public service. A few years ago I had the same responsibility as the Hon. Member for Ottawa—Vanier (Mr. Gauthier), namely to represent a national capital riding. So again I ask the question: What does Bill C-72 do? The answer is very clear. Basically the Bill consolidates, legalizes, and allows for regulations; exceptionally, it strengthens and extends the legislation of 1969.

What does it consolidate? First, the Official Languages Act of 1969; second, the 1973 resolution of the House of Commons in favour of free choice with respect to language of work and bilingual training; third, the right of the two linguistic groups to participate fully in the operations of the federal administration. It also consolidates the Constitution Act of 1982, whose sections 16 to 23 enshrined institutional bilingualism; the spirit of the Meech Lake Accord is consolidated, particularly concerning the Canadian duality; and finally all the experience acquired since 1969, since the existing Official Languages Act was adopted and in the implementation of the objectives of institutional bilingualism in all sectors: the parliamentary experience, the judicial experience, the administrative experience

What does this Bill do with regard to principles? Let us look at the essential. First and foremost, institutional or state bilingualism, as opposed to individual bilingualism which created for the Government a series of obligations under the 1969 legislation, will become now, due to the incorporation of the effects of Clause 16 of the 1982 Constitutional Act, not only a series of enforceable obligations for the Government, but also a series of rights for Canadian citizens. The supremacy of the Official Languages Act is confirmed and its content adapted to the 1982 Constitutional Reform.

Second, the equality of the official languages is now defined and applied to the federal Public Service, our courts of justice, and the protection of the linguistic minorities within the provinces. The choice as to the language of work, implicitly contained in the 1969 legislation, is now made explicit. So is the principle of full participation by members of our two linguistic communities. The promotion of these measures is now the responsibility of the Treasury Board and the Secretary of State. The Commissioner will enjoy extended powers. He will have the authority to get involved in proceedings instituted by individuals before the courts, or he might even institute such proceedings himself.

Third, the legislation will continue to evolve but it will have acquired much more precision and strength. Instead of being expressed by the Government's instructions or voluntary programs, it will be expressed through regulations dealing, for instance, with the language of work, full participation, the definition of a "major request", the function of the Treasury Board and that of the Secretary of State.

These regulations will be of tremendous importance. On occasion they will have as much importance as the Act itself. As parliamentarians, we do not hold the regulating process in high esteem, but the arbitrary process clearly has its drawbacks too. We will have to keep an eye on these regulations, demand their tabling in the House and their discussion in Committee. We will see to that as long as we sit in the Opposition and then again when we are the Government.

• (1530)

[*English*]

I had the honour of bringing in the Statutory Instruments Act which ensured that every regulation and every Order in Council promulgated by this executive responsible to this Parliament was published within a period appropriate to the occasion, giving the Regulations and Other Statutory Instruments Committee an opportunity to review those regulations and orders and render reports on them, and to ensure particularly that those orders were within the ambit of the power accorded by Parliament and not exceeding that ambit. Since the regulations under this Bill will have wide-ranging consequences, will fall within the ambit of the law but will render more precise the application of the law, it is important that Members of the House exercise their surveillance and monitoring function with the usual aptitude and persistence.

I said that the time is right, Madam Speaker, the subject is right, and the content is right. I urge all Members of the House to support the Bill, and send it to committee. There may be amendments proposed. As one who has the honour of holding a seat in western Canada, I particularly appeal to those Members who may have some reservations about the Bill to recognize the progress we have made since the early 1960s in recognizing the dual nature of our linguistic heritage, the understanding that that gives to us and the tolerance that it reflects, which make our federal system work.

Canadians from coast to coast and people from around the world will be attending the Calgary Olympics in the next two weeks to share the spirit of national unity, and they will be able to hear those announcements in two languages and read the notices in two languages. They will feel at home in a national celebration in both our languages. People will be able to watch it on television in two languages, and be able to feel at home in a western Canadian city because this is a national occasion.

I urge Members of this House not to yield to any hesitation that they may have, to back up the Secretary of State (Mr. Crombie), back up the Government, give the Bill a unanimous vote in the House of Commons, and rededicate the spirit of this House to the spirit that we had when we were pioneering in 1969. The unity of the country has been enhanced, the strength of the country has been enhanced, and the spirit and tolerance of our people has been enshrined in the Constitution.

**Some Hon. Members:** Hear, hear!

**The Acting Speaker (Mrs. Champagne):** The Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) on a point of order.

**Mr. Nowlan:** I appreciate the rule that the first speaker in reply to a motion has unlimited time and that there are no questions. The Right Hon. Leader of the Opposition (Mr. Turner) was not the first speaker for his Party. I therefore wonder why one is not permitted to ask him questions.

**The Acting Speaker (Mrs. Champagne):** I would like to thank the Deputy Clerk for providing me with the exact number of the Standing Order.

Standing Order 55(2) will provide the answer to the hon. gentleman. The Prime Minister (Mr. Mulroney) and the Leader of the Opposition (Mr. Turner) have unlimited time, but there is no period of questions or comments following their speeches.

**Mr. Nowlan:** Madam Speaker, I wonder if I could seek unanimous agreement to pose a question or two to the Right Hon. Leader of the Opposition.

**The Acting Speaker (Mrs. Champagne):** Is there unanimous consent?

**Some Hon. Members:** Agreed.

**Mr. Prud'homme:** Madam Speaker, I see that my friend, the Hon. Member for Charlevoix (Mr. Hamelin) is also asking for the floor. He may want the same privilege to ask a question. If we extend the courtesy, and it will be an act of courtesy because the rules provide otherwise, the Leader is willing. We will give unanimous consent, but it will have to be understood that we also may give unanimous consent to others. We cannot extend a privilege to one without giving it to someone else.

[*Translation*]

**Mr. Hamelin:** Madam Speaker, on the same point of order. If there is unanimous consent, I would also like to put some questions to the Leader of the Opposition, just as the Hon. Member is seeking to do.

**Mr. Grisé:** Madam Speaker, I still would like your opinion about the time that should be allowed for questions and comments. Will it be as usual—a ten-minute period—or do we have unlimited time for questions and comments? Madam Speaker, before giving my consent, I would appreciate some clarification as to the maximum time available for questions and comments.

[*English*]

**The Acting Speaker (Mrs. Champagne):** In such a situation, the Chair is totally in the hands of the House, and the House has given unanimous consent. I would take it for granted that Hon. Members would want to continue the debate sometime this afternoon. I am sure that the Right Hon. Leader of the Opposition has other duties which he will want to attend.

Perhaps the normal period of 10 minutes could apply, if I have the consent of everyone.

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mrs. Champagne):** The Hon. Member for Annapolis Valley-Hants.

**Mr. Nowlan:** I thank the House for the courtesy. I must say that I will not argue with the Chair's interpretation of Standing Order 55. I do know that when the Leader of the

Opposition or the Prime Minister (Mr. Mulroney) speak in relation to the first reply on a Bill no such courtesy is extended. However, I have been given the courtesy, so I had better put the question.

I was very glad to be here when the Right Hon. Leader of the Opposition made his contribution to this Bill. I am also glad that he came to the latter part of his speech, because I have those remarks in his speech of May 20, 1969 as recorded in *Hansard* on page 8844 when he was the Minister responsible for the introduction of the 1969 Bill.

I do not know if I fully appreciated what the Right Hon. Leader said this afternoon in terms of extending the scope of the 1969 Act. When that Bill came in, sold to us, and voted for by me and others following the precept of Bob Stanfield, the Right Hon. Leader of the Opposition, who was then the Minister responsible for the Bill, stated:

> The principle of this bill is that there should be equality of access to the federal institutions of government, that every citizen should be able to communicate with the federal government in either of the two languages . . .
>
> It is not compulsory individual bilingualism; it is institutional bilingualism—

I totally agreed with him there, then, and that was how the Bill was sold, as far as I was concerned.

Today, I understood the Minister to have said that the present Bill C-72 goes further. Perhaps the world has changed. There are bilingual signs at the Olympics, separate and apart from Bill C-72. I think the Right Hon. Leader got carried away with some very interesting remarks that he made. We all know that duality has been extended. There are immersion schools. My children have gone to them, and I have tried to learn *la langue française—beaucoup de cours de français par immersion*, et cetera.

We are talking about the reality of Bill C-72. I would like to ask the right hon. gentleman to square with what he said in 1969, and in part what he said today, about the right of institutional bilingualism.

Clause 15(1) states, in effect, that any judge or presiding officer has to carry on without the benefit of an interpreter, that is, be bilingual. That means individual bilingualism. In referring this to Clause 15(2), the definition of court, when I make my speech, I will give the Right Hon. leader a count of 59 different tribunals or agencies where, until now, an English or French individual can appear quite properly and communicate or correspond, as he or she should be able to, in either language, but the presiding tribunal is not required to be necessarily bilingual. It has simultaneous translation.

• (1540)

Is this not a very real extension of institutional bilingualism, which we all bought and still buy, to a compulsory need for individual bilingualism?

**The Acting Speaker (Mrs. Champagne):** I am glad the Hon. Member knew that the time was limited.

**Mr. Turner (Vancouver Quadra):** Madam Speaker, the Hon. Member reminds me of the late Syl Apps when he was the captain of the Toronto Maple Leafs. He could never bring the puck up the ice until he had circled the net about four or five times to build up speed.

**Mr. Nowlan:** He was my hero.

**Mr. Turner (Vancouver Quadra):** I am not saying that the Maple Leafs could not use Syl Apps right now.

The section in the Official Languages Act which the Hon. Member cites has now been embedded in the Constitution, so that the institutional bilingualism he recited is now part of the constitutional fabric of the country.

What has happened in this Bill, as I said, is that it is now enshrining and enacting a practice which has been developed since 1969, recognized by a resolution of the House in 1973, further enshrined in the Constitution Act, 1982, and further enhanced by the Meech Lake Accord. The third paragraph of the preamble to the Bill reads:

> AND WHEREAS the Constitution of Canada also provides for guarantees relating to the right of any member of the public to communicate with, and to receive available services from, any institution of the Parliament or Government of Canada in either official language;

Obviously there are not only institutional rights; there are individual rights recognized in this Bill and by the Constitution.

**Mr. Hamelin:** Madam Speaker, I would like to quote the Right Hon. Leader of the Opposition (Mr. Turner). He said that the time is right and that the Bill is right. Maybe for the first time the Opposition is right and its leader is right. It is a good Bill.

[*Translation*]

I would like to congratulate the Leader of the Opposition on the position he has taken on Bill C-72. I also wish to pay tribute to him and to the other Members of his party who have been working so hard, as was remarked by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), to foster Canada's linguistic duality.

I am also very pleased that you have tried to raise this debate above the level of political partisanship.

The question I would like to ask, and especially the suggestion I would like to make, since all party leaders have their problems—you have yours with Meech Lake, which is also an important piece of constitutional legislation, while other party leaders are trying to convince the majority while maintaining the greatest possible measure of tolerance and respect for the individual.

Mr. Leader of the Opposition, are you and the Members of your party prepared to make a commitment to raise this particular debate above partisan issues during the election campaign, bearing in mind the best interests of Canada's linguistic duality and Canada itself?

**Mr. Turner (Vancouver Quadra):** Madam Speaker, this question is far too important. We do not see it as a partisan issue but as a fundamental question that goes to the very roots of our nation.

[*English*]

**Mr. McKenzie:** Madam Speaker, we have just a few minutes remaining, but I want to explain to the Right Hon. Leader of the Opposition (Mr. Turner) why this Bill is not being accepted by Canadians. It is because of the discriminatory aspect of the Official Languages Act of 1969. I have acted on behalf of many English-speaking Canadians who have been denied promotion and employment because of the discriminatory language laws in this country.

I would like to read to him a case which indicates why western Canadian people are not accepting the Bill. This letter was sent from an official in the Patent Office to a Deputy Minister in Consumer and Corporate Affairs. I worked on this case a couple of years ago. The letter indicates that there were many rumours circulating in the Patent Office that the hiring team, who were then seeking examiners, had been instructed to limit their search to Francophones, particularly to unilingual Francophones. It was further alleged that academically qualified Anglophones had been rejected, and the possibility that these rumours could be true appeared to have been supported by the apparent attempt to keep bilingual positions open for those Francophones being hired rather than offering those positions to bilingual examiners presently in unilingual English positions. Is he telling me that English-speaking Canadians are supposed to accept the Bill when this sort of thing is going on?

This morning I referred to a staff sergeant on the Hill who was demoted because he could not learn French fast enough in that he had a hearing defect. He was demoted. He lost his crown and had a loss of pay. Does the Hon. Member think that I am going to accept that and vote for some more of that? I most certainly am not, and that is what I will be explaining to Canadians.

I have been calling for laws to protect the rights of English-speaking Canadians. Former Language Commissioner Maxwell Yalden wanted the word "language" inserted in the Human Rights Act, so that if an academically qualified English-speaking Canadian was being denied promotion or a job, he could file a complaint with the Human Rights Commission to have his case properly investigated to see if he was being treated fairly.

Would the Leader of the Opposition support an amendment to the Human Rights Act to have the word "language" included, so that a Francophone or an Anglophone who is being discriminated against in terms of promotion or employment could file a complaint and have his case properly examined?

**Mr. Turner (Vancouver Quadra):** Madam Speaker, the equality rights of Canadians of either language are protected under the Constitution.

I met recently with Mr. Yalden, the new Human Rights Commissioner, and I am assured on his record that he will apply the Constitution and the Human Rights Act fairly in any individual case.

I had the honour, at one stage in my life, of representing a neighbouring riding to that of the Hon. Member for Ottawa—Vanier (Mr. Gauthier). It happened to be the riding with the largest number of English-speaking public servants in Canada. I happened to be the Hon. Member for Ottawa—Carleton when I had the honour of presenting the Bill to Parliament. I had the responsibility of explaining it to the Public Service of Canada, of negotiating with C. A. Edwards, the then President of the Public Service Alliance, and of negotiating the terms of the Bill with the four western Attorneys General and persuading them not to take the issue at that time to the Supreme Court of Canada.

I want to say to the hon. gentleman that he has the right and duty to represent his constituents as they present their cases to him, and I respect that. However, I have the feeling in my own experience that this law has been applied as fairly as humanly possible since it was introduced, and that everyone responsible has done his or her best to ensure that the application of the law did not unfairly intervene in a career in the Public Service.

Even after 20 years, as I said earlier in my speech, 60 per cent of designated positions are unilingual English and only 7 per cent are unilingual French. The advantage is still overwhelmingly in favour of the English-speaking population in terms of the Public Service of our country.

**Hon. David Crombie (Secretary of State of Canada):** Madam Speaker, let me say that I am pleased to be able to speak today on to the amendments to the Official Languages Act and to talk a little about the official languages policy in the country.

Yesterday and this morning the House was able to hear the views, concerns, obligations, and responsibilities of the Minister of Justice (Mr. Hnatyshyn) with respect to the courts under the current Act and indeed to some of the proposed changes in the Act. We also heard this morning from the Minister of State (Mr. Lewis) regarding language rights and opportunities in respect of services in federal institutions.

My particular role as Secretary of State is somewhat different and has perhaps not received the same kind of attention as have other interested perspectives in respect of this Bill. Clauses 40 to 44 deal with those responsibilities which are given to the Secretary of State. They amount to two. First, there is the responsibility to recognize the use and learning of both official languages. Second, support is to be provided to official language communities across the country.

• (1550)

Those two responsibilities given to the Secretary of State under this Bill reflect what we have been doing for the last 18 years. It extends what we have been doing somewhat, but there has been a slow progression of events. It fits in well with the role of the Secretary of State because the Secretary of State has a general responsibility with respect to the sense of belonging and equal participation of all Canadians from all walks of life. That is why it is important that at least a significant part of this Bill be understood within the context of other initiatives that the Government, and in particular the Secretary of State, have been taking with respect to, for example, the new multicultural Bill and the amendments to the Citizenship Act. In all these matters, whether it is the multicultural Bill, changes to the Official Languages Act or changes to the Citizenship Act, we are responding as a Government to three fundamental principles that the Government, and I think all Canadian Governments at their best, stand for. That is to say equality, diversity and community.

Those may be clichés and principles unrelated to practice to some people. However, when we talk about those principles and try to deal with them in legislation we are on very serious business. When we talk in this instance about language and culture we only have to watch television, read newspapers and look around the world to see those countries which have not paid attention to the divisiveness of language and culture. In those countries their problems have been solved by conflict and not by co-operation and consensus.

When we deal with the Bill before us, with the multicultural Bill and our understanding of the Citizenship Act amendments we are responding to the principles of equality, diversity and community. It should never be forgotten that the end result is freedom for individual Canadians and stability for Canadian society as a whole.

[*Translation*]

Madam Speaker, our official languages are a fundamental characteristic of Canadian society. They set us apart from most nations in this world.

This linguistic duality gives all Canadian citizens the right to live and develop their potential in either official language.

Madam Speaker, language is a very personal part of ourselves. If we can all learn to respect the language spoken by our fellow citizens, we will have made an important contribution to tolerance and harmony among the various races, creeds and cultures that constitute our country.

[*English*]

We have been in the business of dealing with two official languages for a very long time. It is not merely and only a product of 1969. Earlier, the Right Hon. Leader of the Opposition (Mr. Turner) talked about the constitutional and legal process which over decades was dealt with in our two official languages. We could go back even further. We could begin in 1867. At another time and another place it would be interesting to note that there is a 200-year old tradition in the country from the Quebec Act of 1774 to the Constitution Act of 1791 to the British North America Act of 1867. We have been involved in developing, building, creating, fashioning and tolerating two languages for 200 years.

With respect to specific changes in the role of federal institutions as they relate to the two official languages, I think we can mark the beginning of the modern era, if I can put it that way, in 1934 when the Secretary of State, under the prime ministership of R. B. Bennett, introduced into the House a Bill that created a translation service for the federal Government. That was some 54 years ago. In a sense, that was the first practical example of the need to ensure that federal institutions spoke to all Canadians in both official languages.

In 1958, for the first time in the history of the country, a Translation service was brought into the House. We are used to it today. We simply put a small device into our ears and we are able to listen to an automatic, first-class translation of the proceedings. That began only in 1958, I might add, with some price, under the prime ministership of John George Diefenbaker.

In 1969, when the Official Languages Act was adopted, it should not be forgotten that all three political Parties supported that Bill and have done so since that time.

I have gone through these events because it is important to understand that history did not begin yesterday. These important matters did not begin when we showed up. They have been part of the Canadian understanding of our country as long as we have been around. It is fair to say that since the 1960s the climate with respect to the language question has improved immeasurably.

For the past 20 years we have seen an emerging positive and impressive growth of the use of those two languages. That may be denied by some. But all one has to do is to attend meetings anywhere in the country where people from other parts of the country are brought in. One will find that there is some facility so that people in both languages can understand.

If I had to pick one example to illustrate my points I would like to introduce some statistics, although I hate to use them, with respect to the success enjoyed by immersion courses in schools, institutions and community groups across the country. For the past 10 years enrolment in terms of immersion courses has increased 20 per cent per year. It has grown from 37,000 in 1977 to over 200,000 in 1987. In Alberta, one out of every ten schools is a French immersion school. In Regina, the number of students enrolled in French immersion courses was 60 in 1977. It was 3,000 in 1987.

**Mr. Turner (Vancouver Quadra):** How about Toronto and Vancouver?

**Mr. Crombie:** My friend the Right Hon. Leader of the Opposition asks about Toronto and Vancouver. There has been amazing growth in those cities as well. I picked these other

cities to illustrate my point. In every province and in every major metropolitan area, city and town one will find such statistics. My right hon. friend knows that, as do the great majority of Canadians, certainly those who are interested in these matters.

In fact, there was a study done by Stacy Churchill and Anthony Smith which showed a major shift in Canadian attitudes towards language reform, use and the recognition of the two official languages. That is shown by incredible demands on my own Department with respect to supporting the provision of minority language services. I suppose that if one had to see it anywhere one would see it in the habits and instincts of young Canadians. Their feeling for the linguistic duality of this country is something that previous generations would not have dreamed of.

It is these young Canadians who are learning a second official language who hold a big promise for us. I have had the opportunity in meetings across the country with young people to see that not only do they understand the importance of language for their own community but they understand the importance of extending that to the other official language groups as well. I think that they see the benefit of being able to speak two languages in a world whose borders are coming closer and where travel, politics, education and international trade will welcome those who are able to avail themselves of a natural resource, that is, of the two official languages. I might add, as I have in other places and at other times, that a multitude of heritage languages also exist in Canada.

• (1600)

The Bill as it relates to the Ministry of the Secretary of State is very important. It deals with the encouragement, the recognition, the use and the learning of two official languages. It also deals with the support of official language communities. We do that in deliberate, constructive ways. For example, through agreements since 1980 with provinces and territories, we support educational programs and services for English-speaking Quebecers and for Francophones outside the Province of Quebec.

We provide opportunities for all Canadians to learn a second language. The summer language bursary program is particularly popular. It gives students the chance to spend six weeks immersed in their second language. Over 19,000 students applied for 7,250 bursaries last year.

We also support the development of teacher-training programs in universities and colleges across Canada, from Memorial University to all three universities in the Province of British Columbia. As well, the Government assists provinces and territories in developing learning materials. Our commitment to the development of TV Ontario's *La Châine Française* is an example of this.

TV Ontario now offers Franco-Ontarians the same kind of educational programming English-speaking students have had for years. It has also developed, with federal assistance, a number of excellent programs on TV Ontario to teach French as a second language.

In short, this Bill stresses the importance of giving Canadians the opportunity to expand their horizons by learning a second language. The Bill responds to the linguistic needs and aspirations of Canadians, make no mistake about that. It is for Canadians who want for themselves and their children the opportunity to be themselves in their own language wherever they live in Canada, Canadians who want for themselves and their children the opportunity to learn a second official language and Canadians who realize that having two official languages gives us access to over half the people on this planet. That puts us in a first-class strategic position in terms of trade advantages, international relations and cultural exchanges.

The Government's approach is a positive one. It is based on incentives, consultations and partnership. Jean Pelletier of the *Journal de Montréal*, wrote about Bill C-72 a few weeks ago. He said:

> Some of the most striking changes are reflected in the preamble of the Bill . . . It removes the Act from the realm of mere rules and regulations and elevates it to the status of a law that—can serve as an inspiration for the day-to-day political life of this country.

[*Translation*]

The time has come to offer Canadians throughout this country a better chance to develop their potential in their own official language.

[*English*]

I had the opportunity, as all Secretaries of State do, to visit with people across the country, not only with constituents and people I am trying to serve but with members of official language communities, both francophone and anglophone. It was a very impressive opportunity and I wish all Canadians could have that opportunity.

[*Translation*]

The Government directly helps minority communities to acquire tools and establish institutions, which enables these communities to participate in various aspects of Canadian society in their own language.

We support a number of groups representing Francophone communities across Canada, such as the Fédération des francophones hors Québec, the Association canadienne-française de l'Ontario, French-speaking Canadians in British Columbia, Newfoundland and the Northwest Territories, and many other groups I had a chance to meet last year in Winnipeg, Yellowknife and Charlottetown, for instance.

These groups provide for solidarity and community action. They make it possible for communities to express their views and carry out collective projects.

Francophones in Halifax-Dartmouth or in Cape St. George, Newfoundland can get together and set up a community and education centre, jointly financed by the federal-provincial governments.

The Fédération des jeunes canadiens-français is organizing a project for community radio across the country. Programming will be developed by the communities themselves. And the Department of the Secretary of State is of course proud to support this project!

[*English*]

I also had the opportunity to meet a group of which I did not have much knowledge before. This group consists of small anglophone communities in the Province of Quebec, outside the Island of Montreal. There is, I think, an unintended feeling in other parts of the country that Anglophones live in Montreal only and that, by and large that is whom we hear about.

I had the terrific opportunity to meet with members of an Alliance Quebec as well as regional grassroots organizations including the Committee for Anglophone Social Action of the Gaspé, the Townshippers' Association of the Eastern Townships, the Outaouais Alliance of the Ottawa Valley, the Voice of English Quebec of the Quebec City area and many others. They introduced me, as they would introduce all of us, to a very impressive piece of Canadian history. They have a network of 14 weekly newspapers, some of which have been around, informing, building and helping create communities, for decades.

The *Stanstead Journal* in Rock Island has existed since 1845. The *West Quebec Post* in Buckingham has been there since 1895. The *Watchman* in Lachute has been there since 1877. My impression of these communities is that not only were they appreciating their own history but they knew that they were building their own communities as Quebecers and as Canadians. That impressed me. The reason I mention it in this context is that they support this Bill. They do so because they know that the programs we have been offering and want to continue to offer and expand support those anglophone communities in the Province of Quebec.

I also had the opportunity to deal with another group, non-governmental. There are a great many voluntary organizations and business organizations which are now and have been for the last couple of years interested in getting support to expand opportunities in Canada's two official languages. Mr. Lloyd McGinnis, past chairman of the Canadian Chamber of Commerce, has said:

> Modern business managers in Canada—recognize that it makes good business sense to employ communications tools that capitalize on both official languages.

That is why, on a voluntary basis, the Secretary of State has received requests from bodies and organizations wanting to serve clients in English and in French. Two examples of this are the Canadian Bankers Association and the Canadian Life and Health Insurance Association. My Department assists 275 voluntary groups in bilingual services at conferences and annual meetings, and more than 60 major associations are being helped with bilingualism development plans.

We support organizations such as Canadian Parents for French. One of the most impressive groups we support is the Canadian Society of Association Executives with well over 1,200 member associations. On their own initiative, its representatives came to see me in order to establish a program of assistance for private and voluntary groups promoting both official languages. I say these things because that is the reality in Canada and we ought to begin to understand it.

I know that my time has concluded. I would like to finish with one final remark. The Government is committed not only to strengthening the official languages in Canada, it also understands that in doing so, there is something greater at stake and that is the fundamental proposition, that we must continue to support the development of the community of Canada. We can only do that when we rise to the challenge and recognize that being Canadian means we should continue the tradition of two official languages and move forward.

• (1610)

I hope the House will be able to conclude the debate and we can get it into committee to deal with those matters which are of concern to some people. However, at the end of the day we will have failed the promise of this country if we do not move forward, as the Government would like to with changes to the Official Languages Act that tell Canadians and the world that we have not forgotten the great traditions of this country.

**The Acting Speaker (Mrs. Champagne):** Questions and comments.

[*Translation*]

**Mr. Boudria:** Madam Speaker, being also a Member from Ontario as the Minister is, I would like to commend him, first for his speech and second for that part of his speech he chose to deliver in French in this House this afternoon. I suggest this reflects an open mind, and that special effort by the Minister deserves to be emphasized today.

**Mr. Turner (Vancouver Quadra):** Especially since he is a former mayor of Toronto!

**Mr. Boudria:** Yes, especially from a former mayor of Toronto, Madam Speaker!

I pay close attention to the Minister's comments. I may have a slightly different opinion from his in that he is hoping for an early conclusion to the debate, and I would welcome an opportunity to make a speech in this House on this matter. I represent in this Parliament the largest number of Francophones outside Quebec of any constituency, and this is why I am hoping for such an opportunity. Needless to say, I am hoping contrary to the Minister that the debate will last at least one or two more days, so that I also can take part in it and express my support for the Official Languages Bill.

I suggest, Madam Speaker, that in view of the official languages situation at this stage in Canada, it is important to have Bill C-72, even though the legislation holds nothing new; by that I mean that we need Bill C-72 because we need a vehicle to re-emphasize our commitment to official languages,

and of course there are many more reasons why we want Bill C-72. Hon. Members explained them and I also will discuss them when I rise in this debate.

I simply wish to put a specific question to the Minister concerning the Supreme Court. As far as I am concerned, I feel that the clause providing that the presiding member of a panel of judges hearing a party to the proceedings must be able to do so in that party's language. There is one exemption to that rule under the Bill, being the Supreme Court of Canada. I have no idea, Madam Speaker, why they chose to do that. I would like to ask the Minister whether in committee the Government would accept to change that, even if it entails extending the period for the Supreme Court to adapt to that new recommendation.

[*English*]

**Mr. Crombie:** Madam Speaker, first let me assure the Hon. Member that, as always, we listen to his remarks with interest and we are sure he has some wisdom to offer to the House. When I indicated that I hoped the debate would be concluded, I of course meant after all Hon. Members had the opportunity to make their contribution.

The second part of the Hon. Member's question dealt with changes to the Bill which he favours. When the Minister of Justice spoke the other day, I think it is fair to say that he indicated that there needs to be a capacity in each of our courts, and I think the emphasis should be on the word "capacity", and that it excludes the Supreme Court. I think the Minister dealt with that, I am not sure. It may well be that there are other views. I am sure that when it gets into committee any specific changes that Hon. Members are looking for will at least be appropriately considered by the committee.

**Mr. Kindy:** Madam Speaker, I listened with interest to the remarks of the Minister concerning the situation of the Anglophone in Quebec. Having lived there for a while, I saw what happened when Bill 101 was brought into force and the effect it had on anglophone Quebecers most of the young Anglophones had to leave the province because they were being discriminated against. Therefore, would the Minister consider a motion of the House asking the Government of Quebec to withdraw Bill 101, as was done in the case of Manitoba?

**Mr. Crombie:** Madam Speaker, I should remind the Hon. Member that Bill 101 is a provincial Bill and at least some aspects of it are before the courts. It would therefore be inappropriate for me to deal with that aspect of it.

However, let me respond to what I think might be the spirit of the question, which is something that I tried to deal with in my own speech. Clauses 40 to 44 are positive ways where we do not try to recapture the past but try to see what we can do to fashion a future. It is always an easy way out for people to bog down because of their understanding of things in the past. I appreciate that because I have been involved with it myself in a number of circumstances. However, in our circumstances today, I hope what Hon. Members will do is to look at the positive things in Bill C-72 that deal with Anglophones in the Province of Quebec, and there are many of them. I have met with those people and their organizations, such as the ones I mentioned in the Gaspé, the Outaouais, in the *Comtés de l'Est*. They want to be part of a society that respects their heritage, understands them as Quebecers and as Canadians. That is what this Bill does and I commend that to my hon. friend.

**Mr. Domm:** Madam Speaker, we all concur with the Minister's comments dealing with voluntary French immersion in our schools. In Peterborough we have a line-up to enrol in those schools, and I think the voluntary approach is a good one. I think it is also a good approach for the private sector which has indicated its interest in obtaining information and advancing this voluntarily in the private sector. The aspects of this Bill which are a little repugnant are those that change from the voluntary to the mandatory.

I would like to ask the Minister at what point it is the Government's intention to cause a region to become bilingual, thus falling under—the Minister has a question mark in his eyes. We have a language of work in approximately seven regions of this country as defined in our legislation and in the understanding of the Department of Justice. There is the rest of Canada to deal with. This Bill makes it possible, through regulations and Orders in Council, to declare regions bilingual. At what point does a region become bilingual by Order in Council, thus causing this Bill to take effect through mandatory regulations enforced by Orders in Council? We as backbenchers have no idea at what point or with what regulations that will happen.

**Mr. Crombie:** Madam Speaker, I am sure the Hon. Member understands, as I do, that regulations are important, particularly with respect to a Bill of this nature. It is the regulations that take the words in the Bill and turn them into practical day-to-day living. I was very pleased therefore to hear the Minister of Justice indicate that when the regulations are brought down there will be an opportunity for full public exposure and debate. At that time I am sure the Hon. Member's question will be answered.

• (1620)

**Mr. Graham:** Madam Speaker, the Minister referred to the fact that certain segments of Bill 101 in Quebec are before the courts. Would the Minister comment on the timing of this Bill? One of the things that is probably of concern to some Members is why the federal Government would bring forward Bill C-72 when we have still not been able to resolve the problems and attitudes expressed in Bill 101.

While he is on his feet would the Minister also try to define "significant demand"?

**Mr. Crombie:** Madam Speaker, "significant demand" will be defined by regulation. As I indicated in response to the Hon. Member for Peterborough (Mr. Domm), when the

regulations come down, significant demand in a particular area will be understood in the full glare of public exposure and public discussion. I commend that process to the Hon. Member because I think that is the fair and open way to do it.

With regard to the impact of Bill 101 in the Province of Quebec, as I indicated earlier there are aspects, in particular signage, before the courts and I would not want to comment on them. I would, however, say again to this Hon. Member that anglophone communities in the Province of Quebec support this Bill. People can play around with that fact all they like, but the reality is that if one is interested in supporting not only francophone communities across the country but anglophone communities in Quebec, one should do one's duty and support this Bill.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mrs. Champagne):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Interprovincial trade—Removal of barriers; the Hon. Member for Mount Royal (Mrs. Finestone)—Canadian Broadcasting Corporation—Proposed all-news television channel—Suggested partnership with private sector; the Hon. Member for Winnipeg North (Mr. Orlikow)—Science and technology—Announced closure of astronomical observatory / Algonquin Park Observatory.

## GOVERNMENT ORDERS

[*English*]

### OFFICIAL LANGUAGES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-72, an Act respecting the status and use of the official languages of Canada, be read the second time and referred to a legislative committee.

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Madam Speaker, I appreciate this opportunity to join in a very important debate on Bill C-72 which amends and re-enacts the Official Languages Act of 1969. I am honoured to follow the Right Hon. Leader of the Official Opposition (Mr. Turner) and the Secretary of State (Mr. Crombie) who both joined in the debate this afternoon.

When this Bill was originally tabled in the House I had expected that I would be the first speaker on it from our caucus. However, when the debate was scheduled for Monday of this week I found myself in one of those conflicts which Members of Parliament have occasionally. I had a commitment to travel 250 kilometers north of Thunder Bay to the small community of Armstrong in order to present some Celebration '88 medals and scrolls to people in that community. I did not think it was fair to them to ask for a drastic rearrangement of timetables in order to allow me to come here.

I am grateful to my colleague, the Hon. Member for Hamilton Mountain (Ms. Dewar), for the able way in which she addressed the topic before us yesterday morning. She spoke skilfully from her experience here in the national capital area on the importance of official languages and put it in a variety of contexts which are important to Canadians.

Today I want to take up something of the attitudes which have been expressed here in the House and outside the House and to elaborate on the support which I think exists in Canada for Bill C-72 for a strengthening of the laws dealing with official bilingualism in this country. I do this all the more because of the report in *The Globe and Mail* specifically which suggested that the Ministers speaking yesterday in support of Bill C-72 were being heckled by back-benchers in their own caucus, a highly unusual situation and one which certainly arouses one's interest.

I have asked my colleagues about the strength of this opposition, if you will, in the Conservative caucus to Bill C-72. I gather that "heckled" may be over-doing it a little bit, although the questions being posed this afternoon to the Secretary of State suggest the concerns which a variety of back-bench Members feel.

I was distressed earlier today when listening to the Member for Simcoe South (Mr. Stewart) on this topic to sense much more than only concern about the way in which the Official Languages Act might impact on individuals in various ways. I was particularly distressed to hear him taking statistics on the advance of bilingualism in various areas of the federal Government as evidence of a dangerous tendency, or at least that is what I inferred from it. He appeared to suggest that these advances in bilingual ability to some very high and impressive proportions in certain areas of the federal Government were a bad thing.

I suspect that what he was thinking in the first order, and trying to suggest to all of us here and those outside listening to the debate, was that these bilingual persons were persons whose first language was French and that these proportions suggested an overwhelming employment in these various areas of government of persons who were francophones as against anglophones in the Canadian population. That would certainly be a concern given the principle of equitable participation if employment in various areas of government ran to three-quarters and more of francophone Canadians. I could understand concern among Anglophones across the country because employment in the Public Service is a desirable form of service

to the country and persons whose first language is English want to share in that opportunity to serve.

I think, however, that he failed to recognize the fact that many of the persons who are included in these statistics are persons whose first language is English, who have become bilingual and who, by being bilingual, enhance the service they can give the people of Canada and enhance the abilities of the Public Service to operate in both languages.

In pursuing that I want to make something of a report in *Language and Society* published by the Office of the Commissioner of Official Languages in April, 1987. There is an article in here by Stacy Churchill and Anthony Smith to which I believe the Secretary of State referred. I would like to pull some sections of this particular article from it for all of us to contemplate because I think that few of us appreciate that attitudes in the country have been changing since the Official Languages Act in 1969 responded to a political challenge, in Quebec particularly but out of Quebec as well. In that response the Official Languages Act has loosed a ferment, if you will, in the Canadian population which has been modifying the culture of the country in ways which I personally regard as desirable.

These two sociologists first consider the ways in which attitudes across the country are sensitive to the bilingual reality, to English and French. They put Quebec beside British Columbia assuming that these might be our polar opposites, one society being first French-speaking and the other being largely English-speaking. They note that an astounding 99 per cent of Quebecers consider the ability to speak both English and French to be very or moderately important in helping a young person get ahead. Fully 93 per cent of Quebecers believe that English and French should be required in school. They note that Quebecers are almost as supportive of the language rights of the English-speaking minority as they are positive about the value of learning English. Eighty-eight per cent of Quebec's Francophones believe that Anglophones in Quebec should be entitled to education for their children in English. Eighty-nine per cent believe that English-speaking residents of Quebec should be able to receive hospital service in English. Support for service in English in the Post Office is 85 per cent and in department stores 82 per cent.

• (1630)

Those are impressive figures in a province in which Conservative back-benchers have been obsessed about Bill 101 as reflecting a reality in Quebec.

What are the attitudes in British Columbia as far as acceptance of English and French in various ways is concerned? This public opinion poll is a Canadian fact survey which the Commissioner of Official Languages commissioned in 1985. It indicates that 69 per cent of the British Columbia population believe that speaking both English and French is important to a young person getting ahead. Seventy-seven per cent think it would be beneficial if all Canadians spoke both English and French, and 59 per cent support the compulsory teaching of both languages in schools. This is in a province where the francophone population in 1981 was not even 2 per cent. Fifty-seven per cent of the population in British Columbia believe that people who live in the province and speak French should be entitled to education for their children in French. Similarly, a majority of 55 per cent of British Columbians believe that hospital services should be available to Francophones in French.

As the authors suggest, what is desirable in exploring this matter of service of official bilingualism is to put it in a human context in terms of services to real people. There is not the kind of fear that *Western Report* is pandering to or the kind of prejudice that still exists in some minds, but the kind of compassion that I believe characterizes Canadians as they recognize that official bilingualism is a humane response to part of the reality of the Canadian population.

The authors conclude that the national picture is a positive one over-all. The levels of support for service in the language of the provincial minorities is at the 50 per cent level or better on all questions asked, including those which deal with both the public sector and the private sector.

For those outside Quebec, the support is 50 per cent or better on all questions asked about the public sector. What I find quite astonishing is that outside Quebec 40 per cent or more of the Canadian population believe that institutions in the private sector should be prepared to serve Canadians in both official languages. Such an astonishing change in attitude of Canadians leaves no doubt that in the last 20 years a cultural revolution has been under way. Bill C-72 is designed to support and enhance that change in attitude among most Canadians.

The authors recognize that a minority in this poll feel differently. If we want to use the public opinion poll data to create a profile of Canadians least likely to support bilingualism, it would single out an Anglophone, 50 years of age or over, with no past training in French as a second language, no current contact with the French language, living in western Canada. I hesitate over those last words. I am western Canadian myself in origin and I think it is important to recognize that there is this minority feeling across the country, including various parts of Ontario and Atlantic Canada. It is clearly a minority, but one that is decreasing.

Canadians of all ages believe that bilingualism is a useful skill for young people, even if older Canadians do not consider bilingualism valuable for themselves personally. That in itself is evidence of how this country is changing and developing.

Bill C-72 allows us to explore ways in which the Official Languages Act of 1969, which was supported by all Parties in Parliament and enhanced by the Charter in 1982, can be strengthened. This includes explicitly addressing the question of cost in accomplishing this goal. Undoubtedly there is a cost attached, but we should be capable of recognizing that governments make decisions that cost money. The argument

that an expenditure must be carried out is not valid because countries spend money in various ways to enhance the unity and strength of a nation. In terrible circumstances, countries are forced to make expenditures to suppress minorities or maintain forces of occupation.

Rather than being forced to make expenditures in such ugly circumstances, we spend money on the cultivation of both languages, to encourage immersion programs across the country, which have been spectacularly successful. Government expenditures are used to support organizations such as Canadian Parents for French, a group which reflects the change that has taken place in this country.

I suggest that the expenditure of hundreds of millions of dollars each year in these areas is a good investment, and one that we should continue to make.

Therefore, speaking for my colleagues in the New Democratic Party caucus:

[*Translation*]

—we remain committed to the cause of generally promoting the official languages in Canadian society, co-operation with the provinces in that respect, particularly assistance to official languages minorities, and the opportunity for all to learn the second official language.

[*English*]

That is the position that the New Democratic Party has taken over the years, and it is one in which we are solid today. We supported the goals of the Official Languages Act of 1969 and we recognize that, considering the developing circumstances in the country today, it is advisable to have an amendment and re-enactment of the Act. We support Bill C-72 in its attempt to address the desire of Canadians to work in the Public Service in the language of their choice as well as to deal with the Government in the language with which they are most familiar and best able to express themselves.

At the press conference following the tabling of the Bill last June there was a very warm pouring out of support for the Bill from various quarters, to which I joined to some extent. There may have been some satisfaction as well as pleasure about the fact that the Conservative Government, which we realize includes Members who are concerned about what official bilingualism represents, was able to introduce a Bill with as good and varied provisions as Bill C-72 has. When I saw it against the current of approbation for the Bill, to express a concern or two, I did not get anywhere with the media, as anyone can see simply by going back and looking at the coverage in the *Ottawa Citizen* and other newspapers.

• (1640)

Without diminishing any of that support this afternoon, I would like to express those same concerns here and add one or two others. My concern at the time focused primarily on the statements dealing with service in Clause 31 of the Bill and with equitable participation, as the jargon goes, and with the matter of fairness of employment, if you will, with which Clause 38 deals.

Clause 31(2) provides for the prescribing of circumstances in which there is a significant demand for the purpose of service to the public. This is by no means a simple matter. My concern is primarily that the situation previously was one in which the obligation was on Government to provide service to the official language minority except where the demand was so low or uneven as to be unjustified. As a member of the Standing Joint Committee on Official Languages, I can tell my colleagues in the House that government action under this section, that is, service to the public by Departments and agencies and Crown corporations, has been advanced only very, very slowly over the years. It is astonishing that in the mid-1980s one still has to bludgeon various Crown corporations, in particular, and to a lesser extent Departments of the Government, to achieve this matter of service to the public.

This is simple humanity. If someone who is unilingual French or who is far more fluent in French than in English approaches Government, it is only simple humanity that the government Department or Crown corporation be prepared to serve him or her in that language. The fact that it has taken so long is quite a commentary on the fact that the Act of 1969 laid on the obligation except where demand was low or uneven.

I put that as the background against which we have now, in a sense, a change in posture. Government will specify what the requirements of significant demand are and the public will have the opportunity to bring legal pressure to bear. It is certainly the tradition to use litigation these days to advance the cause, and official language minorities certainly know a great deal about being forced to use litigation. Frankly, I am not at all happy about the possibility that people are going to have to use litigation. That route will be used because of a political failure of the will of Government. That is one of the parts which concerns me.

With respect to Clause 38, the provision is for a Public Service which will tend to reflect the Canadian population that may do the job, although this will even more clearly require will on the part of the Government of the day. The phrase "tend to reflect" is really pretty loose. I would like to see much stronger language, although I would say this is very much in keeping with Bill C-62, the employment equity Bill, which was all too weak as well. I am not all that surprised to have this sort of legislation from this Conservative Government.

These are concerns which I articulated last June and I appreciate the opportunity today to state them again. There are other concerns which I will not have the time to address with respect to the main comments expressed by the Governments of the Yukon and the Northwest Territories. Those are points that certainly will be put forward at committee. I believe my colleague, the Hon. Member for Yukon (Ms. McLaughlin), will certainly want to expand on those points at an early point in the debate. I am sorry I will not have the time

myself, unless someone places a question and I can say something about it.

**Mr. Domm:** Madam Speaker, the Hon. Member noted his concurrence with Part VI, participation of English speaking and French speaking Canadians, and employment opportunities. The intent of the Bill is, of course, to give equal opportunity to both English and French to participate in this program, according to this Bill. I wonder if the Hon. Member could explain how we can have equal participation in the Bill when the Bill specifically states that it is a requirement, once an area is designated bilingual, that any supervisory or management functions which are to be carried out by those institutions are to be done in both official languages? That is according to Clause 37(1)(a)(iii). I wonder if he would explain how that is going to happen if the person is unilingual.

**Mr. Epp (Thunder Bay—Nipigon):** Mr. Speaker, I appreciate the question. The matter of equitable participation does not establish a general right for any and all Anglophones to serve in government. I was reminded of a struggle for a Supreme Court position in the United States some years ago. I believe it was a Senator from North Dakota who argued that mediocrity had a right to a place on the Supreme Court of the United States. Simply because he had been described as mediocre was no reason why he should not be appointed to the position.

That incident comes to mind because what we are clearly approaching is the development of a Public Service in Canada which has some new characteristics. It is a Public Service which, at its higher levels, in particular, will be bilingual. It will be a Public Service, the supervisors of which will be capable of dealing with their subordinates in English or in French, depending on which language their subordinates would like to work in. That, I recognize, creates pinches along the way. It creates the challenge to learn the other language, a challenge which faces so many persons in public life.

On the way to doing that, there will be people who think it is all terribly unfair and that it is not a matter of equality. But equitable participation is primarily a matter of ensuring that there is opportunity for minorities, the English language minority in Quebec and the French speaking minority across the country. We want to be sure that as the Public Service develops over time, we move closer to having a reflection of the Canadian population in Government. That is clearly the direction in which public opinion expects Government to move. French immersion classes outside of Quebec are so spectacularly successful these days because parents recognize they need to prepare their children for a time when the Canadian elite, if you will, will be bilingual. That elite in the Public Service of Canada will be capable of working in either language.

**Mr. Domm:** Madam Speaker, may I say through you to the member of the Opposition, that I fail to see the logic of the Hon. Member's statement that it is fair to Anglophones in Quebec, as the Hon. Member has mentioned, in supplying this position of supervisory or management function, because the unilingual Anglophone in Quebec would have no chance under this legislation, according to Clause 37(1)(a)(iii) which simply states that any supervisory or management functions that are to be carried out in both official languages by that management team.

How does the Hon. Member propose to protect unilingual Anglophones or unilingual Francophones with this legislation in the workplace? How can they improve their position by advancement through management to top positions if they are unilingual? I fail to see the fairness.

**Mr. Epp (Thunder Bay—Nipigon):** Madam Speaker, if the Hon. Member for Peterborough (Mr. Domm) would look at Clause 37, he would note that subclause (1) states:

> The Treasury Board may make regulations in respect of federal institutions,—

• (1650)

The Bill goes on to set forth the goals of our policy. The "may make" is clearly an indication that there will be recognition of rights. Grandfathering has gone on throughout the Public Service for a long time in a straightforward manner, often to the detriment of the policy that was expressed in the Bill of 1969.

I am sure that tender regard for the rights of individuals, and their assertions through one organization or another, will provide protection as we move toward the goal that the majority of Canadians want, whether or not the Hon. Member for Simcoe South thinks that this is all terribly funny. He is in the minority. The minority or the silent majority, as they would like to think of themselves, are the silent majority of the 19th century, those dead and gone.

**Mr. Domm:** The Hon. Member is misinterpreting the legislation before us. When the Hon. Member quotes Clause 37(1), "The Treasury Board may make regulations", we are talking about making regulations deeming such things as that other areas in respect of Canada or places outside of Canada shall become bilingual by designation.

There are seven areas in Canada which are now deemed to be bilingual in the workplace, and let us deal with those seven. How does one protect a unilingual Anglophone in the Province of Quebec who wants to be in mid-management when it is a prerequisite under this Bill that that management position be filled with a bilingual person?

While the Hon. Member is answering that question, will he tell me how to protect a Francophone in the rest of Canada who cannot speak fluently class C or a top grade of English, in order that he can advance through the Public Service in Alberta when he is not fluently bilingual? He cannot take a management position, according to this Bill that we are studying today, and the clause referred to by the Hon. Member, with all due respect, does not deal with a designated bilingual place or region in the workplace.

**Mr. Epp (Thunder Bay—Nipigon):** There are two realities here. One is the practice for years past in which many odd things go on for the protection of those who are unilingual. All sorts of odd things have gone on, and I expect all sorts of odd things will go on in the future for the protection of those persons.

Early in 1988, 19 years after the Official Languages Act became law, and long after the anglophone population of Quebec should have faced up to reality, and I assume the Hon. Member is talking about an Anglophone Quebecer, if the Hon. Member asks me how I am going to protect such a person, I am not sure how much I want to do to protect such a person.

**Mr. Domm:** Right.

**Mr. Epp (Thunder Bay—Nipigon):** A person living in Quebec who is still unilingual after all those years with all the assistance that the federal Government can provide in the way of language study, knowing full well that that is what advancement in the Public Service requires, and knowing this reality for the past two decades, how far does one extend the compassion that the Canadian population generally feels, which I was invoking earlier, when one is on the brink of testing that compassion?

There are challenges to be met. Anglophone Canadians can meet that challenge in the same way as Francophone Canadians. I am sure that all of us have watched with some interest the manner in which the Hon. Minister of Employment and Immigration (Mr. Bouchard), who came out of the francophone context, has learned English and how to operate in the House. He deserves a lot of credit for doing that.

Personally, I do not think that George Bain's observation some 20 years ago, and I remember the column well in *The Globe and Mail* about this strange malady suffered by western Canadians, the inability to learn French, is anything but a satirical observation by a commentator who knew which way things were moving in this country, and had to.

**The Acting Speaker (Mrs. Champagne):** The time for questions and comments has now expired. Resuming debate with the Hon. Member for Charlevoix.

[*Translation*]

**Mr. Charles Hamelin (Charlevoix):** Madam Speaker, I have barely four minutes left but I will undoubtedly have other opportunities to pursue the debate.

From the outset I should like to say that Bill C-72 is one of the major components of the over-all proposition made by this Government in terms of unity and national reconciliation. Since the Meech Lake Accord did acknowledge the existence of two linguistic communities in this country, it is important to point out the federal Government's commitment not only to acknowledge this linguistic duality but also to promote it throughout Canada.

Briefly now, some of my colleagues seem to be concerned about the difficulties this Bill might create for their fellow citizens.

There is talk of possible discrimination in employment, and some of my colleagues rapidly produced protest letters referring to language discrimination. I want to tell my colleagues that for every such letter they have I can produce 1,000. Yes, 1,000 letters about discrimination—alleged or otherwise—against the Canadian francophone minority. One has to be wary of such literature and such statements. It is a ready-made excuse, such an easy way to hide one's lack of experience and qualifications: I was not selected or I was not promoted because I speak French or because I speak English. What an easy way out! One has to be careful. I have had people coming up to me and say: I did not get the job because I am Francophone. A check into the matter showed that such was not the case, the person involved simply did not have the qualifications required for senior management.

On this point, the clause of Bill C-72 is very clear:

[*English*]

Clause 38(3) reads:

> Merit principle (3) Nothing in this section shall be construed as abrogating or derogating from the principle of selection of personnel according to merit.

[*Translation*]

This section, therefore, will not change anything to the mode of selection based on the merit principle. And that remains a basic criterion.

Madam Speaker, some of my colleagues often refer to Bill 101. Strangely enough, they are representatives from other provinces. The main reason Quebec felt compelled to adopt Bill 101, is because this country, in the past, would not respect the Canadian linguistic duality and had failed to show enough generosity to make us feel fully at home in Canada.

**The Acting Speaker (Mrs. Champagne):** Unfortunately, it is now five o'clock; I am sure that the Hon. Member for Charlevoix (Mr. Hamelin) will want to continue his remarks at the first opportunity.

[*English*]

It being 5 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

## PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

### PUBLIC EMPLOYEES POLITICAL RIGHTS ACT

MEASURE TO ENACT

**Mr. David Daubney (Ottawa West)** moved that Bill C-273, an Act respecting political rights of public servants, be read the second time and referred to a legislative committee.

He said: Madam Speaker, it is a pleasure for me to rise today, as the only public servant who was elected in the last federal general election, to speak on my Bill C-273 designed to extend political rights to public servants. I have spoken on this issue on a number of occasions in the past, the first time being my maiden speech in this place in November, 1984. It gives me some pleasure now to present legislation aimed at redressing what I view as an injustice. I believe firmly that this is an issue which should transcend Party affiliation. It is an area that all Parties and Members have an interest in promoting, and it can demonstrate how well the House can work when an issue that all Canadians see as important is brought before it.

I should like to highlight briefly why I feel that the issue is an important one. The report on equality rights presented to Parliament in 1985 noted the following:

> While the neutrality of the Public Service must be preserved as a general principle, it seems to us that the rights of public servants are, at least in certain circumstances, unduly curtailed.

In my view that is a classic understatement.

There is a fundamental issue at stake here—whether a group of Canadians has the right to free speech, free assembly, and the right to work peacefully and lawfully for democratic change. Hundreds, perhaps thousands, of public servants all across Canada who have participated in the election campaigns of all three Parties have had to look over their shoulders, worrying that big brother working out of the Public Service Commission office would discipline them for stuffing envelopes or painting lawn signs. Drivers, clerks, or technical staff whose work may never touch upon policy cannot join their neighbours in the simplest of election tasks without risk of losing their jobs.

Balanced against the claim that basic rights are being denied is the argument that political activity would jeopardize the neutrality of the Public Service and undermine the effective administration of government policy.

The debate over the political rights of public servants must take into account that the Canadian Charter of Rights and Freedoms guarantees everyone in Canada freedom of conscience, thought, belief, opinion, and expression. The Charter clearly states that these rights are subject only to such "reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society".

Therefore, two obligations exist in this debate. Those of us who defend the right of public servants to political expression must answer legitimate questions raised about the effects of such expression on the effective administration of public policy. Those who would deprive public servants of their democratic rights must show that the limitations are "demonstrably justified".

The objections to allowing public servants the opportunity to enjoy democratic rights are not superficial. Indeed, they go to the core of our beliefs of how a democratic government should function. These objections are rooted in the idea that the expression of Party loyalty or political orientation by public servants would endanger the public perception of neutrality, allow public servants to promote their personal political philosophies in advice to Ministers, and put Party interest above service to the public in the implementation of policy.

However, are we to assume that the only people who have a political philosophy are those who are active members of a political Party? Moreover, just as we are aware that there are active members of political Parties who have no discernible political philosophy aside from self-interest, we know of how profoundly the political philosophies of supposedly neutral public servants have affected the development of public policy in the country.

The fact is that whether or not public servants belong to a political Party or stuff envelopes in an election campaign, their political philosophies will remain intact. Preventing them from speaking or from participating in the political process will not stop them from thinking.

This is not to deny the rights to which both Ministers and the public are entitled in their expectations of service from the bureaucracy. However, neither the public nor cabinet Ministers have the right to the illusion that public servants have no political opinions. Rather, they have a right to have those opinions expressed visibly, so that some sort of accountability may be carried out. There is no protection for the public with a muzzled Public Service, only an increased opportunity for the obtrusive influence of personal and hidden views.

With the open declaration of political affiliation, any public servant with a partisan affiliation will be constrained to behave in an objective manner when dealing with both the public and his or her colleagues, to demonstrate that political bias does not exist.

Nothing in the restoration of political rights to public servants through the Bill removes the burden on the Public Service of behaving in a non-partisan manner in the execution of public duties. There is, of course, nothing unethical in the expression of political opinion. The essential question is whether public servants will act to implement government policy in a non-partisan manner, not whether they have personal views on politics or a political philosophy.

Canadians must be assured that their treatment by public servants will not be coloured by political affiliation, just as

they must be assured that their treatment is not affected by their sex, their race, their language, or their ethnic origin.

We have laws and regulations prohibiting discrimination on these grounds. However, such regulations do not prohibit people from having bigoted or sexist views, for example, because that of course is impossible, but they do prohibit public servants from manifesting any such views in the execution of their public duties. The same logic is applied in this Bill to the expression of political rights by public servants.

I do not think that there is a pressing need in this day and age to deprive hundreds of thousands of Canadians of their political rights, but if we are to impose such important limitations, Parliament cannot do so lightly. The restrictions on basic political liberties of public servants are more severe in Canada than in most western democracies. In the United States, Great Britain, Australia, France, and Sweden, public servants have the right to free political expression. More important, when there are restrictions on political activity, these are spelled out clearly in law as they are in the United States.

In the United Kingdom there is a clear delineation of political rights for different categories of public servants, running from complete freedom for the largest category in jobs of little or no political sensitivity, to severe restrictions, similar to those that we now have in Canada, for a small group of senior public servants. The British model is one which has been suggested as an option for Canada by the 1979 report of the Special Committee on the Review of Personnel Management and the Merit Principle, known as the D'Avignon report. It also served as a model for the Bill before us today.

As I have told the House on a number of occasions, I find that the D'Avignon approach seemed to provide the best balance possible between the competing principles of a neutral Public Service and individual freedom of expression. Coming to the present law, the sad reality for Canadian public servants is that Section 32 of the Public Service Employment Act is worded vaguely, so that it has left the definition of political liberties up to the Public Service Commission. The commission has been notoriously fickle in its interpretation of the Act, permitting political activities in some parts of the country while denying them in others.

Various federal Departments governed by the Act interpret it in different ways, and federal agencies not subject to the Act have also varied in their interpretations, some permitting almost complete political freedom to their employees and others imposing severe restrictions.

Section 32 does not deal with the right to public comment on political issues. Limitations on freedom of expression are imposed largely through policy or regulation by government agencies, not by legislation. The Public Service Staff Relations Board has set stringent limits on freedom of expression by public servants, banning criticism of public policy by all employees. It has done this even when it can be shown that public comments do not affect the performance of a public servant's job.

If our commitment to free speech and freedom of expression is anything, then it is not divisible. Neither clear cause nor vague fears, can be the only justification for limiting basic democratic rights in a free country. If those rights must be limited then Parliament must make that decision, after a careful and measured assessment of the genuine need and clear dangers behind such action.

• (1710)

This Bill aims to provide basic democratic rights to public servants. It ensures that it is Parliament that will set out which rights will be curtailed and how this will be done. It will be Parliament that guarantees the public's right to a non-partisan delivery of public services. I would like to outline briefly how this Bill endeavours to achieve those objectives.

The Bill classifies public servants into three categories, based roughly on the political sensitivity of the duties performed. These categories reflect very closely the recommendations of the 1979 D'Avignon report. In my view this classification is essential if we are to perform properly the required balancing act between the principles I referred to earlier and to recognize that those employees who engage in activities that are more politically sensitive cannot enjoy the same range of liberties as those whose positions do not touch upon policy at all.

The reasons for not granting full political rights to employees in the executive and senior management occupational groups seem quite clear. It would be most inappropriate for our senior public servants to work in an election campaign to defeat the Minister to whom they are providing advice at the time. All political activities, aside from voting, making financial contributions to a Party, being a member of a political Party, attending political meetings, and within certain limits expressing opinions on matters of public interest, would be prohibited to employees in this category. In other words, pretty much the *status quo* would be maintained for category A employees. The Bill creates a second category wherein access to full political rights would be subject to request and decision by the Public Service Commission, depending on the specific responsibilities of the applicant and the political sensitivity of those duties.

The occupational groups in this category, as suggested in the D'Avignon report, are set out in Clause 1 of the Bill. I hope that the composition of this category will be reviewed closely and carefully in committee. Some Members may feel that D'Avignon included too many classifications. I know that the Public Service Commission has expressed the view that not enough were included.

The commission would be obligated to hold public hearings to determine the limits, if any, to the political rights that will be extended to employees in this category. However, it is

important to remember that it will be Parliament that will have the final say on the regime to govern these groups.

Those category B occupational groups are ones in which the duties of the position vary so that neither a blanket denial nor complete political freedom can be supported. They contain positions whose incumbents may quite properly be allowed to take an active part in politics and others whose duties are such that political activity would be inappropriate. In this category, for example, are employees in the commerce group whose duties involve awarding government contracts, employees in the purchasing and supply group who are responsible for awarding contracts, and staffing officers in the personnel administration group who are directly involved in the recruiting of new employees. The House will be asked in committee to consider whether political action by members of such groups might be seen to be incompatible with the exercise of their responsibilities.

I recognize that the creation of this middle category of public servants is not universally supported. I also realize that it makes for a complex and initially somewhat cumbersome and time-consuming process. However, I am convinced, largely based on my understanding of the British experience, that it is a system which is intellectually more supportable than simply dividing the Public Service into two categories—senior managers and others. Attractive as that approach is from the point of view of simplicity and certainty, it does not, in my view, provide quite the right balance between the need for a politically neutral Public Service and the rights of individual public servants.

Employees in all remaining occupational groups, which constitute the vast majority of public servants, would be placed in category C. This will entitle them to full political rights without review by the Public Service Commission, other than requiring a leave of absence without pay upon nomination by a political Party to contest an election. The activities of these employees rarely touch upon policy and political questions. Granting them the rights shared by other Canadians would hardly jeopardize the neutrality of our Public Service and the effective administration of government policy.

In my view we have allowed the present unjust system to go on for much too long. We have all paid a price for it. It is difficult to estimate how many public servants, committed to improving all aspects of life in Canada, have been deterred by the present provisions of the Public Service Employment Act.

This Bill is by no means perfect. Indeed, on rereading it after it was printed I noticed a number of imperfections. I am sure that some of them will be pointed out today. I am also sure that a number of them can be dealt with at committee.

The regime as set out in Bill C-273 is one that I would commend to the House. It sends out the clear message that all Canadians may contribute to political life in our country and that the safeguards for a neutral, non-partisan Public Service will remain in place.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I should like first of all to congragulate the Hon. Member for Ottawa West (Mr. Daubney) for introducing this Bill for discussion in the House, and I hope that the House will agree to refer this Bill to a committee this afternoon if necessary. I want to congratulate him on his initiative, because having personally on several occasions debated the issue of extended rights for Federal public servants, especially the right to participate in the political life of this country, I recognize that his initiative provides us with food for thought. I thank him for his well-reasoned remarks concerning Bill C-273.

It is an interesting Bill fashioned after the D'Avignon report, a report which had been commissioned by the Liberal Government of the time concerning the application of the merit principle in the Public Service of Canada.

The Bill is therefore global. It is interesting to note that the Hon. Member has addressed every possible aspect of this issue and provided also not only for more generous application, but also for the review of the issue by a House committee every four years, a suggestion which I feel is new and which I welcome most positively.

The purpose of this Bill is not new. As I was saying earlier, I had an opportunity, on September the 23rd, 1985, to move in the House a motion calling essentially for the same thing. What is new is that a Government member has introduced a Bill which is fairly complete and in my opinion meets almost all of D'Avignon's expectations. I am aware, just as the Hon. Member for Ottawa West is, that this idea originated in the British Parliament, the so-called mother of Parliaments, and I feel the matter is important because there are now 200 000 federal civil servants who rather arbitrarily are openly denied their democratic privileges during an election campaign.

Hon. Members will know that, whenever there is an election campaign, the Public Service Commission sends a letter or notice to public servants in which it says: Section 32 of the Act prohibits your active participation in an election, even though, according to our interpretation, you may hold a membership card, make financial contributions, and even attend political meetings, but you cannot be seen or participate actively in a federal campaign as a supporter of one of the political parties. I find this regrettable because, as someone from the National Capital Region, it is quite clear to me that many public servants want to take part in the democratic process, to act according to their political beliefs and to help the candidate of their choice get elected.

It is a secret for no one, Mr. Speaker, that we all have in our constituencies, whether Ottawa—Vanier, Ottawa West, Ottawa Centre or Ottawa Carleton, public servants who work in our election campaigns and who are very helpful to us. It should be clearly understood that legal proceedings can be taken against a public servant only if a candidate in an election lodges a complaint with the Commission saying that a public servant has worked for the election of another person. I must say that no candidate has ever complained in Canada that a public servant has worked for someone else during an election.

As we all know that there are public servants who work for candidates in political elections, we should put an end to this hypocritical practice of refusing to admit it openly. As for me, I say so quite openly: There are indeed public servants who work for me during election campaigns. I encourage them to continue to do so, because I am convinced that, for the majority of them, it is their democratic and constitutional. I find it difficult to believe that another candidate in a federal election would object to the participation of a public servant who, according to Mr. D'Avignon's classification or that proposed in the Bill introduced by the Hon. Member for Ottawa West (Mr. Daubney), belongs to category C and is not in a position to advise the Government of the day. I cannot understand how someone could say that a doctor practising medicine, a veterinarian working at the Experimental Farm, or another public servant, whether he is a bookkeeper, a postal worker or an employee of the Department of Energy, Mines and Resources, might in any way embarrass the Government by taking part in a democratic electoral process.

Mr. Speaker, in my opinion, when the Canadian Public Service issues its instructions for an election, it gives a very narrow, and to my mind unfair, interpretation of the Act. It is not the responsibility of the Commission to legislate. It is the responsibility of Parliament, but the employer, the Treasury Board, also has the responsibility to suggest and implement changes to modernize the Act and make it reflect the Canadian reality.

Mr. Speaker, during the 1984 electoral campaign, the Conservatives promised that this matter would be settled and that a parliamentary committee would examine the whole issue of the political participation of public servants. We Liberals said that we supported the idea of having a committee of the House discuss and examine this issue. The New Democrats also agree with us. I don't see the problem. The back-benchers agree and I think the Government must act fairly with all its employees. We must eliminate hypocrisy and settle this issue some day. Let's do it today. It is a Government commitment which is supported by the opposition Parties. I don't see where the problem is.

I would like to repeat it, Madam Speaker, I think that today a federal employee who gets involved in a procedure as central to democracy as the election of a Member of Parliament must not be threatened with proceedings if he or she has been identified in the Hon. Member's Bill as a category C employee, whose involvement would not be subject to any limits. I think that it is a good idea to divide employees into three categories: A, B and C. Obviously, those who work at high levels advise the Government. It would not be realistic to allow them to participate in an election campaign in which the Government that they themselves would have advised would be criticized . As for the Category B employees—as I have already said in a speech on September 23, 1985—it is a question of judgment since some public servants occupy positions where discretionary decisions are taken and they could be accused of favouritism or partisanship.

As for the category C employees, probably 80,000 to 85,000 public servants, I think they could be freed of all restriction and allowed to participate freely in the democratic process.

To conclude, then, Madam Speaker, so that other Hon. Members may have the opportunity to speak, I want to say that since it is an administrative step that has to be taken and the House of Commons agrees to free an important number of public servants, let's do it and send the Bill to the committee so that the question can be examined and the decision be taken before the next election to allow many public servants to participate.

• (1720)

[*English*]

**Mr. Bill Tupper (Nepean—Carleton):** Madam Speaker, I am delighted, on behalf of my constituents of Nepean—Carleton, to rise in the House to share some of my thoughts relative to the Private Member's Bill put by the Hon. Member for Ottawa West (Mr. Daubney) dealing with the political rights of public servants.

I have spoken on this issue in the House several times before, but today I wish to make special reference to my comments of February 7, 1986, at page 10607 of *Hansard*. I would like to quote my remarks from that time so that Hon. Members will know that I have been consistent in my approach to the matter on which I wish to speak this afternoon. This is what I said:

> I personally favour in style the recommendations which were put forward in the D'Avignon Report. It is a concept which is fairly widely used in the British House of Commons and in the British Parliament, where public servants are in fact tiered. For example, there is a tier of persons who have total political freedoms and an upper tier of those who do not.

I would like to compliment my colleague from Ottawa West for raising this issue. I think he has a very sensitive feel for public servants, having been one himself, a very sensitive feel for the handicap the present regulations place upon public servants and a very sensitive feel for finding a constructive solution to this, a solution which he has proposed in his Bill. As well, in this Private Members' Hour, I want to compliment my colleague for Ottawa—Vanier (Mr. Gauthier) for showing support for this Private Member's Bill, hoping that it will go to a vote this afternoon and from there on to a legislative committee.

There is no question that this item was pivotal in many of the activities associated with the process of the 1984 election. In that process, questions were put to political Parties on their policies, and I shall really only deal with the response given by my Party. The question put was as follows: "Would your Party be prepared to remove the current restrictions on the rights of federal Public Service employees and grant full political rights to employees currently covered by collective agreements?" The response to that was as follows: "The Progressive Conservative

Party favours a general removal of the restrictions on political activity, especially for those public servants covered by collective agreements. These restrictions are unnecessary and may not be justifiable under the terms of our Charter of Rights and Freedoms. There are some senior public servants whose job responsibilities are very political in nature and whose rights should be somewhat restricted to prevent conflict of interest. But we are confident that these people could be covered separately without disenfranchising over 200,000 public servants in the process." That is the position of my Party and, I presume, the position of the Government.

• (1730)

In the 1984 election public servants operated under a very difficult handicap. A memorandum was issued to all public servants by the Public Service Commission dated February, 1984, under the signature of Edgar Gallant, then Chairman of the Public Service Commission. He outlined the guidelines under which public servants would be expected to operate. To highlight a couple of them let me quote the following: "For greater clarity of this general principle we propose the following guidelines:

First, employees should not personally campaign for or against political parties or candidates in federal, provincial or territorial elections.

Employees should not become involved in the solicitation, collection, distribution or administration of the finances of political parties.

Employees should not assume any official functions.

Employees must not stand for elected office or seek nomination in a federal, provincial or territorial election unless they have first obtained permission from the Public Service Commission to take leave without pay in order to do so."

Those guidelines effectively made political eunuchs out of all public servants. I very much regretted that because I spent most of the 1970s in municipal politics where you put together and work with a team of people who help you get elected, provide you with advice on policy matters, and who are generally part of your team. It was disappointing to me as I sought nomination and eventual election to this House that so many people who were part of that team in earlier days felt it necessary not to participate in the federal process and assist someone like myself in seeking higher office. Those people are my friends, neighbours, people I had worked with professionally or touched in other ways and it was really regrettable. However, in that memorandum that I referred to, Mr. Gallant makes this final comment: "Until Parliament gives further manifestations of its will the above constitutes our interpretation of the spirit and scope of the law in regard to the political impartiality of Public Service employees." It is against that background that I am so happy to speak to this Bill before us this afternoon because I find it closely approximates what I supported back on February 7, 1986, and which I believe would be a good way of solving the problem.

My colleague suggests in his Bill that public servants be divided into three categories. One category would be those who are responsible for developing policy, policy recommendations and policy advice, and they would be effectively restricted from the political process. The third category, described as category C, would be a person who could participate in depth. Then there is a group in between which would have to go to a judiciary council of some sort to decide whether or not they would have that right.

When you look at this Bill in some detail you will find that it recommends that all public servants have the right to vote, to make financial contributions, to be a member of a political Party, and to attend political meetings. He outlines very thoughtfully as well that no public servant can make a public statement that directly conflicts with the duties of his or her position. That is a very useful item in the Bill. It prevents public servants from commenting on the area in which they work professionally or technically.

The Bill goes on to add in Clause 5 that no category C employee shall engage in an activity during working hours. Those two points, that you are not to comment in any circumstances on your area of professional activity or comment at all during working hours, really safeguard the public in a remarkable way. Those employees who fall into category C are able to work for a candidate, be a candidate, and solicit funds, and hold office.

It is absolutely essential that this Parliament find a solution to enable public servants to participate with good conscience in the political process. I believe this Bill provides that opportunity. The Public Service that I know is very professional. It includes Departments like Energy, Mines and Resources, Agriculture Canada, and the National Research Council. I am confident they will approach this with a great deal of professionalism. Therefore, I would urge all Hon. Members in the House this afternoon to send this Bill to a legislative committee so that we can move forward with something which is awfully important to a significant number of Canadians.

**Mr. Mike Cassidy (Ottawa Centre):** Madam Speaker, I welcome Bill C-73 and I congratulate the Hon. Member for Ottawa West (Mr. Daubney) for having brought it forward. I thank him also for his support of similar legislation which I have proposed three times now during Private Members' Hour over the last three and a half years.

As the Hon. Member said, a decision by this House to send this Bill to committee today would send a clear message to the Government. As it happens, the Party which forms the Government is a Party of which he is a Member, and I regret that the promises of the Progressive Conservatives in 1984 on this issue have so far been honoured in the breach when there was clearly a consensus about the need for action.

What is important now is that this Bill not be talked out, and I plead with Hon. Members not to do so. I will be the only spokesperson for my Party. It is in the hands of Progressive

Conservative Members. If they have particular concerns and there is not time to voice them in this hour, then they can take them to committee. I know the committee considering this matter will be happy to give a full hearing to people who have concerns about it.

While I have certain differences with the specifics of this Bill, both I and my Party certainly endorse it in principle. We believe it is a basis on which one can work in order to bring forward effective legislation to protect political rights.

I have brought forward two Bills, Bills C-231 and C-277, on this subject. I expect to go forward shortly to the Federal Court of Appeal with a case on political rights which I launched in July of 1984. It takes a long time to move these things through the courts, and I am personally disappointed that Parliament has not yet had a chance to take the necessary action and have this matter referred to a committee. I recall, a bit wryly if I may say so, that earlier, when I suggested this matter be sent to committee, the response from government Members was that it is going to happen so quickly it would be a delay and waste of time for the House to send it to committee for further study.

• (1740)

My colleague from Nepean—Carleton (Mr. Tupper) referred to the promise of the Conservative Party which was quite clear. During the 1984 election campaign the Conservative Party said that the present restrictions on political activity are unnecessary and that the issue could and should be addressed without disenfranchising over 200,000 public servants. There is no question about the clarity of the promise that was made in 1984. In fact, it says here that the Conservative Party favours a general removal of the restrictions on political activity, especially for those public servants who are covered by collective agreements.

Unfortunately, for the last three and a half years the Conservative Government has abdicated this issue to the Public Service Commission, and I am afraid that the commission has gone far beyond its mandate in terms of its interpretation of Section 32 of the Public Service Employment Act. I will come to that in a minute.

There are many similarities between the Bill before us and Bill C-231 which I proposed. In particular, they both agree on the need to repeal Section 32 of the Public Service Employment Act. In his Bill, the Member for Ottawa West follows quite closely the D'Avignon report, leaving a restricted group of senior officials who would essentially have few political rights, a middle group who may get political rights if that is approved by the Public Service Commission and by the House of Commons, and a large group, the majority, who would have full rights to participate in political campaigns, to be members of political Parties, to stand for office, et cetera, et cetera.

The Bill I proposed also repeals Section 32. It allows for managerial and confidential employees to be excluded subject to approval by Parliament on each category and then gives full political rights to all the rest including federal employees in agencies, boards, and commissions who are not covered in the Bill proposed by the Member for Ottawa West. In other words, I had proposed a two-tiered system as opposed to the three-tiered system suggested by my friend from Ottawa West.

My problem with the three-tier proposal is that it is somewhat difficult to implement and that a likely result is that many persons who are not in politically sensitive positions would still wind up without political rights because they would find themselves falling into category B. I note that the Conservative Party's promise in 1984 was that it would extend political rights particularly to persons covered by collective bargaining agreements.

However, in fact most members of the Professional Institute of the Public Service would find themselves, according to the Bill of the Member for Ottawa West, in this grey area. They would be people working in such areas as commerce, program manager, purchasing and supply, law, information services, or personnel management. Likewise, members of the economists, sociologists, and statisticians Union all fall within the ESS category, which would also be in that grey area in category B.

I said earlier that I am disappointed that the Government has dragged its feet when there was clearly room for leadership on this particular issue. There have been elections in almost every province since 1984, and the restrictions which have been enforced by the Public Service Commission have applied to federal government employees who might have wished to become involved in those elections. There have been by-elections in several provinces; in the Yukon, Quebec, and Newfoundland, since 1984. The restrictions have applied there as well.

The basic problem of the Government's failure to act has really been a failure to endorse the professionalism of people working in the Public Service. The question is whether people working in Government can act impartially in the way in which we would all hope they would act and remove any personal opinions that they may have. As the Member for Ottawa West pointed out, those personal opinions exist whether or not a person is a member of a political Party. No one suggests that public servants fail in general to act impartially despite what their personal views may be. Yet the Government has failed to recognize that by not acting on the question of political rights.

Likewise, as we have seen in the last two weeks with the decision of the Supreme Court on the Charter of Rights, the Supreme Court is taking a strong position in terms of charter freedoms. The Charter guarantees freedom of expression and freedom of association subject to such restrictions as are justifiable in a free and democratic society.

This is the cornerstone of the case which I have before the Federal Court of Appeal, but until the courts finally rule we have a chilling effect which, as my colleague from Nepean has indicated, is particularly strong on Members in the national

capital area because of the concentration of federal government employees in this particular area.

I would remind my colleagues that the Ontario Law Reform Commission held a very effective and extensive set of hearings and studies on the issue of political rights for government employees and came up with a position which is very close to that which was proposed in my Bill and in the Bill which we are debating right now as proposed by the Member for Ottawa West.

I would also remind all Members of Parliament that the Public Service Commission is meant to be an agency of Parliament. In fact, however, the articulation, the way by which that commission reports to Parliament, is extremely weak. There is now a Committee on Government Operations to which that commission is meant to report, but it is not called on to account regularly on its activities. When that committee or its predecessor has been critical of the Public Service Commission for its interpretation of Section 32 of the Public Service Employment Act, the commission has essentially thumbed its nose at Members of Parliament to whom it is meant to be responsible. I for one, as a Member of Parliament, find that behaviour objectionable and indefensible.

Section 32 of the Act says essentially that public employees should not work for or against a candidate in an election. However, the guidelines issued by the Public Service Commission go far further than that. They state that federal Public Service employees should not undertake activities, assume responsibilities, or make public statements of a politically partisan nature or of a kind which could give rise to the perception that they may not be able to perform their duties as public employees in a politically impartial manner.

As long as Edgar Gallant was the Chairman of the Public Service Commission we knew that his perception was that there was a biased politically partisan public servant under every stone and that the least activity in which they engaged would give, in his view, the perception. In other words, there was no definition of what the perception was all about.

Unfortunately, his successor, Mrs. Huguette Labelle, has taken very much the same position. Although she has acknowledged that the courts and the Federal Court of Appeal have forced the Public Service Commission to climb back on some of its interpretations in law, there has been no effort to circulate that among federal government Departments and federal employees in the active, vigorous, and productive way which was undertaken in February, 1984, when the current guidelines were circulated.

I agree with my colleagues. I believe that in five or ten minutes or right now, if you will, we should let this Bill go to committee and allow this matter to have a full airing. If the President of the Treasury Board (Mr. Mazankowski) has a Bill, let him bring it forward and send it to the same committee. Let us get action on this issue so that the fundamental rights of public employees are not ignored in the next election as they have been in so many previous elections.

[*Translation*]

**Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)):** First of all, Madam Speaker, I should like to congratulate my friend the Hon. Member for Ottawa West (Mr. Daubney) for putting together Bill C-273 concerning the political rights of public employees.

Madam Speaker, we are called upon today to deal with an issue which is not new but which certainly deserves our undivided attention. As a matter of fact, we have been concerned already for quite some time with the problem of the participation of public employees in political activities as well as their involvement in political associations. Since the beginning of this century, when a number of pieces of legislation were implemented to ensure the neutrality and impartiality of the Federal Public Service, this organization has made every effort to maintain a fair balance between the individual rights of its employees and the collective rights of the Canadian public.

Public Service impartiality is an issue of great concern especially to the Ministers who must be quite sure that the advice they are getting is unbiased and not based on partisan considerations. It is also of great concern to the public employees themselves whose faithfulness, obedience or even opportunities for promotion must not be influenced by the result of a federal election. The importance of this impartiality is reflected in the provisions of the Public Service Employment Act which clearly limit the political activities of federal employees, and I quote:

> No employee shall engage in work for, on behalf of or against a candidate for election—or engage in work for, on behalf of or against a political party.

In view of the current legislation, public employees cannot participate actively in the political process, which means for instance that they cannot show their support for a candidate or political party. They may however be a candidate in an election, provided they have been authorized to do so by the Public Service Commission. This permission may be denied if their political involvement were likely to conflict with the impartial and neutral exercise of their duties.

For example, it is obvious that a deputy minister has to avoid any kind of partisan politics in the discharge of his responsibilities. Some other public servants simply must be impartial about government policy. This is why Public Service Commission officials have to keep in mind the employment category and level of a public servant asking for leave to run as a candidate in an election.

The commission wants to make sure that the public will never have any doubt as to the possibility of conflict of interests in the case of the employee involved. Of course civil servants can take passive participation in federal or provincial politics by making contributions to a party or exercising their right to vote.

For a few years now some people have been expressing doubts about the legitimacy of restricting public employees to passive participation, particularly by people claiming specific individual rights.

The issue has become more relevant since the Canadian Charter of Rights and Freedoms was proclaimed in 1982. I should like to quote the Charter section 2:

> Everyone has the following fundamental freedoms:
>
> (a) freedom of conscience and religion;
>
> (b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication;
>
> (c) freedom of peaceful assembly; and
>
> (d) freedom of association.

The Charter refers to the fundamental freedoms of all Canadians, and section 3 reads:

> Every citizen of Canada has the right to vote in an election of members of the House of Commons or of a legislative assembly and to be qualified for membership therein.

However the Charter acknowledges the right to impose reasonable restrictions. So if we accept the principle that public employees must be subject to certain restrictions, these have to be defined.

The Government believes that such restrictions concerning the political activities of public employees should be as few as possible. However, we have to proceed with caution, because it would be unacceptable to compromise the neutrality of the Public Service and to question the principle of a permanent Public Service based on the merit principle, of a Public Service which can serve the Government objectively in the interests of all Canadians.

We have to recognize that, by the very nature of their responsiblities and their work, public servants must maintain some degree of impartiality to protect the integrity of the institution.

Thus, the Government must be assured that its policies will not be openly criticized by its public servants. On the other hand, public servants must remain neutral in the advice they give or the positions they may have to fill. It is indeed for this reason that the Hon. Member for Ottawa West (Mr. Daubney) divides public servants into three categories in his Bill. The first includes public servants in the executive and senior management groups, who would be granted limited political rights; the second includes public servants of other professional groups, for whom the Public Service Commission would establish the required restrictions, and the third includes all other public servants, who would be granted extensive political rights.

The Commission has already been the subject of studies, such as that carried out by the Special Committee on the Review of Personnel Management and the Merit Principle, better known as the D'Avignon Committee. In his report, Mr. D'Avignon mentions the British regulatory system, which is based on a categorization of positions according to the nature of the duties and the extent to which their incumbents are involved in the process of policy-making and of advising the Government. According to Mr. D'Avignon, this system would be an excellent example to follow for the Canadian Public Service. Employees in a position which is not defined as being of a sensitive nature have full freedom to be politically active, while those who hold a sensitive position are denied the right to play an active role in politics.

It is difficult but not impossible to find a proper balance between exercising the rights of all Canadian citizens and maintaining the principle of neutrality of the Canadian Public Service. While recognizing the risks of giving back their political rights to public servants, we have to ensure that the restrictions imposed on them are not unreasonable.

Madam Speaker, others will have their own opinions on the best way to achieve a proper balance, and I shall listen carefully to their comments during this debate.

• (1750)

[*English*]

**The Acting Speaker (Mrs. Champagne):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mrs. Champagne):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### INTERPROVINCIAL TRADE—REMOVAL OF BARRIERS

**Mr. Alan Redway (York East):** Madam Speaker, I know that you are a very busy person and do not have an opportunity to watch very much television. I wonder if, on occasion, you have seen the program called *The Great White North*? You may think that today, here in Ottawa, that is exactly what it is, but that is not what I am talking about.

The program that I am talking about is the one with a couple of characters named the MacKenzie brothers. Do you not recognize Bob and Doug MacKenzie? Perhaps if I use the phrase "Take off, eh", that may ring a bell.

As you know, on that program they seem to consume quite a bit of alcoholic refreshment known as beer. I do not know whether the beer they are consuming is Labatt, Molson,

Carling or O'Keefe, but I do know if Bob and Doug MacKenzie are consuming that beer here in Ottawa, Ontario or Quebec, they are not consuming Moosehead beer.

Moosehead beer may not mean anything to you, but Moosehead beer is made in New Brunswick and can be bought in New Brunswick. It can be bought in Nova Scotia, as the Hon. Parliamentary Secretary knows. I am told that you can even buy it in the United States. In fact, it is the fourth most popular brand of some 400 brands of beer that are imported into the United States. Strangely enough, one cannot buy Moosehead beer here in Ottawa, nor in Quebec. In fact, one cannot buy it anywhere in Canada except in New Brunswick or in Nova Scotia.

• (1800)

You probably do not care, Madam Speaker. If you drink beer at all, you may drink another brand, or you may not drink it at all, and I am sure you probably do not. However, do you not think it is strange and peculiar that we cannot get Moosehead beer here in Ottawa?

The reason we cannot get Moosehead beer in Ontario is because of something called "interprovincial trade barriers". As you know, Madam Speaker, the Government has negotiated a trade agreement with the United States to help reduce the trade barriers between Canada and the United States. As well, we are in the midst of trying to negotiate through the GATT to reduce trade barriers around the world. However, for some reason or other, we still have these trade barriers right here in Canada which affect a great many products, not just Moosehead beer.

There is a vast array of examples of these interprovincial trade barriers. Back in 1985, the Quebec Government ordered the City of Aylmer, Quebec, to rip up a street that was paved with bricks because those bricks were made in Ontario. It ordered the city to replace those bricks with bricks made in Quebec. In addition, I am told New Brunswick has a surplus of fish processing capacity and Newfoundland has a surplus of fish but they cannot get together because of these trade barriers.

Ontario keeps milk produced in Quebec out of the province. Quebec prohibits the export of timber that is not fully processed in Quebec. British Columbia, I am told, has a mark-up of 50 per cent on British Columbia wine, while it has a mark-up of 110 per cent on Ontario or Quebec wine. Ontario will not even sell Quebec wine or British Columbia wine. As you can see, Madam Speaker, there is a vast array of these trade barriers.

One of the worst trade barriers, I suppose, is the purchasing preferences of provincial Governments, and I might say it is not just provincial Governments. They often give a preference of a 5 per cent or 10 per cent additional price to a supplier in their own province rather than buying it at a cheaper price from a supplier in another province. I am very familiar with that situation because when I served as a hydro commissioner in Metropolitan Toronto, we gave a 5 per cent purchasing preference to local firms. The reason we did that is because the chairman of the Hydro Commission, an excellent fellow by the name of Jack Christie, who had served for years and years, became a little upset that our local suppliers were discriminated against elsewhere and insisted that we discriminate as well against suppliers from other parts of the country. Therefore, I am very familiar with this kind of trade barrier.

I am told that 20 per cent of Canadian manufacturers have difficulty selling their goods in other parts of Canada because of these trade barriers. What can we do about all of this? The Government has been trying to do something about it, to its credit. In 1985 the Government set up a task force on interprovincial trade which is co-chaired by the federal Director General of DRIE and the Deputy Minister of Economic Development in the Province of Alberta. That is aimed at attempting to get rid of interprovincial trade barriers.

• (1805)

At the First Ministers Conference held last November in Toronto, and I was present at that time, the Prime Minister (Mr. Mulroney) and the Premiers set up a committee of Ministers to deal with the question of internal trade, and to try to improve the situation. In addition, the federal Government has appointed Mr. Jim Grandy, a former federal bureaucrat, to attempt to reduce the trade barriers in areas like purchasing preferences, and also for beer, wine, and liquor.

We have a lot of committees, Madam Speaker, but what we need now is some action. It would be a shame if we got rid of the trade barriers between Canada and the United States, and got rid of the trade barriers with Canada and other parts of the world, but somehow or other at the same time we had those internal trade barriers.

Tonight, I would like to ask the Parliamentary Secretary to assure us that he, the Minister, and the Government will get rid of those interprovincial trade barriers. I am going to ask him to tell us the progress that they have made. I am going to ask him to ensure, to the use the words of the MacKenzie brothers, that we tell the interprovincial trade barriers to "Take off, eh!"

**Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Madam Speaker, we have taken off in the reduction of barriers to interprovincial trade. I might say to my dear friend that one can buy Moosehead beer in Texas.

**Mr. Redway:** I know that.

**Mr. Forrestall:** What Texans drink the world drinks.

Very shortly one will be able to buy Moosehead beer in British Columbia, and here in Ontario. No other Government has been more concerned about the impediments caused to

trade in Canada by artificial barriers, provincial barriers, than has this Government.

Domestically such barriers remain a great hindrance to trade, and a great hindrance to the development of our competitive capacity. We want to get rid of them once and for all. We must encourage Canadians to become competitive nationally and internationally. One of the ways we do it best is in the reduction and elimination, which is the ideal goal, of many of those barriers. We need Canadians to have as wide an access to their legitimate markets as is possible. Our goal is that those markets be national, and that they be international.

Most of us know that the federal, provincial, and territorial Governments have embarked on a consultative process to undertake collective action with the intent of reducing or eliminating these barriers.

In response to my hon. friend, I would like to give him a very brief report on four or five of the steps that have been taken and which show meaningful progress. As I have indicated, there have been a number of meetings that have taken place, as the Hon. Member knows, with the consultative committee that is set up and in place.

As part of the FMC decision a committee of Ministers on internal trade is now in place to work on all of those problems. A short list of priority areas for negotiating reductions in barriers has been developed, starting with government procurement policies and provincial marketing practices for, as the Member delightfully and entertainingly suggested, alcoholic beverages. Negotiators representing federal, provincial and territorial Governments are meeting regularly to negotiate those issues. Other priority areas have been identified, including transportation, professional mobility, and norms and standards.

As we and the provincial Governments pursue our efforts, I cannot over-emphasize that interprovincial barrier reduction is indeed a complex issue. Some may argue that progress has been slow, but we are an active participant together with the provinces and the territories. There will be some action so that we can buy Moosehead beer here in Ontario.

• (1810)

## CANADIAN BROADCASTING CORPORATION—PROPOSED ALL-NEWS TELEVISION CHANNEL—SUGGESTED PARTNERSHIP WITH PRIVATE SECTOR

**Mrs. Sheila Finestone (Mount Royal):** Madam Speaker, I am rising this evening to continue discussion on a question regarding the Government's unwarranted and unprecedented interference with the decision of the CRTC to award the all-news licence to the CBC.

Canadians are concerned about the Government's intervention into the decision of the CRTC; it was a fair and open decision-making procedure. This intervention challenges its authority, its process, its decision making and its autonomy.

The CRTC decision was taken after long deliberations and after weeks of public hearings with support from every province, with the exception of P.E.I., and the three major cable system operators—Rogers, Western Cable Systems, and Telecable Laurentien. The CRTC decision was based upon the CBC's proven ability to best manage such a service. Previous calls for such an all-news service had been made. Only one other applicant showed interest. It was based on merit. The CBC offered the best service and the most complete Canadian content. The licence was won by the CBC because its proposal was far superior.

The CBC had openly indicated its interest in rendering such a service to the Caplan—Sauvageau task force on broadcasting policy which widely consulted Canadians and recommended this service. Some $2.9 million was spent by the task force to come out and say: "We think this is a good idea for Canadians". Then our Standing Committee on Communications and Culture studied and tabled an extensive report on speciality services and never objected to such a licence. The Chairman never objected to such a licence. The Minister appeared before the committee and never indicated any concern in respect of the CBC, and she was well aware of its proposal. She never challenged the arm's length right of the CBC board to take such a decision. There was an appropriate time and place for the Minister to make a policy statement or quietly inform the CBC that its request was not in her interest or in her view; that would have been an acceptable request. To come in after the fact is totally reprehensible.

The Minister of Communications (Miss MacDonald) has said that Cabinet cannot make a final decision on the licence until September 1, when the CBC licence is officially awarded by the CRTC. This causes us all grave concern. Why? It is because of what the Prime Minister (Mr. Mulroney) is reported as having said following the CRTC decision on all-news. I will quote what he supposedly said:

> There is no way this Government is going to allow that flawed decision to stand. Instead of hammering us two hours a day, they will be hammering us 24 hours a day.

I believe these statements are prejudicial to a fair Cabinet review.

If the Tory Cabinet decided to succumb to the pressures of the "Back-Benchers Club" or the BBC, it will be a precedent. Never before has Cabinet taken such an action against the CRTC. What credibility and impression will future decisions have? What damage has been done?

How can a government pressure the CBC to find a private sector partner, which it had already tried to do but people were not interested because they did not see enough profit potential in the particular project? How can a government ask the CBC to provide an equivalent service in the French language, which it had already planned to do and a feasibility study was already in progress, after such a service has been awarded? That amounts to changing the rules in the middle of the game. I do not believe that this is fair, and the Canadian public does

not think that it is fair. What kind of message is the Government sending? Is it telling Canadians that it only believes in fair competition when the winner is who it wants? How does this affect the image of the CRTC? What about its credibility? What about the credibility of the CBC board and arm's length?

It has been suggested that the CBC all-news service will result in unnecessary concentration of news influence. Canadians do not want concentration, particularly in news, but this was just a smoke and mirrors argument to deflect the interference and the pressure by the backroom boys. This service will not be concentration in the market. The CRTC secretariat showed that as of March 31, 1987, there are 602 originating radio stations and 104 originating television stations operating in Canada, all of which are privately owned. The CBC has 16 outlets.

• (1815)

In addition, there are 110 daily newspapers, 1,277 weekly or community newspapers and 14 news services all privately owned. How can this be concentration?

At present, the American CNN provides 24-hour cable news in Canada. By the Government's action it is allowing American concentration and an American monopoly to exist in our specialty services. In an area crucial to the forming of a Canadian perspective reflecting Canadian culture and values and our sovereign approach to international issues, as well as understanding regional diversity and concerns from all parts of Canada, this service, 70 per cent of which was to be produced outside of central Canada, is seriously needed. The CBC with its infrastructure in place was the obvious best choice. What Canadians deserve is the best choice, not the biased choice of the Government. The CBC is targeting for 1 per cent of the audience share, which is clearly enunciated in its proposal. I would not call that concentration.

With respect to French language service, the Minister of Communications on behalf of the Government expressed concerns about the appropriateness of embarking upon a major expansion of news and information program services in one official language. However, one of the conditions of the CBC licence was to complete a feasibility study for such a service.

I suggest to you, Mr. Speaker, that the Minister's attempt to be noble is rather shallow when she talks about insisting on this French all-news service. To consider an equivalent French language service the Government should have announced funds to fulfil such a mandate. It knows perfectly well that the market is smaller with respect to providing a profit so that there will be a requirement to subsidize from the English side or from the Government. What private sector company will become involved in providing a service when there will be no profit?

If the CBC makes the changes that the Government desires then it will fail to meet the terms of its present mandate. This will probably require the CRTC to call for new applications and for new hearings to be held. Another year will be lost. This will allow the American CNN to gain more and more of a foothold in the Canadian market.

Is this what Canadians want? I do not think so. The Minister has not articulated any clear vision about the future of Canadian TV other than to tell us that we need to hear each other's stories. The Government of the Prime Minister has certainly interfered in such an opportunity. It is communication through direct dictatorship.

**Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications):** Madam Speaker, the Hon. Member for Mount Royal (Mrs. Finestone) has characterized the position of the Minister of Communications (Miss MacDonald) on the CBC's news and information service as a request for a "shotgun wedding" between the corporation and the private sector.

I would like to clarify this matter by repeating here in this House just what the Minister of Communications did say in her letter to the President of the CBC on this subject. I quote:

> My colleagues and I have identified two major areas of concern arising from the CRTC decision respecting the CBC news and information service. They are:
>
> 1) The degree to which the proposed licence might contribute to excessive concentration in the field of news programming. This concern might be addressed by an alternative service embracing both the private and public sectors of the Canadian Broadcasting System.
>
> 2) The appropriateness of embarking upon a major expansion of news and information program services in one official language without simultaneously addressing the requirements of the other official language group.

[*Translation*]

Mr. Speaker, we believe that co-operation between the private and public sectors is possible.

For example, I would like to remind the hon. Member that the CTRC responded favourably to the TV5 application. It involves a consortium composed of eight Canadian organizations:

Three public broadcasters: the Canadian Broadcasting Corporation; the Société de Radio-Télévision du Québec and the Ontario Educational Communications Authority.

So you see, Mr. Speaker, the minister of Communications has simply stated publicly that the Government has concerns that it will consider when the issue is brought forward in the autumn for formal review.

In view of these concerns, and the possibility of further petitions to the Governor in Council between now and next October, the Government feels it would not be prudent for the CBC to undertake major expenditures or structural reorganization to implement the proposed service at this time.

• (1820)

[*English*]

Some of the largest French-language private broadcasting undertakings include Télé-Métropole Inc., Cogego Inc.,

Télévision Quatre-Saisons Inc., the National Film Board of Canada and the firm Film Sat Inc. representing Quebec's independent producers.

The Government believes that for the news and information service, the CBC could use the period until October to examine approaches such as a partnership drawing on the skills and resources of the private sector as well as its extensive news-gathering services already deployed.

SCIENCE AND TECHNOLOGY—ANNOUNCED CLOSURE OF ASTRONOMICAL OBSERVATORY/ALGONQUIN PARK OBSERVATORY

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, some 15 months ago, I brought to the attention of the then Minister of State for Science and Technology the fact that the Government's program for scientific research and development had led to the virtual termination of the world-class astronomical observatory at Algonquin Park. In trying to explain what was happening, the then Minister said:

> —what the Prime Minister has indicated in his book, and what I have repeated many times is that we will spend as much as is necessary to position Canada and its industries in the new frontier effectively and in every possible way.

We are now three years into a Conservative Government and what do we see? When the Prime Minister (Mr. Mulroney) was the Leader of the Official Opposition, he castigated the Liberal Government by saying, and quite correctly, that among the OECD countries and Japan, Canada had one of the poorest records in efforts and expenditures for scientific research and development. He pointed out that in those years, we were allocating substantially less than 2 per cent of our Gross National Product to scientific research and development and he promised that a Conservative Government would more than double that quickly so that we would spend about 2.5 per cent of our Gross National Product on scientific research and development.

After three years of a Conservative Government, the Prime Minister had to admit at a recent scientific conference that in the last year, we had only devoted 1.3 per cent of our Gross National Product to scientific research and development. Why did that happen? It happened because the Conservative Government is locked into its ideological belief that somehow, if we were to just let the free enterprise system operate, it will do better than any Government effort.

The Government has tried to persuade the private sector to increase dramatically its expenditures. That has not happened. After three years of Conservative Government, we are now doing even worse than we did when the Liberals were in office.

At a recent conference, the Prime Minister promised that the Government would allocate new money, $250 million per year for the next five years, for research in universities. Even if that takes place and if the attempt to persuade the private sector to increase its efforts in the field of scientific research and development were to work, which it has not up until now, and if the Government matches those increases, we will still have only marginally increased the funding for the granting council.

What has been the result? We can read about it in newspaper accounts of the last few days. Yesterday's *Winnipeg Free Press* carried a story entitled "Morale weaker at NRC". The story says:

> The parking lots at National Research Council laboratories aren't full on Saturdays any more—
>
> "Morale is certainly not what it used to be at NRC," says Herzberg,—

That is Gerhard Herzberg, one of the few Canadian scientists whose efforts have led to a Nobel Prize.

The union representing most of the scientists, the Professional Institute, issued a statement which was reported in today's *Ottawa Citizen*. The institute said that federal government laboratories need stable funding and better management and pointed out that the Government should stop budget cuts in federal research establishments and not privatize federal laboratories for purely ideological reasons.

• (1825)

Again, yesterday we learned that the head of the space agency has resigned. Why? Because the Government, after months of argument apparently, cannot even decide where the space agency head office should be. In December of 1987 the Minister said it was critical that the agency head office be in place early this year. Now, obviously because Ministers are still fighting about whether it should be in Ottawa or Montreal, the same Minister says it is no longer critical. A story in today's *Citizen* says:

> Today, the space industry is frustrated and government workers designated as part of the new agency are in limbo.
>
> Its head, Art Collin, has resigned, saying his job of drafting the required legislation and finding staff was finished long ago.

We need to have the Government live up to the commitments the Prime Minister made before the election and do what is needed to make this country prosperous and have its people working in the next 10 to 20 years. We need to raise our efforts in the field of scientific research and development so that we will at least come close to what other western industrialized countries are doing. The time when we could continue complacently to lag far behind those countries has long since passed.

[*Translation*]

**Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)):** Mr. Speaker, once again the Hon. Member has asked us during the late show to talk about the subject concerning his question, and he lost no time in making other comments on our science and technology policy.

Since he asked a question concerning the closing down of the Observatory, I shall give him the information I have, and then I shall set a few facts straight. The Hon. Member's statement reflects a blatant lack of understanding about the major

initiatives taken by the Federal Government for the progress of science and technology in Canada.

In 1986, the Hon. Member had already raised the question of the closing down of the Algonquin Observatory. However, following the steps taken by the Government, Canadian scientists obtained access to the most sophisticated astrophysical facilities in the world, namely the giant telescope of James Clerk Maxwell in Hawaii. Canadian scientists, from coast to coast, totally support the present situation.

For the time being, no other decision has been made and the facility will stay in operation this winter, and other decisions could be made next Summer.

Contrary to what is mentioned in several reports and questions, the Minister of State for Science and Technology (Mr. Oberle) has played no part in the budget cuts concerning the Algonquin radioastronomical Observatory. The management of the NRC made this decision after consultation with the representatives of the astronomy community in Canada. Therefore, we assume that these people have advised according to what they thought was in the best interest of the Canadian astronomical community under the current conditions.

Mr. Speaker, I would like to make the following observation. Since the Conservative Party was elected in 1984, ever since we have formed the Government, our policy with regard to science and technology has been a long-term policy and each of our moves is of extreme importance for the future of the country.

Let us start, if you wish, with the creation of a Standing Committee on Research, Science and Technology where people can be heard, where Hon. Members can make suggestions and where Opposition Members can participate in the definition of a strong policy and the building of a larger vision of science and technology.

Let us talk also of the federal-provincial agreements which have been signed. The Cabinet, federal and provincial Ministers work together, because we also promised Canadians that we would introduce new policies after consultation with the provinces and in a spirit of mutual understanding.

We also, Mr. Speaker, authorized new funding. By God, Mr. Speaker, it would take me at least an hour to explain everything the Government has done, because it is not just a question of money, it is also a question of long-term strategy. Each of our moves, each of our policies has a bearing on the future of all Canadians.

Next time, Mr. Speaker, I will be able to expand on this subject.

**The Acting Speaker (Mr. Redway):** The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow afternoon at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

# HOUSE OF COMMONS

**Wednesday, February 10, 1988**

The House met at 2 p.m.

*Prayers*

## STATEMENTS PURSUANT TO S.O. 21

[*English*]

### CANADA POST CORPORATION

REDUCED SERVICE IN PRINCE EDWARD ISLAND

**Mr. George Henderson (Egmont):** Mr. Speaker, when the Minister of Finance (Mr. Wilson) stands today to deliver his budget address, I am sure that he will mention the many taxes which he has piled upon Canadians since 1984. Each day workers are taking home less and less money. Canadians are paying more, yet the Government, and especially Canada Post, are cutting their services to those same people.

First it was rural post offices. Now people in the communities in the West Prince area of our province will have their mail delivery cut back. This is unacceptable.

Furthermore, where is the consultation that Canada Post promised? Nobody contacted my office, so I urge the Minister responsible for Canada Post to cancel this decision and restore proper mail service to the people in the western part of Prince Edward Island.

* * *

[*Translation*]

### ENVIRONMENTAL AFFAIRS

FANTASTIC IDEA OF GABRIEL DESJARDINS

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, Conservative Member Gabriel Desjardins has come up with a tremendous idea, which is to make Rouyn-Noranda a national environmental research centre which would benefit not only Témiscamingue but also Abitibi.

According to Gabriel Desjardins, his riding has become a national and international laboratory and could be used as an observation centre.

I agree, and I think all of us in Quebec and across Canada should support Mr. Desjardins.

• (1405)

[*English*]

### REFUGEES

REPUDIATION OF NEWSPAPER ARTICLE BY FORMER HOUSE SPEAKER FRANCIS

**Mr. Dan Heap (Spadina):** Mr. Speaker, the Hon. Lloyd Francis, former Speaker of this House, is mistaken. His *Citizen* article "Illegal Immigration Time Bomb in our Society" attacks Canada's 10-year refugee policy based on the United Nations Refugee Treaty we signed 20 years ago.

He does a disservice to Canada by raising irrational fear of refugees with mistaken statements such as these: that for 500 million immigrants and 40 million refugees Canada is a preferred destination—no responsible authority supports such wild exaggeration—and that humanitarian groups seek exemption from the law so as to help illegal immigrants.

What a slander. Of the dozens of witnesses against Bill C-84, not one asked for exemption because all were conscientiously obeying the law by bringing refugee claimants, not illegal immigrants, to Canadian immigration offices.

Does Mr. Francis wish us to ignore refugees persecuted by Governments in some former colonial countries? Canada benefits by the cheap exports of those countries and is partner to some of their violently repressive Governments that enforce virtual slave labour at starvation wages. These refugees Mr. Francis fears are the voice of our conscience.

* * *

### ABORTION

SUPREME COURT DECISION—STATEMENT ISSUED BY PRESIDENT OF CANADIAN CONFERENCE OF CATHOLIC BISHOPS

**Mr. Gus Mitges (Grey—Simcoe):** Mr. Speaker, Archbishop James Hayes, President of the Canadian Conference of Catholic Bishops, issued a statement on January 28 on the Supreme Court's decision regarding abortion laws. The following are quotes from that statement:

> The situation of "abortion on demand" that follows from the court's decision must be corrected legislatively as soon as possible. This is our common task now, and the future of our human society depends on how soon and how well it is done.
>
> Abortion is the destruction of human life. The challenge is to change our society's attitude toward life and to channel the energies and strong emotions

involved in this debate toward correcting mentalities and situations that lead to abortion.

We need to create a society that supports life and enables children to be raised with dignity; a society that puts other people's rights and needs ahead of personal comfort and gain; a society that respects human life at every stage of its development.

The vision and hope that lead us forward flow from our God-given belief that every human life is sacred. Today's Supreme Court decision leaves us in a situation where the sacredness of life is being violated.

We must urgently work together with all Canadians for legislation that will indeed safeguard the life, liberty and security of every person, including the unborn.

May I say Amen to all of that, Mr. Speaker.

* * *

[*Translation*]

## SOCIAL SECURITY

NEED FOR GOOD HOME HEALTH SERVICES PROGRAM FOR SENIORS

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, first of all, I want to congratulate the Hon. Member for Saint-Denis (Mr. Prud'homme) on his twenty-fourth anniversary as a Member of the House of Commons. However, I also have a few comments to make about yesterday's statement by the Minister of National Health and Welfare (Mr. Epp) concerning senior citizens. I am pleased that the Minister took the advice of the Liberal Party and put back the $5 million he had cut from the New Horizons programs. We agree with the new programs aimed at increasing the autonomy of the elderly, but unfortunately, funding is minimal. We have nearly 2.6 million senior citizens in Canada, and the Government is granting the equivalent of $10 each. Instead of announcing this bare bones program to help senior citizens stay in their own homes, the Minister of National Health and Welfare should have set up a full-fledged program of home health care and housekeeping services. That is what they need!

* * *

[*English*]

## WINTER OLYMPIC GAMES

POSSIBLE EFFECT OF NURSES' LABOUR DISPUTE

**Mr. William G. Lesick (Edmonton East):** Mr. Speaker, all Hon. Members know that Alberta and the City of Calgary will soon be welcoming the world as the Winter Olympics edge closer. In fact, at this very moment, the legendary Olympic Torch is being paraded through my city of Edmonton. All Canadians are expecting the best Winter Olympics ever. The one potential cloud that looms on the horizon is the nurses' strike currently going on in Alberta.

More than 150,000 people are expected to visit the Olympic site, and although one-quarter of the 9,400 volunteers are trained in First Aid there is nothing like the care of an Alberta nurse to ease one through injury or illness.

Some nurses have shown true western spirit by volunteering their services to the games organizing committee, but picket duty may interfere with their good will, so I call on both the Alberta Hospital Association and the United Nurses of Alberta to settle the dispute quickly. The eyes of the world are upon us.

* * *

• (1410)

## ABORTION

SUPREME COURT DECISION—CALL FOR EQUAL ACCESS TO SERVICES BY WOMEN

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, the Supreme Court decision on the Morgentaler case found Canada's abortion law unconstitutional in part because therapeutic abortion committees denied women reasonable access, and long delays put women's health in danger. Section 251 of the Criminal Code contravened the Charter which guarantees security of the person.

The federal Government should have provided immediate leadership and should have clearly communicated the implication of this Supreme Court decision. Women must have equal access to abortion across Canada. To deny access to health services, according to the Supreme Court, is to contravene the Charter.

The decision on abortion is a health matter to be decided by a woman in consultation with her doctor. By refusing to take a leadership role immediately, the federal Government has contributed to mass chaos across Canada. Some provinces like British Columbia are victimizing women and imposing impossible decisions on doctors.

We call on the federal Government to instruct the provinces that, under the Canada Health Act, they are responsible for ensuring that medical services are universally accessible, comprehensive, and portable. Health services must be covered by medicare. Women's health clinics with a range of health services should be publicly funded, and the federal Government should immediately launch a campaign in support of family planning to prevent unwanted pregnancies.

[*Translation*]

## HOUSE OF COMMONS

ORAL QUESTION PERIOD—FREEDOM OF EXPRESSION

**Mr. Clément M. Côté (Lac-Saint-Jean):** Mr. Speaker, I would like to draw the attention of my Opposition colleagues and of all Canadians to the fact that Question Period has become a real circus. When I was elected, I had to learn about the procedure in the House, and I was told that the main purpose of Question Period was to inform Canadians.

Mr. Speaker, for some time now, we have been exposed to a steady stream of repetitive and harassing questions whose purpose can be only to tarnish the reputation of the Government and all its Members. Mr. Speaker, this is called disinformation and obstruction, and I sincerely believe that the Opposition's role should not consist of those activities.

Mr. Speaker, I think you have a duty to put an end to this charade, otherwise the Canadian people will no longer have access to the information they have a right to receive.

* * *

[*English*]

## TOURISM

EFFECT OF TAX REFORM ON INDUSTRY

**Mr. Fernand Robichaud (Westmorland—Kent):** Mr. Speaker, the Tourism Industry Association of Canada, TIAC, is the country's largest and most important tourism association with a membership covering approximately 30,000 tourism businesses. Recently, TIAC wrote to the Prime Minister (Mr. Mulroney) accusing his Government of total disregard for the concerns of the tourism industry in the tax reform legislation.

The Tourism Association stated that if tax reform in Canada places our tourism products and services at a greater competitive disadvantage with the U.S., both our foreign exchange earnings and job-creation potential within Canada will be seriously compromised. The association points out that the Conference Board of Canada is already predicting that the travel account balance of payments deficit for Canada will grow to the $3 billion range by 1990.

If this deficit is allowed to escalate further, it will end up having serious negative employment implications for Canada. In support of TIAC, I urge the Government to start paying attention to our tourism industry. Tourism means jobs, jobs, jobs.

*Oral Questions*

## THE BUDGET

POSITIONS OF OPPOSITION PARTY LEADERS

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, I want to help all Canadians understand what the two opposition Leaders will be saying after tonight's Budget. This is what they said the last three times. The Liberal Leader (Mr. Turner) said that "the Budget does not have an economic plan, no agenda for growth and no agenda for jobs". He was wrong, wrong, wrong.

The NDP Leader (Mr. Broadbent) said that "not only have we had no improvement but things have gotten worse". He was wrong, wrong, wrong.

• (1415)

The Liberal Leader: "There is nothing in it for farmers". No Government has done more for farmers than this Government, and he was wrong again.

On unemployment the NDP Leader said: "The projections show virtually no change". How wrong could that wrong man be?

Bill told me, Mr. Speaker, that after tonight's budget speech he was going to celebrate. He said that Mike Wilson has brought more economic growth, more employment, more real stability, than ever thought possible, and Mike has been constantly right, right, right!

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## MARCEL PRUD'HOMME

TWENTY-FOUR YEARS OF PARLIAMENTARY LIFE

**Mr. Speaker:** Perhaps I may point out to Hon. Members that on February 10, 1964, as a result of a by-election, Mr. Marcel Prud'homme was elected a Member of this House, twenty-four years ago. Congratulations!

**Some Hon. Members:** Hear, hear!

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# ORAL QUESTION PERIOD

[*English*]

## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PROVINCIAL COMPLIANCE

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, my question is directed to the Prime Minister. Yesterday, in testifying before a U.S. congressional committee,

Secretary of the Treasury Baker said that the U.S. will seek compensation or redress from Canada if any provinces do not comply with the terms of the agreement initialled by the Prime Minister and President Reagan. We already know three provinces have said they are not in agreement with the deal.

Can the Prime Minister tell us if the U.S. has the right to seek compensation and redress under the terms of the agreement? As well, is he ready to offer such compensation in view of provincial non-compliance? In other words, is he prepared to give away even more in order to get the deal approved?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, obviously when one concludes a treaty with a trading partner, that partner is quite entitled to assume that the treaty will be fully honoured by the sovereign nation with which it was concluded. That is the assumption under which Mr. Baker is functioning and it is not an inaccurate one.

With regard to the questions raised by my hon. friend, clearly he has not been listening to comments made yesterday by U.S. Congressmen and Senators, many of whom are voicing grave misgivings in regard to the treaty, not because they disagree with the principles involved but because they feel Canada got by far the better deal.

**Mr. Axworthy:** Mr. Speaker, I submit that the Prime Minister did not answer what was a very important question, that is, to what extent does the agreement bind the provinces, to what degree must they comply, and does the U.S. have the right to compensation?

CONSTITUTIONALITY OF AGREEMENT

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, several months ago, under the Freedom of Information Act, we sought from the Department of Justice and other government Departments the legal view of the constitutionality of the agreement and its impact upon the provinces. We got back three blank pages, one with the title of a U.S. law firm, one article from a U.S. trade publication—

**Some Hon. Members:** Question!

**Mr. Axworthy:** —and an article from *The Toronto Star.*

Is this the kind of information the Government is working from, and why is it refusing to give parliamentarians and other Canadians a proper legal interpretation of the agreement rather than a bunch of hopeless articles from a U.S. law firm?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, surely my hon. friend is not calling into question the sovereign right of the Government of Canada to conclude international treaties and cause them to be enacted. If my hon. friend is stating that as policy of the Liberal Party of Canada, he should stand up in the House and say so.

The Government of Canada, on behalf of the people of Canada, has concluded an international treaty. We believe it is very much in the national interest. We will submit it to Parliament at an appropriate time and we will ensure that that treaty is respected, as I am sure my hon. friend wants to ensure the respect of all of our international obligations.

• (1420)

**Mr. Axworthy:** As a gentleman who at one time practised law the Prime Minister will know that there was a decision in 1935 on the International Labour Organization which gives the provinces the right not to ratify international agreements signed by the federal Government. For him to try to mislead this House by suggesting—

**Some Hon. Members:** Order!

**Mr. Speaker:** Order.

**Mr. Hnatyshyn:** Where do you get your legal advice from, Lloyd?

**Mr. Speaker:** I am sure the Hon. Member would not want to impute any intentional misleading, especially with regard to the interpretation of a decision of the courts. The Hon. Member.

**Mr. Axworthy:** Mr. Speaker, it is certainly not my intention to do that. We are trying to get the facts.

FEDERAL GOVERNMENT'S RESPONSIBILITY

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, we are faced with a very serious challenge by the Secretary of the Treasury to which the Prime Minister has refused to respond. We have asked for proper legal opinion from the Government of Canada and it has refused to provide that legal opinion. The Prime Minister is not dealing with the facts as he should know them.

When and how will the Government provide a clear response to the challenge raised by Mr. Baker concerning the responsibility of the Government to ensure the compliance of the provinces? Can the Prime Minister say today that all the provinces will comply, or is he going to do as Mr. Baker said and provide further compensation to the United States in the face of the fact that three provinces say they do not go along with this deal?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the legal and constitutional authority of the Parliament and Government of Canada to proceed in this regard is clear and unchallenged. If anyone chooses to invoke a challenge, then he, she, or that Government is entirely free to do so and to address the appropriate courts. The Supreme Court of Canada will, no doubt, at an appropriate time, render a decision in this regard.

With regard to the Government, we are absolutely persuaded that we are acting not only within the purview of our legislative authority but very much in the national interest.

With regard to the objectives of the trade agreement itself, the basis of our action has been consistency throughout on behalf of the people of Canada.

I draw my hon. friend's attention to something which will interest him because he is not referred to in it. It came from the Vancouver Liberal Conference. The Member mentioned one article from *The Toronto Star*. This is another article from *The Toronto Star*, and therefore is probably accurate.

This article from *The Toronto Star* sets out the position of the Liberal Party. It says that Mr. Turner promises to kill the deal, that Paul Martin says we have got to be realistic—

**Some Hon. Members:** More!

**Mr. Speaker:** Order. I know how anxious Hon. Members are to hear exactly what *The Toronto Star* said.

* * *

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF FEDERAL EXECUTIVE COUNCIL OF YUGOSLAVIA

**Mr. Speaker:** I wish to draw to the attention of Members the presence in the gallery of His Excellency Branko Mikulic, President of the Federal Executive Council of the Socialist Federal Republic of Yugoslavia.

**Some Hon. Members:** Hear, hear!

PRESENCE IN GALLERY OF FINLAND'S MINISTER OF FOREIGN TRADE

**Mr. Speaker:** I wish also to draw to Members' attention the presence in the gallery of Mr. Pertti Salolainen, Minister of Foreign Trade of Finland.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Hon. Member for Mount Royal.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I suggest that the Prime Minister be more concerned about the differences in his own Party, particularly surrounding Bill C-72.

**Some Hon. Members:** Oh, oh!

* * *

[*Translation*]

## FILM INDUSTRY

REQUEST THAT FILM DISTRIBUTION ACT BE INTRODUCED

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, what kind of an answer is that!



Our artists and authors, singers and film makers are entitled to the truth from this Government.

The Minister knows perfectly well that under the trade agreement with the United States, we can say goodbye to broader distribution of Canadian films, songs and books.

My question is directed to the Minister of Communications. If the Americans are not keeping the film distribution Bill from being tabled, and the Bill has been ready for months, who is? So prove the Americans are wrong and table the Bill this week as a Saint Valentine's Day present to our film industry.

• (1425)

[*English*]

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, in their meeting last weekend in Vancouver the members of the Liberal Party certainly could not come to any agreement on how they should face up to trade relations with the United States. They ought to ask Paul Martin what he thinks.

During the lengthy negotiations on trade, one of the beneficial aspects of these negotiations was the fact that the U.S. negotiators came to recognize the uniqueness of Canadian culture and the need to have it exempted from any free trade agreement. That was done. That is recognized in the agreement.

As the debate continues in the Senate, I am sure that members of Congress will recognize the uniqueness of Canadian culture and the need for measures such as Bill C-58, simultaneous substitutions and the need for film distribution rights for Canada as a separate entity. We will see that that is done.

**Mrs. Finestone:** The Minister's odyssey into fantasyland certainly forgot our cultural policy. Certainly she did not read the Bill.

SOUND RECORDING INDUSTRY

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, the Government has faked its promise on the film distribution Bill. If the Minister cannot protect the film industry, will she at least enrich the sound recording fund to ensure more Canadian French and English recording artists and records, or will the Americans claim once again that their commercial interests have suffered, total up the cost, and hammer us back with a countervailing action?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I thought that Member was the spokesperson for the Opposition in this field. She does not seem to know that $5 million annually has been added to the sound recording industry and that the past year was the most successful year ever for the sound recording industry in this country. She can ask artist after artist in this country who met with me to say

that publicly and privately. I am very proud of what sound recording artists are doing in Canada.

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## INDIAN AFFAIRS

### LUBICON BAND LAND CLAIM—NORTHERN ALBERTA PULP MILL PROJECT—TIMBER RIGHTS

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. As the Minister will know, on Monday Premier Getty announced plans for an untendered transfer of harvesting rights to the Daishowa pulp project, some 11,000 square miles of northern Alberta, which is an area over 100 times the size of the area sought by the Lubicon Band for settlement.

Since parts of these lands that were announced on Monday are those sought by the Lubicon Band and, we must assume, by Crown Canada, as the basis for the settlement of the outstanding Lubicon claim, has the Minister expressed concern to the Government of Alberta about the proposed transfer of these lands and the fact that it will be harmful to a peaceful and just settlement of the Lubicon claim?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, the way the announcement was made yesterday in Alberta on the transfer of forestry management to assist in the development of a large scale pulp plant in northern Alberta was indeed unnecessary and unhelpful. Some of the lands that were prescribed are indeed lands which may be transferred to Lubicon when we have reached a settlement.

I can assure the Hon. Member that the 25 square miles originally put forward by Alberta in 1940 have been excluded from that forestry management, and any lands that will be transferred to Canada to settle that outstanding claim, as is Alberta's obligation, will be transferred and exempted from the forestry management agreement between Daishowa and the Province of Alberta.

• (1430)

Again, as Minister of Indian Affairs or as Minister responsible for western diversification, I was not consulted on what is solely a provincial prerogative.

### GRANT MADE FROM WESTERN DIVERSIFICATION FUND

**Mr. Jim Fulton (Skeena):** Mr. Speaker, perhaps the Minister could rise, wearing his hat in terms of western diversification at the same time as aboriginal affairs, and explain to the people of Canada and, in particular, the Lubicon people and the people of Alberta, why the Minister participated in the announcement by announcing an economic participation in terms of $9.5 million, in the project?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, I am pleased the Hon. Member has drawn a distinction between an economic initiative taken by the Province of Alberta, the Government of Canada, and Daishowa, and the land claims which we both wish to see proceed to settlement. Hopefully, there will be a negotiated settlement.

The reason the Government of Canada through the Western Diversification Fund was pleased to participate with the Daishowa and the Province of Alberta was that over 600 direct jobs will be created in northern Alberta, some 2,000 years of person employment in construction, indirect benefits to a part of western Canada and a part of northern Alberta which has suffered economic decline, particularly in the oil and gas industry under the National Energy Program which was available to those people in the past. This initiative was undertaken with major, major foreign investment to benefit people in western Canada, particularly in the Peace River region.

### LAND CLAIM—REQUEST THAT MEDIATOR BE APPOINTED

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my supplementary question is directed to the Prime Minister. Yesterday John Diefenbaker's former Minister of Justice, the Hon. E. Davie Fulton, stated that in his judgment, as a former Minister of Justice, as a politician, and as a well-respected Canadian, he rated the Lubicon crisis, on a scale of one to 10, as a 10 in terms of tragedy. The Prime Minister has now heard from the Minister responsible for aboriginal affairs. What the Government of Alberta has done is unhelpful in resolving the situation.

Mr. E. Davie Fulton has publicly offered his services, which are requested by the Lubicon band. That has been blocked so far by the Minister responsible for aboriginal affairs. Will the Prime Minister show the leadership he has shown in the past, for example, on South Moresby—

**Some Hon. Members:** Hear, hear!

**Mr. Fulton:** —and satisfy himself in discussions with the Minister responsible for aboriginal affairs that the appointment of E. Davie Fulton at this point in time would be helpful, because the eyes of the world are on the Calgary Olympics and on how Canada has mishandled the Lubicon case to date.

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, every Member in this House hopes that the settlement of the Lubicon claim can be proceeded through negotiation. The Lubicon band walked away in July from bilateral negotiations under the leadership of Mr. Tassé on behalf of Canada. It refused to negotiate bilaterally in November with Mr. Malone, whom I appointed negotiator. It had up until January 29 last to enter into negotiations. That time of negotiation, unfortunately, has passed. Canada has sent a letter of request to the Government of Alberta outlining the needs of Canada and the needs of

Alberta to provide, under the Constitution Act of 1930, the land which is required to settle this claim.

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## THE ADMINISTRATION

CONFLICT OF INTEREST CODE—ASSISTANT DEPUTY REGISTRAR GENERAL'S STATEMENT

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Prime Minister. Yesterday I asked the Prime Minister to assist the House in receiving an explanation from Mr. Kingsley, the Assistant Deputy Register General, with respect to the decision he made Monday, in essence exempting political party funds from the provisions of the conflict of interest guidelines. The Prime Minister kindly invited me to be in touch with Mr. Kingsley to seek clarification and understanding of the decision that was reached.

Fifteen minutes ago I spoke to Mr. Kingsley, who has refused to provide me, or any other Member, with any background to the decision which has been reached. More importantly he has refused to direct me to any particular clause in the conflict of interest guidelines which would explain, in essence, the exemption which has now been declared.

**Mr. Clark (Yellowhead):** Question!

**Mr. Tobin:** With the Prime Minister's invitation in mind, sincerely given, I believe, I ask him today for his assistance. I ask him directly whether or not he will direct Mr. Kingsley, who is, after all, not an officer of Parliament, nor accountable to Parliament, but accountable to the Prime Minister as a civil servant, to issue for Parliament a complete backgrounder explaining and giving the rationale for the decision that was reached on Monday?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, on February 8 last Mr. Kingsley provided the country and the House with a complete and definitive statement in this regard. I think if my hon. friend checks the record he will see that while, of course, I offered him my assistance, and will continue to do so, in respect of this I think I indicated that the Government was planning to bring in an important measure in this area, and when he had the opportunity of examining this measure he might indeed want to consider any questions he would have or manners by which it might be improved or corrected.

It was in that light the discussion ensued over the last couple of days. In respect to Mr. Kingsley's statement, it stands on its own. It is a straightforward, clear-cut statement in which he conveys his decision. I would hope my hon. friend would agree that it meets the objectives he has been raising.



REQUEST THAT OFFICIAL PROVIDE EXPLANATION

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, I think it is clear by now that what I am asking for is an interpretation of the current guidelines, not future guidelines, that allowed the current exemption announced Monday to be made.

I remind the Prime Minister that the last time he rose in the House to quote an ADRG as an authority over an allegation of conflict of interest was April 29, 1986, when he quoted Mr. Boyle who said at the time—

**Mr. Mazankowski:** Order!

**Mr. Clark (Yellowhead):** Order!

**Mr. Tobin:** —that the former Member for York Peel was in no way in a conflict of interest.

**Some Hon. Members:** Order!

**Mr. Tobin:** In light of the subsequent findings of the Parker Commission, does the Prime Minister not agree that it would be prudent and appropriate that the current ADRG, given his ruling on Monday, provide Parliament with a full explanation of the rationale behind that ruling and, more particularly, point out to Parliament which clauses of the conflict of interest guidelines give rise to an exemption for political party loans or advances?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my friend raises the issue of the Parker Commission which is, of course, relevant to Members of this House. There will be action in respect to this important and growing problem that affects all jurisdictions of conflicts of interest.

I notice that Premier Peterson had some comments to make yesterday on this sensitive matter because three of his Ministers were called upon to resign because of allegations of conflict of interest.

May I just say that Mr. Bourassa's Solicitor General was called upon to resign because of conflict of interest.

**Ms. Copps:** Kingsley wrote that letter with a broken arm.

**Mr. Mulroney:** The same happened in British Columbia. We are dealing—

**Ms. Copps:** What did you do on the weekend, Don?

**Mr. Mulroney:** It is sort of difficult for me to answer a sensitive matter, Mr. Speaker, with constant heckling from the Hon. Member for Hamilton East.

**An Hon. Member:** Just answer the question.

**Mr. Mulroney:** I would be happy to try to answer—

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** My hon. friend—

**Mr. Speaker:** The Right Hon. Prime Minister has said it is a sensitive matter, and it is. The Hon. Member for Humber—Port au Port—St. Barbe has asked a question which is completely procedurally sound. The Right Hon. Prime Minister is giving an answer and I am sure that Hon. Members will give him the courtesy of allowing him to continue his answer to its proper conclusion.

**Mr. Mulroney:** I must say that it is with admiration that I view the Hon. Member for Hamilton East. It must be nice to be absolutely perfect in one's private and public life—

**Some Hon. Members:** Order!

**Mr. Mulroney:** —so as to make such severe judgments about other people.

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** I would ask the Right Hon. Prime Minister to answer the question put to him.

**Mr. Mulroney:** Mr. Speaker, I would be happy to answer the very serious question put forward by my hon. friend. I indicated to him yesterday that, given the seriousness of the matter, we would be bringing forward a very serious Bill—

**Ms. Copps:** Answer the question!

**Mr. Mulroney:** —that I think is going to respond exhaustively and completely to any concerns my hon. friend has. At that point in time it would be entirely appropriate for him to raise any questions or seek to interrogate any public officer. We are dealing with a matter that has been out there for some years. I think my hon. friend will agree, when he sees the legislation, that the legislation itself is sufficient to remedy a very difficult human problem.

**Mr. Tobin:** Kingsley, will you provide Kingsley?

**Mr. Mulroney:** We will provide—

**Mr. Tobin:** Now?

**Mr. Mulroney:** I indicated to my hon. friend that we are bringing forward the legislation—

**Mr. Tobin:** No, no, the current legislation.

**Mr. Mulroney:** —and as soon as he sees it, I think he will be satisfied.

• (1440)

## EMPLOYMENT

### PROGRAM FOR OLDER WORKERS

**Ms. Marion Dewar (Hamilton Mountain):** Mr. Speaker, my question is for the Minister of Labour. Two years ago in the 1986 Budget the Government announced a program for older workers of $125 million. To this day, this program is not in place.

Can the Minister give the House an assurance that the program announced in today's Budget will be implemented, not slid under the carpet like the POWA program was two years ago?

**Hon. Pierre H. Cadieux (Minister of Labour):** I am not sure, Mr. Speaker, if I heard the Member say "the program announced in today's Budget". But if that is what I heard, I don't know today's Budget.

### INTRODUCTION OF PROGRAM

**Ms. Marion Dewar (Hamilton Mountain):** My supplementary question is the following. The Canadian Advisory Council was told that it would take over $1 billion to provide a program for unemployed older workers. The Government promised that two years ago. The Minister of Labour keeps saying that it is coming, and it still has not come.

When can the people of Canada expect to see a properly funded concrete program for older worker adjustment?

**Hon. Pierre H. Cadieux (Minister of Labour):** The program was announced in the 1986 Budget, and it should be in place soon.

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## FUR TRAPPING INDUSTRY

### BRITISH PLANS TO LABEL FUR PRODUCTS—EFFECT ON LIVELIHOOD OF CANADIAN TRAPPERS

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Bowing to the propaganda of the anti-trapping law, the Government of Great Britain has announced plans to label fur products as having been caught in steel-jawed leg-hold traps.

What action has Canada taken to forestall this threat to the livelihood of our trappers? Will Canada retaliate against this restraint of trade?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I was surprised by that announcement by the British Minister. We will oppose it, and we will fight it. It constitutes a very serious threat to the livelihood of Indian,

Métis, and Inuit Canadians who depend upon the fur industry to live.

I must say that I particularly regret that there was virtually no advance warning to this Government by the Government of Great Britain in bringing in this matter. I will be pursuing it personally with the British Foreign Secretary, and with others.

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[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

MONTREAL EAST END—GOVERNMENT ASSISTANCE—GOVERNMENT POSITION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, although I would have liked to answer the other Minister. He has been negotiating for older workers for three years, and he's getting nowhere fast.

This week, the Vice-Chairman of the Executive Committee, Mr. Robert Perreault, told *Le Devoir* that the municipal authorities of the City of Montreal feel they have been let down by the Conservative Government on issues as important as the Vieux-Port de Montréal, Montreal's East End and the Space Agency.

Mr. Perreault, members of the Chamber of Commerce and the union complained they have been unable to meet either the Prime Minister or the Minister, and they have been waiting two months for information.

Could the Minister inform the House why his Government, day after day and month after month, has failed to announce $50 million in funding to upgrade businesses in Montreal's East End, an early retirement program for Montreal's East End and special funds for manpower training? Why is his Government procrastinating on measures that people have been demanding for so long and which the Leader of the Opposition was ready to announce in Montreal's East End last week?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, first of all, I am certainly not aware of what Mr. Turner would like to announce for Montreal's East End in way of programs. I can inform the Hon. Member that a number of decisions have been made involving Montreal, and those decisions have in fact brought about a substantial drop in the unemployment rate in that city, which is now at 9 per cent, compared with an unemployment rate of 12.9 per cent in September 1984. We did not delay development in Montreal, but the people who blocked Bill C-22 delayed Montreal's development for months and months!

CHAMBER OF COMMERCE DEMANDS—GOVERNMENT POSITION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, the people of Montreal are fed up with these stupid answers!

The question came from Mr. Perreault, Vice-Chairman of Montreal's Executive Committee. Will the Minister stop fooling around and find out what the Chamber of Commerce wants, and could he inform the House why the Government is taking so long to make its announcement on the Space Agency?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, if fooling around means creating 64,000 new jobs in the Montreal area over a period of 12 months I will go on fooling around. I will go on creating jobs.

**Some Hon. Members:** Hear, hear!

**Mr. de Cotret:** Mr. Speaker, all political rhetoric aside, if we want to look at the facts and discuss questions as important as the Vieux-Port and Montreal's East End, we are now at the negotiating stage, and in fact we are negotiating with the Government of Quebec. The latter has asked us to prepare a bilateral agreement between Canada and Quebec, before discussing these very important issues with the municipal authorities. I can inform the Hon. Member that we are on the move, and there has been more prosperity in Montreal since we came to power than there ever was under your Government.

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[*English*]

## NUCLEAR ENERGY

DANGERS POSED BY FERMI II PLANT IN UNITED STATES

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, my question is addressed to the Hon. Secretary of State for External Affairs. All four Members of Parliament from Essex County, representing all three Parties, have petitioned the United States Nuclear Regulatory Commission to revoke the licence of Fermi II nuclear plant, which is very close to Windsor.

Given the record of serious safety breaches, design deficiencies, operational incompetence, concealment of emergency events, about all of which NRC, the Nuclear Regulatory Commission, was aware, will the Secretary of State table the written report of the Atomic Energy Board of Canada which has resulted in Canada's lack of objection to the operation of this plant at full power, a plant at which if there was an accident it would threaten 300,000 Canadians?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, this is a serious question that has engaged the interest of Members on all sides of the House.

I have been asked a question that I cannot answer at this stage. I will certainly look into it to see if it is possible for me to publish that report, or otherwise to make available its contents to interested Members of Parliament.

I take the issue seriously, as the Hon. Member does, and we will proceed in that spirit.

REPORT MADE BY ATOMIC ENERGY BOARD

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, my supplementary question is the following. Would the Government examine the report of the Atomic Energy Board of Canada to ascertain whether the board was aware of the sorry record of Fermi II, as well as the record of duplicity and collusion of the U.S. Nuclear Regulatory Commission which has been documented before three congressional committees?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I indicated that I take this matter seriously. I will look into it, and report to the Hon. Member. But I will not associate myself, or the Government, with the language used by the Hon. Member—

**Mr. McCurdy:** It was used by Senators and Congressmen.

**Mr. Clark (Yellowhead):** Having been used by Senators and Congressmen is not necessarily any more recommendation than having been used by Members of this House.

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## RESEARCH AND DEVELOPMENT

REFUNDABLE TAX CREDIT

**Mr. David Berger (Laurier):** Mr. Speaker, in the absence of the Minister of Finance I direct my question to the Prime Minister.

In his 1985 Budget the Minister of Finance increased the refundable tax credit for research and development which, he said, "will be of most use to small start-up research and development firms who may not otherwise be able to use tax incentives immediately".

Yet a survey released by the Canadian Advanced Technology Association last week indicates that uncertainty and delay in the processing of claims are hurting the very firms that the Minister of Finance said he would help, namely, the small research and development performers.

My question to the Prime Minister is the following. The Minister of Finance and the Prime Minister promised an efficient refundable tax credit for research and development. Will the Government respond to the concerns raised by the Canadian Advanced Technology Association and take immediate steps to correct this situation?

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, the Minister of Finance is examining this policy and the delays in particular, and he hopes to be able to make a response to the House before long.

• (1450)

**Mr. Berger:** Mr. Speaker, the problem is not a new one. It was raised as long as two years ago by the association.

GOVERNMENT POLICY

**Mr. David Berger (Laurier):** Mr. Speaker, my supplementary question is for the Prime Minister. Mr. Gordon Gow, Chairman of CATA, said "that the Ministers of Finance and Revenue have both been trying to pass off this issue as the other's responsibility".

Will the Prime Minister, as Chairman of the National Advisory Board on Science and Technology, put an end to this buck passing of his Ministers and provide Canadian business with certainty and effectiveness in the administration of tax incentives for research and development?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, if I might be permitted to respond to the question briefly, I recognize the validity of my colleague's concerns. I want to assure him that we are taking steps to improve the situation.

I want to quote briefly in the House for his benefit a recent article by Diane Francis in *The Financial Post*. It reads:

> Scientific research tax credits will go down as the biggest scandal in the history of tax policy in Canada. Perhaps anywhere. It was an ill-conceived scheme, contrived by former finance minister Marc Lalonde, and his deputy, Mickey Cohen, in the dying days of the Liberal government. About $3.2 billion flowed out of—

**Some Hon. Members:** More, more!

**Mr. Speaker:** Perhaps the Minister would like to conclude his answer.

**Mr. MacKay:** Having been presented with this very regrettable situation, our officials and the Minister of Finance have been bringing in a better regime, which is bringing great benefits to the scientific community in Canada. It will be further improved.

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## NATIONAL DEFENCE

ACQUISITION OF NEW TRUCKS

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, my question is for the Hon. Associate Minister of National Defence. Why did the Department choose a truck designed and patented by a

non-NATO country when there was an opportunity to get a "made-in-North America" truck to any specifications desired?

**Hon. Paul Dick (Associate Minister of National Defence):** Mr. Speaker, on June 6, 1986, an interdepartmental force, which was later confirmed by the Ministers, decided to open up the bidding to all truck manufacturers in the world and not restrict it to NATO trucks.

At that time when the tenders were put out on July 31, 1986, all truck manufacturers, both inside and outside NATO, had an equal opportunity to meet the specifications.

When the truck was purchased, we purchased the lower priced truck of those trucks which met specifications. A couple of trucks did not meet specifications.

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## COMMUNICATIONS

### CALL-NET TELECOMMUNICATIONS—APPEAL AGAINST CRTC DECISION

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my question is for the Minister of Communications. It concerns an appeal to Cabinet by Call-Net Telecommunications.

Officials in her Department have been actively working with Call-Net to overturn a series of CRTC and cabinet decisions. What Call-Net is seeking is a special exemption and the right to do business in a way that no other company can.

Why is the Minister's Department working with Call-Net behind the scenes to amend the CRTC decision? Why is this special treatment being given to this company?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I do not think the Hon. Member quite understands what in fact took place. At the time that the original appeal was denied—and he will remember that that was done—the Department of Communications indicated that there would be a period of 180 days in which Call-Net would have the opportunity to bring its operations within the ambit of the law, and that is what is being done.

I may say that obviously we indicated to Call-Net, we indicated to the CRTC, and we indicated to other small businesses that we would be prepared to assist them to ensure that they would be within the law and not remain outside the law.

### GOVERNMENT POSITION

**Mr. Simon de Jong (Regina East):** Mr. Speaker, what Call-Net is asking for in its petition to Cabinet is a further extension until the regulations are changed, which is quite different. In other words, Call-Net is not willing to change its modus of operation. It is asking for changes in the regulations themselves.

I should like to hear the Minister assure the House and Canadians that the decision of the CRTC will stand, and that the Government will not interfere in another case with the CRTC as it did with all-news CBC broadcasting.

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, once again I have to point out that the Hon. Member does not seem to be aware of the proper processes.

Call-Net has the right to make any additional appeal it wants to the Cabinet. That is what has been done, and that appeal is now before the Cabinet.

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## THE ADMINISTRATION

### CONFLICT OF INTEREST CODE—REQUEST THAT OFFICIAL APPEAR BEFORE COMMITTEE

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I want to return with the Prime Minister to the question raised by my colleague, the Hon. Member for Humber—Port au Port—St. Barbe. Surely the Prime Minister understands and has conceded the importance of Mr. Kingsley's interpretations of the applicable rules about spending, and yet today in his answer he seems to have taken a step back from the position that he took yesterday.

Yesterday the Prime Minister said, and I am quoting him, "My hon. friend, I suppose, if he wishes to interrogate him", meaning Kingsley, "or any other public servant, can seek the appropriate instrument to do so".

The appropriate instrument is the Prime Minister's approval, and that is what is required.

I want to ask him whether Mr. Kingsley will be made available for examination in front of a parliamentary committee, not on legislation that the Prime Minister has been promising for a long, long time, but on the conflict of interest guidelines which are presently in effect and about which Mr. Kingsley has presently given an interpretation that, to say the least, surely the Prime Minister will agree is controversial.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the committees of the House are masters of their own rules. The Hon. Member from Newfoundland—

**Some Hon. Members:** Oh, oh!

### PRIME MINISTER'S POSITION

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I want to ask the Prime Minister whether he approves or will give his approval, for the purposes of the record if he likes, that Mr. Kingsley can appear before the committee? Do you support his appearance?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my approval is not required. It is up to the committee

to make its own determinations. I am not going to conduct witch-hunts or insist upon rules being imposed upon public servants. If I did that, the Hon. Member would be the first one to criticize it.

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## EXTERNAL AFFAIRS

INDIA—DETENTION OF CANADIAN CITIZEN—REQUEST THAT FORMAL PROTEST BE DELIVERED

**Mr. W. Paul McCrossan (York-Scarborough):** Mr. Speaker, my question is for the Secretary of State for External Affairs. For over five weeks the Indian Government has refused to allow consular access from our High Commission in New Delhi to Mr. Balkar Singh, a Canadian citizen under arrest in India, who, our officials allege, has been tortured while under arrest.

Is the Minister now prepared to have our High Commissioner in New Delhi deliver a formal protest to the Indian Government as a result of its failure to honour its commitments to Canada under the Vienna Convention?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, the Hon. Member's question was whether I was yet prepared to take that step, and the precise answer to that is no.

We are very concerned about the situation and are seeking consular access again. I should remind the Hon. Member and the House that the Canadian citizen in question does have regular, and I underline the word "regular", access to his lawyer and to his family. We are seeking further consular access.

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## MULTICULTURALISM

REQUEST FOR APPOINTMENT OF COMMISSIONER

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, in the absence of the Minister responsible for multiculturalism, my question is for the Prime Minister. He knows how important the Commissionership of Official Languages has been in achieving the goals of the Official Languages Act of 1969. However, when the Government put forward a Bill to establish multiculturalism in Canada, it rejected the unanimous recommendation of the Standing Committee on Multiculturalism and refused to create a Commissionership of Multiculturalism.

Does the Government still hold to this position, providing no impetus to achieve the policy of multiculturalism, or does it plan to act on the call of the Canadian Enthocultural Council to ensure that a Commissioner of Multiculturalism will be at work to achieve worthy goals?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think my hon. friend would probably agree that the Multiculturalism Act has made very significant strides in areas of citizenship and the promotion of multicultural values.

The Minister responsible for multiculturalism deserves the support and, I know, the gratitude of all Hon. Members of the House for this tremendous move forward in the field of multiculturalism. There have been significant advances in a number of areas. I will be happy to take the question as notice in respect to the specific point and report back to my hon. friend.

• (1500)

**Mr. Speaker:** A short supplemental.

CONTENT OF BILL C-93

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, Mr. Lewis Chan of the Canadian Ethnocultural Council described Bill C-93 as simple without substance.

Does the Prime Minister plan to arrive at the next general election waving a flag but with no strength behind it, none of the impetus that a Commissionership of Multiculturalism would give to a policy that presumably we all support?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I hope I am not misinformed. I thought my hon. friend and his Party were going to support this Bill. I hope that continues to be the case.

With regard to the matter the Hon. Member raises on behalf of the multicultural community, I will be happy to consider it and refer back to my hon. friend.

He refers to the Canadian Ethnocultural Community. I was informed when I met with that council that I was the first Prime Minister of Canada to meet with the Canadian Ethnocultural Council. This Government has increased, by 100 per cent in three years, the number of ethnocultural appointments to commissions, boards and agencies in Canada.

**Mr. Speaker:** This will be the last question. The Hon. Member for Davenport.

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## HEALTH

LEUKEMIA—REPORTED INCREASE AMONG CHILDREN LIVING NEAR NUCLEAR INSTALLATIONS

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, I have a short and easy question for the Minister of National Health and Welfare.

As he probably knows, a British study conducted last summer reveals a higher incidence of leukemia and an increased number of leukemia related deaths among children and young adults up to the age of 20 living near nuclear installations. The National Cancer Institute in the United States announced that a similar study will be conducted in the United States in the next nine months.

Will the Minister launch a similar study in Canada to establish whether or not there is a relationship in our country as well and, if not, why not?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, I thank the Hon. Member for bringing the two examples to the attention of the House and to me particularly.

I cannot give him any answer beyond that today as to whether Canada would consider such a study. I will consult with my Cabinet colleagues and obviously with officials in my Department as I am sure my colleagues will consult with theirs. Because this is a major policy issue, we have to do that, and I will get back to the Hon. Member at the appropriate time.

* * *

## POINT OF ORDER

CORRECTION BY MINISTER

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I rise on a point of order. In responding to the Hon. Member for Regina East (Mr. de Jong)—

**Mr. Speaker:** The Hon. Minister has risen on a point of order. I would ask Members on her side and Members on the other side to give her the courtesy of addressing the Chair.

**Miss MacDonald:** Mr. Speaker, in responding to the Hon. Member for Regina East, I said that the Call-Net appeal of the CRTC decision was before the CRTC. I should, of course, have said that it is before the Cabinet.

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# ROUTINE PROCEEDINGS

[*English*]

## WAR CRIMINALS

TABLING OF MEMORANDUM OF UNDERSTANDING

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I am pleased to table in both official languages copies of a Memorandum of Understanding between Canada and the Soviet Union. In addition, I am tabling copies of the Memorandum of Understanding in the Russian language.

This agreement will enable Canadian officials to gather evidence in the Soviet Union and it includes the conditions recommended by Mr. Justice Deschênes to ensure obtaining such evidence in accordance with Canadian procedures and safeguards.

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## HOLIDAYS ACT

MEASURE TO AMEND

**Mr. Rob Nicholson (Niagara Falls)** moved for leave to introduce Bill C-283, an Act respecting Sir John A. Macdonald Day.

**Mr. Speaker:** Shall the Hon. Member have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

**Mr. Nicholson (Niagara Falls):** Mr. Speaker, it is my honour and privilege to re-introduce an amendment to the Holidays Act, seconded by the Hon. Member for Pontiac—Gatineau—Labelle (Mr. Moore), that would declare the third Monday in February a national holiday entitled Sir John A. Macdonald Day.

Our first Prime Minister, more than any other individual was responsible for the creation of the Canadian Confederation. A day set aside to honour him is long overdue. I believe as well that Canadians would welcome a February holiday in the middle of our long Canadian winter.

Therefore, I call on all Members of Parliament, and Canadians everywhere, who believe we should honour Sir John A. Macdonald, to support the creation of a new national holiday.

Motion agreed to, Bill read the first time and ordered to be printed.

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## GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

AUTHORITY FOR LEGISLATIVE COMMITTEE TO TRAVEL

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there have been discussions among the Parties. I think you would find there is unanimous consent for the following motion to be put and voted on immediately.

I move:

That, the legislative committee on Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency, and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts be authorized to

adjourn from place to place within Atlantic-Canada from March 6 to 13, 1988 inclusive, for the purpose of holding public hearings with respect to the Bill and that the necessary staff accompany the committee.

**Mr. Speaker:** Does the Hon. Minister of State (Mr. Lewis) have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

* * *

## PETITIONS

### PROPOSED FREE TRADE

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is my distinct honour to present a petition pursuant to Standing Order 106 signed by petitioners from Vancouver, North Burnaby, Richmond, Abbotsford, North Vancouver, Port Coquitlam, B.C. who have indicated in their opinion that the Conservative Government does not have a mandate from the people of Canada to conclude a trade deal with the United States.

They believe, of course, that this trade deal would weaken Canada's sovereignty. They believe that the trade deal threatens the very fabric of our political and economic life by removing the power of the Canadian Government to effectively control foreign ownership and its ability to develop Canada's energy resources in the best interests of Canadians.

Therefore, they call upon the Parliament of Canada to dissolve now to allow the people of Canada the opportunity to accept or reject this proposed trade deal during a national general election.

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I have two petitions to present today from Canadians who would like to table a grievance with the House concerning this commercial deal concluded by the Prime Minister (Mr. Mulroney) of this country and the President of the United States—the so-called free trade deal.

• (1510)

The petition states that, whereas the Government has sold out Canada and received nothing in return, whereas Canadian industries are still not protected from U.S. trade laws, whereas the United States obtained everything it wanted in all key sectors, especially agriculture, energy, the auto trade, financial services and investment, whereas thousands of Canadian jobs are threatened and the Conservative Government has not provided for any adjustment assistance for Canadian workers, wherefore—

**An Hon. Member:** Oh!

**Mr. Gauthier:** What is the Hon. Member saying? Is he not in agreement with this? It is a good petition, signed by many petitioners and it is in order. It goes on to say, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to denounce the Government for signing the trade agreement. In spite of all the noise from over there, the petitioners do not agree with it.

[*Translation*]

### MANDATORY INSTALLATION OF SUPPLEMENTARY SAFETY DEVICES IN AUTOMOBILES

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, I have the honour and the privilege of tabling 422 petitions signed by residents across the country. These signatures are in addition to those on petitions I tabled previously, making a total of 32,182 signatures. The petitioners are from Chibougamau, Roberval-Dolbeau, Saint-Pamphile, Metabetchouan, Alma, Beauharnois, Châteaubriand, Lac-aux-Sables, Saint-Hyacinthe, Saint-Marc, Farnham, New Market, Sudbury, Montreal, North Battleford in Saskatchewan, Mont Saint-Hilaire, Granby, Delisle in Saskatchewan and Aylmer in Quebec.

Mr. Speaker, the undersigned are aware that since 1974, federal legislation allows the installation of self-inflating bags in the driver's seat for private cars, and that this device would reduce the number of deaths or serious injuries.

Wherefore, your petitioners humbly pray Parliament to make it mandatory to install inflatable bags in the front seat of passenger cars and adjustable shoulder seat-belts for passengers on the back seat.

[*English*]

### CANADA POST—OPPOSITION TO CORPORATE PLAN

**Mr. Sergio Marchi (York West):** Mr. Speaker, I have a number of petitions I would like to deposit with the House of Commons. The first is a petition collected by Mr. Maurizio Bevilacqua, resident of the federal riding of York North and a member of the Maple Village Ratepayers Association. The petition concerns Canada Post and the Government's plan to adopt supermailbox services and also the closure of rural post offices. They say this is creating havoc and tremendous inconvenience for all residents of the federal riding of York North.

Therefore, the petitioners are calling upon the Government to reject the corporate plan proposed by Canada Post and to instruct post office officials to provide one service for all Canadians rather than to differentiate between Canadians and create second-class citizens.

### REOPENING OF EMBASSY IN ECUADOR

**Mr. Sergio Marchi (York West):** Mr. Speaker, the second petition is from a number of individuals from my riding who signed a petition because of the recent closure by the Government of the embassy in Ecuador.

The petitioners call upon the Government once again, because of the hardship created on individuals seeking to apply

for immigration and the long delays, as long as six months, in making an appointment at a nearby embassy in Bogota, Ecuador to reopen the embassy in Colombia to provide the service people in that part of the world certainly merit and to respect the large community in Canada that relies on an embassy in Colombia.

PROPOSED FREE TRADE

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have the honour and duty to present a petition signed by people from the great City of Moose Jaw, Saskatchewan. The petitioners humbly pray and petition the House that they feel the proposed trade agreement not only denies Canadians the secure access to the U.S. market that was the key objective of these negotiations but threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement in a federal General Election.

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, I have here a duly certified petition from a number of Canadian residents saying that the Government had no mandate from the Canadian people to conclude a trade agreement with the United States, that the Prime Minister (Mr. Mulroney) promised that Canadian sovereignty would not be compromised, whereas the free trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership, to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between the regions, and that the proposed trade agreement denies Canadians the policy freedom to determine their own economic future, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national General Election.

**Mr. Ray Skelly (Comox—Powell River):** Mr. Speaker, I too have the honour and duty to present a petition in which a number of citizens call upon the Government to dissolve in order to call a national election to determine the will of Canadians as far as the trade deal is concerned.

It is the considered opinion of the signatories to this petition that the present Government of Canada had no right or mandate to engage in a treaty with the United States that would erode and destroy Canadian sovereignty.

Therefore, they request the Parliament of Canada to dissolve so that an election may resolve this issue.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I have the honour to present a petition from residents of Toronto, London, North Bay, Gloucester and other parts of Ontario, a petition duly signed by the Petitions Clerk, in which the petitioners say that they are concerned that this Government had no mandate to negotiate a free trade deal with the United States but that our Canadian sovereignty is threatened by what the Prime Minister (Mr. Mulroney) has signed, that it will reduce Canada's ability to plan our economic, social and cultural programs, and also it makes us integrated further into the North American defence industrial base.

For these reasons, they ask the House of Commons to ensure that a national debate takes place on this trade deal and that this debate result in a national General Election before any agreement is finalized.

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, it is my honour and duty to present on behalf of a group of citizens of Saskatchewan, B.C. and Alberta a petition which comments on the undemocratic procedures the Government has followed in presenting the free trade agreement and calls upon the Government to act democratically and call an election so that the people can comment on the trade agreement.

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, it is an honour to present petitions on behalf of residents of the Province of Saskatchewan protesting that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

The Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, but the agreement negotiated threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunities between the regions.

Since the proposed trade agreement would deny Canada the policy freedom to determine its own economic future, the petitioners call on the House of Commons to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national General Election.

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[*Translation*]

## QUESTIONS ON THE ORDER PAPER

**Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of Privy Council):** Mr. Speaker, I ask that all questions be allowed to stand.

**Mr. Speaker:** Is it agreed?

**Some Hon. Members:** Agreed.

[*English*]

## MOTIONS FOR PAPERS

**Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

**Mr. Deputy Speaker:** Shall all Notices of Motions stand?

**Some Hon. Members:** Agreed.

# GOVERNMENT ORDERS

[*English*]

## RAILWAY SAFETY ACT

MEASURE TO ENACT

The House resumed from Friday, February 5, consideration of the motion of Mr. Crosbie that Bill C-105, an Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof, be read the second time and referred to the Standing Committee on Transport.

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, the occasion of a Railway Safety Act is an important and momentous one in the House of Commons and for the country. We should always remember that rail transportation was one of the keys to creating this confederation. It was created by a commitment to tie together our country with a band of steel which is symbolically, what was the railway. It was an east-west commitment to create a nation in the northern half of this hemisphere.

• (1520)

I think when we deal with revisions to the legislation affecting railways we should always keep in mind that the railway is a part of the vision of this country. I like to remember that when arguments are made about rationalizing, downsizing and elimination of overlapping and duplication. Certainly those are important goals and I am not suggesting that we do the opposite, but we would not have a country if we had not been prepared to do something that seemed pretty irrational at the time, that is to establish a nation on an east-west axis.

We now have before us in Bill C-105, the Railway Safety Act. As my colleagues indicated, particularly the Hon. Member for Westmorland—Kent (Mr. Robichaud), our principal spokesman on this subject, we support the Bill in principle and are going to vote for it. However, it would be a great deal easier to do so if we knew the Government was prepared to be more flexible than it has so far indicated it intends to be when the Bill moves into committee.

I want to take some time to talk about our specific concerns and I hope the Parliamentary Secretary or the Minister himself might respond and indicate that at least some effort will be made to look into the important arguments we on this side have raised because we think that is necessary if the Bill is really to serve the railways and our country.

Just before getting to my main points, I have had some interest in a specific issue of railway safety which I have raised both in the House in Question Period and outside the House through statements and press releases. That concern relates to the transportation of dangerous goods by rail through Metropolitan Toronto. That is a subject dealt with by the Railway Safety Act.

Members should know that this is a matter of great concern for us in Toronto, as it is in western Canada because of the Hinton disaster. For us it was fortunately not a disaster but a very near miss when, several years ago in Mississauga, a train carrying deadly chemicals was nearly derailed. It forced us to confront the issue of the carriage of dangerous goods through Toronto, the location of our rail lines in metropolitan areas, and to reflect on emergency relief and emergency measures when dealing with this type of disaster. It was all hypothetical, thank God, because actual disaster was averted and in the end no one suffered injury. However, it showed us how vulnerable we are to potential disasters which arise from carrying dangerous goods by rail through built-up areas.

When I heard, for example, a couple of years ago that notice was being given by the railways of their intention to close down some important lines running through northern Ontario I could not help but think of the impact that could have on dangerous goods which might be channelled through cities and urban areas because of the shutting down of those lines. That is a powerful argument for keeping lines open outside of urban areas.

I have done some work on statistics and it turns out that most of the dangerous goods carried by rail through dense metropolitan areas are carried to destinations inside those areas. Obviously, for most of them, it is inevitable that they are going to be carried on those lines and the question of northern lines or remote lines is irrelevant. However, the problem of those goods not destined for downtown urban areas or metropolitan areas being carried through those areas if the northern lines are closed down is a problem worth considering.

I want to hear from the Government that it cares about that, and that when the viability of northern lines is being looked at, one of the principal factors which should be considered is that those lines present a method of diverting some dangerous goods from being carried through urban areas.

To those of us, like myself, who represent urban populations, it is important to make that point and it is important to hear from the Government that the point has registered and indeed the northern lines are recognized as a method of diverting dangerous goods, in cases where it is appropriate, from being carried through urban areas.

Of course, that is not the only recourse for dealing with dangerous goods. There was a task force meeting in Toronto, I believe it has now concluded its public hearings, which attracted a great deal of interest. It demonstrated a concern that Canadians feel about the problem.

My colleague, the Hon. Member for Davenport (Mr. Caccia), appeared before that committee and set out a number of ways of providing greater safety when it is inevitable and necessary that dangerous goods be carried to and through urban areas. In his brief he talked about, as he has in this House, a lower speed limit because of the strong likelihood that more care can be taken and more notice of danger given when railway cars are travelling at a lower rate of speed.

He talked about the importance of observation of the cars and the rails. While all kinds of technical methods are available for observation and security and these methods should be used, human observation is an essential part of a proper system of safeguards. People can spot rail defects, loose freight, poisonous leaks, track wash-outs and, perhaps most important, are able to stop the train if an emergency is perceived. These are important and essential safeguards when dangerous goods are carried through areas where people live. He emphasized as well, as I have done now, the importance of lowering the risk in general in heavily-populated areas. That is where, of course, any disaster would have its greatest impact.

In conclusion, I want to turn to the features of the Act that concern us. I know Members opposite are listening with intense interest and I hope they will indicate that these concerns matter and that the Minister will look with some sympathy at these ideas. We are first concerned that a sort of conflict of interest exists in a broad sense for the Minister in assuming some of the powers to be awarded under this Bill when added to his already significant powers; for example, responsibility for deregulation.

The goal of deregulation is simple, to reduce the amount of control by the state over the subject matter, in this case railway carriage. The new or reinforced responsibility awarded by this Act for safety could lead him in the opposite direction, and I would not like to think that the interests of deregulation would be a goal that the Minister would keep in mind when issues of safety are being considered. We know that railways want to operate in an efficient manner and they certainly want to operate in a safe manner. However, regulation has a role to play in assuring that they do operate in a safe manner.

• (1530)

We would like to hear that the Minister is not obsessed with the goal of deregulation and that that will not be a consideration which prevents him from considering the kind of regulations which I have urged in my remarks today and that others have urged when these disasters have arisen and when the problems of safe passage have been considered.

Second, my colleagues have made the point that the fines and penalties provided for in Clause 41 do not give enough range to a court. I am not saying that the amounts are not substantial and that they may not cover most of the situations in which penalties will be imposed. However, when you think of the seriousness of the consequences of some unsafe procedures for which fines may be imposed, a maximum fine of $50,000 to a corporation and $10,000 to an individual seems small.

One could imagine the situation in a corporate boardroom of a decision being made when a very expensive regulation or costly procedure is being considered. Although they will be careful and try to avoid doing anything wrong or getting caught, if they are caught $50,000 is a lot less than it would cost to avoid the problem. Much larger fines would be in order in the circumstances of the risks and costs of implementing regulations about which we are speaking here.

Third, I want to talk about the committee which is proposed to be set up pursuant to Clause 44. That committee is to be composed, according to the draft legislation, of one position for labour, six for businesses and the railways, and four at the Minister's discretion. I do not think that is a fair balance. I think it would be better to provide more representation from labour if there is to be that much representation from business and railways.

I am not only thinking of labour from the point of view of issues of labour management or the point of view of workers' concerns as workers. Some of the most expert people on the subject of rail transportation and safety are people who have hands-on experience, who know how trains operate, and who know the kinds of situations which can arise. Therefore, I say that not only from the point of view that business and labour have a different perspective, but from the point of view of having someone who knows how railways work from a hands-on position. I hope that the Government will concede that more than one labour voice be put on the committee by right, and not just if the Minister feels like it, as is the present provision of the Bill.

Also, there ought to be an official designation of one position on such a committee for a community representative. Who the community representative should be would depend on the circumstances. It could be a designate of the mayor or council of a community. It could be someone in a ratepayers' association when a smaller issue is at stake which only affects that kind of a limited group. It could perhaps be someone from a consumer group who would want to bring to bear the position of consumers.

However, to say that if the Minister so chooses the committee could operate without such a person is overlooking one of the sources of legitimacy which we want such a committee to have and the respect which we want the public to give to the decisions which such a committee reaches.

A fourth area of concern has to do with the hours of work which will be applied in circumstances where rail safety is

being considered. I would like the statute itself to lay out some guidelines. The Parliament of Canada should indicate in legislation some type of scheduling to give a signal about the standards which we want to apply to those who work on the railways and whose attention and energy are affected by long hours of work or too much overtime on particular shifts over a long period of time. Parliament ought to do a bit more than identify that as an issue and leave it totally to be established outside the legislation.

We want this Bill to move forward.

[*Translation*]

It is a significant undertaking. We must always make progress in the field of railroad safety. We are very much in favour of that, and we hope that the contribution we are making now in terms of ideas and suggestions will be of some interest to the Government.

[*English*]

**Mr. Skelly:** Mr. Speaker, the previous speaker dealt very effectively with some of the key issues on this matter. I wonder whether he would be in a position to elaborate in a little more detail on shortcomings arising from the Mississauga event regarding hazardous products. There have been a number of serious incidents subsequent to that. Has he any additional concerns about sufficient prevention in the carriage of dangerous products?

**Mr. Kaplan:** Mr. Speaker, I could go on at great length on this subject. I have in my office the report on the incident which I have read with great interest and also the work of the task force which has just concluded. I know the Hon. Member is as concerned as I am about railway safety. I want to ensure that he receives a copy of the report. From that he will see what this task force, which was appointed by a Conservative Government but seems to be doing a very good job, is going to propose.

**Mr. Benjamin:** Mr. Speaker, I listened to the Hon. Member with great interest and I appreciate the remarks he made about the transportation of dangerous goods. Does he realize that in a metropolitan area such as Toronto thousands of tonnes of dangerous goods move every day to and from manufacturers, wholesalers, retailers, and processors? If we were to move rail lines further out of Toronto those same dangerous goods would have to move by road through Metropolitan Toronto. As the Member, I, and everyone else all know, the incident of accidents on the road, particularly involving trucks, is many times higher than on the rails. Despite the Mississauga incident, rail is still the safest way to go.

Does the Hon. Member think that that consideration should override the demand for the wholesale moving of railway tracks, whether spur tracks into warehouses or mainline tracks, out of a metropolitan area?

**Mr. Kaplan:** Mr. Speaker, my friend makes a very good point. I agree with him that rail carriage is perhaps the safest way of transporting dangerous goods. The wholesale removal of lines from urban areas where they are needed, with the objective of forcing the transportation of these goods on to the roads, is no real solution. It is a step backward.

The first priority is to be certain that rail lines within urban areas are not being used to carry dangerous goods that are irrelevant to the economy of that community. If the line is being used simply because it is the shortest distance between two points, through what happens to be a great metropolitan centre, a high priority should be given to a diversion of that commodity to a railway line that goes around the city.

• (1540)

Art Eggleton, the Mayor of Toronto, made an impassioned plea before the task force on the transport of dangerous goods, to urge them to build a new line going around the city. It would cost some $700 million to build a line so that goods would not have to go through the city unnecessarily. While that is a very substantial amount of money, it can be less than the cost of a disaster that could occur.

Furthermore, such a line could be used to move goods from one side of the city to the other, thereby increasing the safety of the population in the urban area by moving goods around the city on a rail line rather than through. When one adds all these elements to the equation, it is evident that a line like that could be a very important factor in making our urban areas a safer place for residents.

Finally, there is the question of dangerous goods that are required in the cities. Historically, certain industries that require the use of dangerous goods have been in the hearts of our cities. It may be worth giving some priority to the thought of relocating those industries to industrial suburbs where many of the risks that are involved might be reduced.

I once visited the site of a former bomb factory in New Brunswick. I was given a long explanation about the measures that had been taken to divide the operation into a number of buildings and caves on this vast site in an effort to make them as safe as possible. One might suggest that that type of planning could be done in the first place when dangerous goods are involved in industrial projects, but I do not want to rebuild our cities around this principle. We should keep that in mind in everything we do as a Parliament, and governments as well at other levels. We should take account of the increasing danger of these industrial activities and try to make them truly as safe as possible.

**Mr. Hovdebo:** Mr. Speaker, many people are concerned that this Bill will allow the railways to make their own rules to an even greater extent than they have in the past, and that the decision about how to care for such things as the movement of dangerous goods may be tied to economic considerations. Will the Hon. Member suggest an alternative to this method of

ensuring that the rules that are put in place by the railways will provide safety in the movement of those kinds of goods?

**Mr. Kaplan:** Mr. Speaker, the safety function which I mentioned earlier and said should not reside with the Minister to the extent it does, perhaps could be given to the safety board that is also referred to in the legislation. At least the safety board has as its main concern the question of safety.

[*Translation*]

If we consider that the Minister wants deregulation and is actively promoting this issue, whenever he has to come to grips with safety problems he may be prepared to compromise to achieve deregulation or give it first priority.

Given the safety plan now being proposed, why not give more power to this agency so it will feel free to make any decision aimed at ensuring maximum safety without compromising in respect of deregulation issues.

[*English*]

**Mr. Ray Skelly (Comox—Powell River):** Mr. Speaker, I am pleased to speak to Bill C-105, the Railway Safety Act. It has already been pointed out that the New Democratic Party supports the legislation in principle since anything that will lead to a safer transportation environment is to the benefit of all Canadians.

My main area of concern is the political will of the Government to deal effectively with questions of safety. We know that the legislation on rail safety is likely only before the House today as a result of four wrecks that occurred during the last month. There were wrecks in London, Sudbury and Regina where two people lost their lives. The Bill arises only because of the crisis management nature of the Government rather than a timely and organized approach toward enhancing transportation safety.

This is a reflection of a general problem with the Government. On the one hand it expresses its serious concern about certain problems, while on the other hand it tends to delay implementation of legislation which, from a philosophical point of view, erodes its effectiveness.

We have heard for some time a litany of concerns about rail equipment safety, timely upgrading and proper inspection of that equipment. We have heard about railway grades that need substantial improvement and repair because they eventually become a serious hazard to safety.

The transportation of dangerous goods is of great concern. Cars containing propane have overturned, and dangerous chemicals have been spilled. Many Canadians believe that the attempt to address the problem of the transport of dangerous goods, especially in sensitive areas, has been inadequate. In the last several years the injuries, loss of life and the destruction of property have increased our concern about rail safety. In the last year some 350 people were killed at level crossings, of which there are thousands in Canada. Most of the level crossings in Europe disappeared years ago. However, this country's penny wise and pound foolish approach to railway transportation safety has not allowed us to effectively deal with the problem of level railway crossings.

Urban centres like Vancouver, Mississauga and Toronto must face the safety aspect of dangerous goods transported by rail every day.

The double tracking of the Fraser Canyon is of great concern to us. Just over a year ago the Fisheries and Oceans Committee heard serious concerns about the intention of the double tracking of the CN through that very delicate environment where slides and the disturbance of the local ecology have the potential of serious environmental impact. Other concerns include the danger to the goods that are transported and the problems associated with that. As well, there are the concerns of aboriginal people. We are very concerned about the double tracking proposal and, later on in the future, the possibility of the double tracking of sections of the other carrier through the Fraser Canyon.

• (1550)

It is quite surprising that the Government and the railways seem to again choose the penny wise and pound foolish route of dealing with the problem rather than considering the many other safer alternatives that were proposed. But the Government chose not to insist that the railways explore those possibilities and take the pressure off that sensitive environmental area. The cheapest way is the best way in the minds of some people in this present Government.

Another serious concern we have involves the whole question of the integrity of the safety infrastructure. Over a period of time there has been a profound feeling that although the Government is saying it is very concerned about safety, there is an erosion of the will of Government to become aggressive and active on safety issues. We would point out that the deregulation program of this Government is bound to create more safety problems than it will resolve. The experience in the United States tends to indicate that as the deregulation process goes into place, major safety problems arise.

There is the whole question of the aviation industry. We have seen a massive expansion of aviation activity, by way of comparison. Both the growing economy and the deregulated environment have resulted in a massive increase in air transportation traffic. At the same time, the Government has failed to apply adequate human resources for inspection, safety compliance operations and accident investigation. The application of these human resources has not been expanded to keep up with the expansion of activity. On the other hand, the Public Service has gone through a number of cuts which has led to intense pressure on those responsible for inspection and investigation and who deal with questions of safety.

Therefore, deregulation has had an impact on expanding activity, along with an improved economy, since the days of the early 1980s. Yet at the same time the Government has gone in absolutely the opposite direction and laid off public

servants, allowed the Public Service to shrink by attrition, and essentially loaded more and more responsibilities onto a smaller and smaller group of people who, in fact, cannot handle, other than through a very low-grade spot-check system, the safety factor. As we watch more and more carriers operating and more and more activity because of economic growth, we will find that those people are certainly not going to be able to guarantee the integrity of the safety infrastructure.

On the question of the lack of the Government's will to continue to strengthen the safety infrastructure, we have the problem of the removal of resources. The people who are still in the system, doing the inspections, the safety enforcement, prevention and accident investigation, are finding that because of the Government's desire to curtail deficits, to reduce over-all spending, there are fewer and fewer resources to do a decent job and guarantee to the public that its safety is a matter of priority and is being looked after in an effective and timely manner.

The Government's will to develop and enhance the safety system in Canada, therefore, is being harmed by its budgetary activities. The cuts to spending, the inability to obtain adequate resources to do the kinds of things that can guarantee safety, is apparent to most Canadians.

Again, it is a matter of serious concern to us. Over all, the Government's philosophy almost contradicts its stated intention to improve safety. In a deregulated environment, the Government wants to remove itself from the back of business and basically say, "You get out there and do it. You are responsible for safety and we are counting on you to undertake the problem". We see the Conservative philosophy of getting Government off the back of business as almost a contradiction to improvement in safety.

Secondly, there is a lack of political will in enforcing safety regulations. We have a situation in which there is Government interference, where there have been Public Service attempts to enforce safety regulations, and where those attempts on occasion have been modified by direct interference by Government. Even though regulation may be there, the question of the will to enforce those regulations on the part of the Government is a matter of serious question. I have gone into the whole question of Public Service staff and financial resources at great length. Each year, with growing traffic problems and with the growing number of people involved in the business, we wind up with a situation where those resources are far too inadequate to deal with the problem.

It is interesting to note that on this issue of resolve in the safety area, the Ministry of Transport has quite a negative track record. I would point to the issue of the lighthouses. The Department of Transport is charged not only with railway safety but with marine and air safety. In the marine environment, by way of example, the Government had intended to shut down a majority of the lighthouses on the coast of British Columbia. In the face of a massive amount of evidence that those lighthouses were providing a very important safety network along the coast of British Columbia, the Government charged ahead with its objective to shut those facilities down. It was clearly demonstrated that they needed to be enhanced. There is a need for improved weather reporting capability and communication equipment; indeed, there is a need for the human resources to do the job.

But the Government was completely unwilling to upgrade that structure even though marine transportation was increasing along the coast of British Columbia, and even though there are a substantial number of serious accidents every year, and lighthouse keepers have played an important role in mediating those accidents. Yet the Government preferred to move in the other direction, to cut human and financial resources, saying, "It is not our mandate", which is a very curious thing. In dealing with the over-all responsibility of transportation, whether it be commercial, recreational or tourist transportation, that Department is saying that giving weather forecast to those vessels is not its responsibility, but the responsibility of some other Government Department, so it is going to chop it. Indeed, a very narrow, short-sighted approach to marine safety is illustrated by the Government's desire to cut those lighthouses.

It was pointed out by a previous speaker that over the years there has been an interesting conflict of interest in enforcing safety. The Minister of Transport has a dual role in many cases, especially under the new transportation legislation, to deregulate the environment, to encourage more carriers and to facilitate their opportunity to become involved in the industry. At the same time, there is a deterrent and expensive proposition to enforce rigorous safety standards. At times the Minister comes into a conflict situation.

To move over to the air side, to illustrate this point as it would apply to rail safety, we see it as an awkward area that we are certainly loading onto the Minister of Transport (Mr. Crosbie) and onto the Ministry, away from the Canadian Transport Commission. Instead of an organization that operates to some degree at arm's length from the Minister, an organization which can, with some objectivity, with independent resources and decisions, apply those resources to prevention, investigation and inspection programs, we now have it locked within the responsibility of the Minister whose mandate is to promote, improve and encourage expansion, and on the other hand, to impose major cost and regulatory burdens in terms of safety.

• (1600)

The Dubin Royal Commission into air safety uncovered this conflict within the aviation branch of the Department of Transport. There is no doubt that that conflict and the requirement to enforce rigorous safety standards within the aviation branch during the period of the Liberal Government wound the Minister of Transport or the Department of Transport into a major conflict.

There was political interference in the outcome of many accident investigations. Those people within the safety and accident investigation branches were hampered from bringing their material to public knowledge and to those agencies that could improve the situation, and to impose the burden effectively on the carriers.

We wound up with a Royal Commission, and Judge Dubin stated that these ought to be split off in order that they can function independently, and guarantee to Canadians that air transportation will be as safe as humanly possible, and that that can be done by an outside agency through the Canadian Aviation Safety Board, rather than under the direct auspices of the Minister of Transport.

It was pointed out by the previous speaker, the Hon. Member for York Centre (Mr. Kaplan) that we are moving railway safety into a potential conflict of interest area. That is a matter of concern, given the history dealt with in the Dubin Royal Commission in the early 1980 period.

There is an interesting point in the legislation on penalties. How serious are we about railway safety and the implementation of safety standards, when one considers that an individual can be fined $10,000, yet a corporation can be fined a maximum of $50,000? It is a very strange situation when a manager within the railway system, concerned enough about the Budget for his or her department, can say, "If we are detected for having a faulty system in place, the fine is cheaper than the cost of changing or repairing that situation". With some of the equipment and systems that we are dealing with, $50,000 is an absolute drop in the bucket.

I have spoken with many engineers who are responsible for air safety from a maintenance point of view. They state that indeed the deregulated environment has put pressure on certain air carriers. Years ago a defective part would be taken out and thrown away and another one would be put in. Today that is not done. The part is taken out, fixed up, haywired together in order that it works. It is stuffed back in the machine and they hope for the best. I have heard people say that their hands shakes when they sign the log book stating that that beast is airworthy.

The same situation applies when a safety or maintenance supervisor or a manager states, "We are going overboard on our accounts or budget. What we should do, because this thing probably has a few more hours left in it, is use it". The same thing applies in the railway safety area. There should be penalties in this legislation that are serious deterrents to managers who put the corporation's budget ahead of safety matters.

Within the House there should be serious consideration, especially in committee, to recommending much stronger penalties from a corporate point of view where matters of corporate budget concern exceed the need for safety, where one could find a manager who states, "In order to keep the budget that has been assigned to my department within limits, I am going to overlook the safety requirements here". That is well within the realm of possibility, and there are examples that that is indeed happening today.

In the transportation system the Government got involved in a number of things. The commitment to remove the regulatory burden and the burden of government from the industry, and to some degree from safety, the cutting of human and financial resources to the government department responsible over-all for the implementation of safety, are serious matters. Even in the cost recovery program the example of substantial increases in charts, in navigational material within transport, and down the road the use of Transport Canada services designed to assist in safety imposing a cost to the public or to the users, instead of a general burden to the population, will result in people avoiding the use of those services, taking a chance, and returning us to the old concept of the wild west approach to public safety.

In some areas, the Government has done a major disservice to people by the philosophy that it has imposed on the safety infrastructure of the railway transportation system.

**Mr. Friesen:** I thank the Hon. Member for his speech. Earlier in his speech there were actually some remarks directed toward rail safety. The rest of his speech was off the subject of the Bill. I did notice when speaking about rail safety, the Hon. Member gave some attention to the need for double tracking in the Fraser Canyon. I take it from the context of his remarks that he was promoting that idea in order to promote rail safety in the Fraser Canyon. The Hon. Member mentioned when he was on the fisheries committee that he faced a lot of concern about the environment when dealing with the subject of double tracking.

I would like to ask the Hon. Member for Comox—Powell River (Mr. Skelly) if he supports double tracking of the Fraser Canyon, or does he not?

**Mr. Skelly:** I thank the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) for his intervention. Certainly, he must have been wandering a little during the discussion. He knows as clearly as anyone else in the House and in the country the position of the New Democratic Party on double tracking in the Fraser Canyon. The position is clearly stated on the record.

I do wish to deal with another matter that I know is of concern to the Hon. Member—

**Mr. Friesen:** Are you for or against? Which track are you on?

**Mr. Skelly:** —that is on the question of drug and alcohol within the legislation. It is interesting that the legislation deals with punitive aspects regarding individuals who are involved in drug an alcohol problems in the workforce. Certainly, it is our hope that under this legislation the Government and the Department of National Health and Welfare will work with the railroads and the railroad employees to see that ideal programs involved in prevention and resolution of personal problems with employees will be undertaken before there are accidents, not simply the old standard of drug testing and the firing of an employee who has contravened the legislation.

Perhaps, the Government will take the example of the Canadian Armed Forces in relation to alcohol treatment. The Canadian Armed Forces has to be considered one of the leaders in developing treatment programs and rehabilitation programs for its employees. It provides a service to the employee in terms of alcohol and drug rehabilitation that can return the individual to useful and productive service, can remove the problems that are experienced by an employee's family, and the potential risks in a very delicate and serious work situation where the abuse of alcohol and drugs, or personal stress experienced by an individual, can lead to a major safety problem. Of course, this applies to air, marine, and rail safety, and in the Armed Forces these come together in an even more crucial area. That branch has become one of the leaders in Canadian society in the alcohol and drug rehabilitation system.

It is my hope that the provisions that are in this legislation will not be used as a punitive sanction, but to lay down an example in Canada of how employers in the industrial, and especially in the transportation environment, can provide support services to their employees that aim at rehabilitation and returning the individual to the workforce and in particular, preventing the types of accidents and difficult situations that can occur before they happen by recognition and effective treatment and rehabilitation.

• (1610)

I am appreciative of the Hon. Member for Surrey—White Rock—North Delta for bringing this matter to the attention of the House in the skilful and effective way he always does. Incidentally, we are also opposed to the double tracking of the CN through the Fraser Canyon.

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Transport.

* * *

**Mr. Thacker:** Mr. Speaker, there have been discussions among the Parties and I think Your Honour would find unanimous consent for suspending the sitting until 4.30 p.m.

**Mr. Benjamin:** Mr. Speaker, the Parliamentary Secretary is correct. We could adjourn for 18 and a half minutes, have coffee, and wait for the next CPR wreck to present the Budget.

[*Translation*]

**Mr. Deputy Speaker:** Does the Hon. Member for Bourassa (Mr. Rossi) also give his consent?

**Mr. Rossi:** Mr. Speaker, there is agreement that it be postponed until 4.30 p.m.

[*English*]

SITTING SUSPENDED

**Mr. Deputy Speaker:** Is it the wish of the House to suspend the sitting until 4.30 p.m.?

**Some Hon. Members:** Agreed.

At 4.13 p.m. the sitting of the House was suspended.

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SITTING RESUMED

The House resumed at 4.30 p.m.

**Mr. Speaker:** Order. It being 4.30 p.m., pursuant to orders made Friday, January 29, and Monday, February 8, 1988, the House will now proceed to Ways and Means proceedings No. 29.

* * *

## THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

**Hon. Michael Wilson (Minister of Finance)** moved:

That this House approves in general the budgetary policy of the Government.

He said: As Canadians look ahead to a new decade and a new century, they have good reason to look forward with confidence.

Our economy is growing stronger, more dynamic, better able to compete.

Many more Canadian men and women have jobs.

Canadians are successfully meeting new challenges and seizing new opportunities.

In three and a half years, our economic progress has been dramatic. Overall, we have done better than any of the other major industrialized countries.

We have been number one in economic growth since 1984.

We have been number one in employment growth.

[*Translation*]

More than 1,150,000 jobs have been created since we came to office; the great majority are full-time jobs; the unemployment rate today is the lowest it has been in six years.

[*English*]

Economic and employment growth last year were more evenly balanced among regions. Unemployment dropped in all provinces.

Mortgage rates are 3 percentage points lower, saving homeowners $1,200 per year on a $50,000 mortgage amortized over 25 years.

Housing starts last year reached a 10-year high.

[*Translation*]

Business is confident; the pace of investment has increased sharply.

Consumers are confident; consumer spending has continued to grow strongly.

[*English*]

POLICIES FOR GROWTH AND JOBS

This solid record of progress didn't just happen.

This government brought to office a vision for a stronger, more prosperous Canada, now and into the next century.

Our vision is rooted in the belief that the source of real, lasting jobs and economic strength is the creative energy of Canadians themselves—their capacity to innovate and produce, their desire to excel, their determination to build greater opportunities for the future.

To make this vision a reality, we set out a long-term plan—our Agenda for Economic Renewal—to transform the economy so that it can meet the challenges of a more competitive world.

Step by step, we have been putting in place a wide-ranging series of actions. These actions complement one another. Together they strengthen Canada's economic and social fabric and reinforce our place among the leading nations of the world.

[*Translation*]

We have revitalized the private sector and positioned Canada's economy to meet the challenge of international competition in the 1990s.

[*English*]

We have restored fiscal responsibility by reducing the deficit and cutting the growth of the national debt.

We have implemented priority programs, and we have helped regions and sectors hurt by unexpected developments in the world economy.

The budget I am tabling today is an accounting of the steps we are taking to build a stronger economy to create productive jobs. It reviews the economic and fiscal progress we are making and sets out our prospects for the future.

It is a record of how our policies and initiatives have worked in building the framework for the economic success we now enjoy. It is also a statement about the economic and social progress still to be achieved by holding to the course we have set—progress measured in rising standards of living and an improving quality of life that fully reflects the distinctive priorities and values of Canadians.

REVITALIZING THE PRIVATE SECTOR

The driving force behind productive growth and job creation is a dynamic private sector.

To encourage this dynamism, the government has taken far-reaching measures to modernize the regulatory environment for business, reform the federal tax system and secure markets for our exports.

MODERNIZING THE REGULATORY ENVIRONMENT FOR BUSINESS

Before this government came to office in 1984, the confidence of the business sector was at a low ebb.

The need for fundamental change was overwhelming.

We have acted to bring about this change.

We deregulated the energy and transportation sectors.

We opened financial markets to global opportunities and stimulated greater competition in financial services.

We modernized business framework legislation for competition policy, copyright and patents, providing better protection for the public interest.

[*Translation*]

We privatized Crown corporations to reduce the intrusion of government in the market-place.

[*English*]

We created Investment Canada to encourage and welcome investment capital from abroad, investment that is creating jobs for Canadians.

Through these and other initiatives, we are providing the environment for a stronger, more confident and growing private sector to play its role as the dynamic force behind growth and job creation. We are helping to build a more flexible and outward-looking economy, one that will be successful in the competitive and often volatile world economy.

Sceptics said the private sector would not respond; that jobs would be lost. The record proves the sceptics were wrong.

MAKING THE TAX SYSTEM FAIRER AND MORE EFFECTIVE

To build a firm foundation for success in the 1990s, we need a tax system that is fairer for individual Canadians. We need a system that is effective in supporting growth and job creation.

We need a system that helps our businesses and industries to compete in the world.

• (1640)

We are meeting these objectives. On January 1, 1988 major reforms to the personal and corporate income tax systems went into effect. The key to these reforms is our belief that the best possible tax incentive for productive activity is lower tax rates.

For individuals, three federal tax brackets are replacing 10. To make the system fairer we are converting personal exemptions and many deductions to tax credits, and we are reducing and eliminating many special tax breaks.

The results are compelling.

More than eight out of 10 households will see their personal income taxes reduced. About 850,000 lower-income individuals will have their income tax reduced to zero. Almost nine out of 10 Canadians aged 65 and over will have income tax reductions. The vast majority of families with children will pay noticeably less personal income tax.

For the corporate sector, many special tax breaks are being eliminated or reduced, and tax rates are being lowered. This will mean that the corporate tax system will be more competitive with systems in other countries. Business and investment decisions will be based more on economic merit than on tax considerations. At the same time, many more profitable corporations will pay tax and corporate income tax will contribute a larger share of total tax revenues.

I will be presenting to this House legislation covering these income tax reforms in the near future.

Still ahead of us is reform of the federal sales tax. We will replace the archaic and distorting sales tax system we now have with a multi-stage system that will be effective in supporting growth and job creation.

We have been working with the provinces and others to develop the most effective means of implementing this new system—particularly the opportunity of an integrated National Sales Tax. While the progress so far has been good, we have more work to do. We are actively pursuing these discussions to ensure that, coupled with the major reforms in the personal and corporate income taxes, Canadians have a tax system that meets both our shared commitment to fairness and the demands we face in a competitive world.

I want to emphasize that tax reform is not a "cut now, pay later" proposition. There are many who have failed to understand, or who choose to ignore, that stage two of tax reform, like stage one, will neither increase nor decrease the deficit. It will not raise additional revenues. The revenues from sales tax reform will be used only to replace the current sales tax, support further income tax reductions for middle-income Canadians, fund a generous sales tax credit for low-income Canadians and remove the income tax surtaxes.

SECURING AND IMPROVING ACCESS TO WORLD MARKETS

Another key element of our strategy for the 1990s is to secure improved access to world markets for Canada's exporters.

The government supports the liberalization of world trade. That is why we are determined to resist the forces of protectionism that ultimately damage the spirit and health of any nation's economy.

And it is why we worked so vigorously for a new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade. The current negotiations in Geneva are an important opportunity to overhaul and strengthen the rules that are essential to an open world trading system.

In January, the Prime Minister signed a free trade agreement with our largest trading partner, the United States.

[*Translation*]

The free trade agreement with the U.S. is a major building block in the government's strategy to strengthen Canada's competitive position in the world and enhance the prosperity of our people.

[*English*]

The economic benefits of the free trade agreement will start to be realized shortly after its implementation on January 1, 1989. Prices for a wide range of consumer goods will begin to decline, expanding the purchasing power of Canadian households. Investment in plant and equipment will expand as Canadian firms move to take advantage of their enhanced access to the huge U.S. market-place. Increased consumer and investment spending will lead to stronger economic growth and more job creation.

The free trade agreement will provide greater opportunities for economies of scale in Canadian production and marketing and this will encourage greater productivity and stimulate innovation. In short, the agreement will lead to a more efficient and lower cost Canadian economy. A stronger and more productive economy will allow us to better support our social programs and further advance our cultural identity.

The government has completed a number of detailed studies on the impact of the free trade agreement on the Canadian economy. We estimate that there will be a net increase of at least 120,000 new jobs by 1993. We expect, too, that by the time the agreement is fully implemented, the real incomes of Canadians will be increased permanently by about $1,800 per year for a family of four.

There are further benefits to the economy that cannot be estimated in advance but that will be every bit as important—intangible benefits that result from greater incentive to invest and expand and the confidence built by broader horizons and opportunities.

The agreement itself is a symbol of our maturity—of our confidence as a sovereign and independent nation in our ability

to compete successfully with products from around the world inside our own borders as well as in foreign markets.

REDUCING THE DEFICIT AND CONTROLLING THE GROWTH OF THE DEBT

Nothing is more basic to a strong framework for economic growth and job creation than responsible management of government finances.

In 1984, the federal deficit and the national debt were out of control. The deficit was more than $38 billion—up from $14.9 billion just three years before. The national debt had doubled in the same period and was growing at an average rate of 26 per cent per year.

If we had continued to pile up public debt at the same rate, today the debt would be more than $100 billion higher than it is—equivalent to $16,000 more for a family of four.

When government loses control of its finances, everyone is affected. It leads to higher interest rates for mortgages and for business and consumer loans; it means declining economic confidence, less growth and fewer jobs; it threatens our ability to provide the kinds of government programs and services Canadians need and want.

I believe that this generation of Canadians wants to leave our children and grandchildren a legacy of opportunities and optimism, not one of crushing debt and crushed hopes.

Our challenge in 1984 was to restore fiscal stability and rebuild credibility in the management of government finances.

[*Translation*]

The only way to do that was to set out a medium-term fiscal plan with sustained deficit reduction—and then hold to that plan.

That is exactly what we did. We embarked on a series of actions to restore fiscal order by cutting government spending and increasing revenues.

[*English*]

BRINGING SPENDING UNDER CONTROL

The first priority had to be to get government spending under control.

In the four years before we came to office, government spending on programs had increased at an average annual rate of 14 per cent—far in excess of the rate of inflation and enough to double spending in about five years.

• (1650)

In the first three full years of our mandate, we cut the average annual rate of increase in government spending to just 3.5 per cent—less than the rate of inflation.

We achieved this record because we put in place a new, disciplined approach to the management of government and its finances.

An increase in government revenues is also an important part of our fiscal progress. Almost 80 per cent of the increase in revenues comes from the job and income growth that our policies are helping to create. Tax increases account for a relatively small part of the revenue gains.

With these actions, we have systematically reduced the deficit.

We said we would cut the deficit in each and every year. We did.

For the current fiscal year, I said we would cut the deficit to $29.3 billion. We will meet that target.

We said that control of expenditures would be the main source of deficit reduction. It has been.

We said that we would respond to the priorities and needs of Canadians in a fiscally responsible way. We have.

MAINTAINING FISCAL PROGRESS

Sound financial management was essential in 1984. It is essential now and it will be essential in the future. We must hold to our fiscal principles and we will.

First, we are reducing the growth rate of the national debt to no more than that of the economy by 1990-91.

Second, we are achieving steady year-to-year declines in the deficit. The reduction projected for 1988-89 will be the first time in the post-war period that the deficit has declined four years in a row.

Third, we are ensuring substantial reductions in the government's financial requirements.

And fourth, we are achieving the greater part of this progress through expenditure restraint and disciplined management.

Through continued adherence to our fiscal principles, through the measures taken in this budget and through the structural improvements designed to encourage our economic expansion, we will stay on the fiscal course that I set out last June.

In June, I proposed measures to prevent the erosion of the sales tax base that results from the creation of marketing companies by related manufacturers. Following consultations on these proposals, an improved approach has been developed. To ensure that sales tax revenues are maintained, the Excise Tax Act will be amended as set out in the supplementary information and technical notes tabled with this budget. We will also tighten the provisions which permit the purchase of inventory by wholesalers on a tax-free basis.

In 1988-89, government program spending will increase by only 4.3 per cent. To ensure continued deficit reduction, this budget includes further expenditure reductions.

Today I am announcing a reduction in non-statutory spending by government departments of $300 million beginning in 1989-90. This reduction will be carried out in a similar way to the $500 million in expenditure cuts announced in the 1986 budget. Details will be made known by the President of the Treasury Board later this year.

These reductions, together with the continuing impact of our earlier restraint measures, will ensure that spending on non-statutory programs, excluding foreign aid and defence, will be lower in 1989-90 than it was when we took office. This is a real reduction, after inflation, of almost 20 per cent over a five-year period.

To raise revenues, the tax on gasoline will be increased by one cent per litre effective April 1. The rebate on gasoline purchased by farmers, fishermen and other primary producers will be increased by this amount. These measures do not apply to diesel fuel.

I am tabling Notices of Ways and Means Motions covering the changes I have announced and a number of further amendments to the Income Tax Act, the Excise Tax Act and the Customs Tariff. These additional amendments are described in detail in the supplementary information.

Legislation will be introduced shortly to amalgamate the three import institutions—the Canadian Import Tribunal, the Tariff Board and the Textile and Clothing Board—into one new institution: the Canadian International Trade Tribunal. This action will remove the duplication that currently exists.

Pursuant to a motion of this House, I will also introduce today a bill seeking borrowing authority for the 1988-89 fiscal year.

[*Translation*]

ECONOMIC OUTLOOK

Mr. Speaker, the steady progress we have been making in carrying through our fiscal and economic policies is reflected in the economic record and outlook for the Canadian economy.

[*English*]

The performance of our economy in 1987 surpassed most expectations. At the start of last year, forecasters were saying that the economy would grow by just over 2 per cent. When the final numbers are in, the growth of the economy will be close to 4 per cent. With growth driven by high levels of business investment, housing starts and consumer confidence, employment growth was very strong and the unemployment rate declined by 1.3 percentage points over the year.

For 1988, the Canadian economy is on course for a sixth consecutive year of expansion. Business confidence remains high and our corporate sector is in good financial health; we are competitive in international markets.

However, even without the October decline in the stock market, we could not have expected to sustain last year's rapid pace of economic growth. This year I expect the rate of growth to moderate to just under 3 per cent. Employment will continue to grow. Interest rates are expected to remain relatively stable over the course of the year.

Inflation has averaged just over 4 per cent over the last three years and in recent months has declined from the levels reached in mid-1987. To maintain a positive climate for growth and job creation, it is essential that wage and price pressures continue to be restrained and that further progress be made over time in reducing inflation. Both monetary and fiscal policy have an important role to play in this regard.

In 1989 the rate of economic growth is expected to rebound, with consumer expenditures buoyed by refunds resulting from tax reform and the lower prices resulting from the Canada-United States Free Trade Agreement. Investment spending and exports will also be spurred by the trade agreement.

IMPLEMENTING PRIORITY PROGRAMS AND RESPONDING TO UNEXPECTED DEVELOPMENTS

Strong economic performance is good social policy.

By creating more jobs, more opportunities and better incomes, our expanding economy provides the means for Canadians to improve their own well-being and economic security. That same economic growth also provides the means for the government to maintain the social services that are an integral part of the Canadian way of life.

• (1700)

But strong economic growth coupled with our fiscal progress has enabled us to do more. It has created the financial capacity we need to do things that only government can do—to act in specific areas of national priority and to respond in support of regions and sectors hurt by unexpected developments beyond our borders.

We have undertaken a number of priority initiatives.

CHILD CARE

One of these is the National Child Care Strategy which was announced in December.

This initiative will benefit children because many more good quality facilities will become available for their care. We expect 200,000 new spaces to be created in all parts of the country in the next seven years.

[*Translation*]

The initiative is of great importance to Canadian families. It will help to eliminate a barrier facing many women who work, or want to work, outside the home. It also increases tax assistance to many who choose to work in the home.

[*English*]

REGIONAL DEVELOPMENT

We are also implementing a new approach to regional development, an approach that will be more responsive to needs and priorities in the regions. It will draw fully on the ideas and the initiative of people living in the various regions as we work to achieve more balanced development across Canada.

In the Atlantic Region, local entrepreneurship and small and medium business development is being promoted by the Atlantic Canada Opportunities Agency.

In the West, diversification of the economic base will be assisted by the Western Diversification Office.

In Northern Ontario, increased private sector activity is being assisted by the Federal Economic Development Initiative in Northern Ontario.

[*Translation*]

The Government has also announced its intention to respond more effectively to the real development needs of the less prosperous outlying regions of Quebec. To this end, an extensive consultation process will be undertaken with the people of the regions, representatives of local business communities and the provincial government.

[*English*]

SCIENCE AND TECHNOLOGY

We are ensuring jobs for Canadians in the future by investing in knowledge today.

Our ability to grow and create jobs depends fundamentally on our ability to use science and technology to our advantage.

At the National Conference on Science, Technology and Innovation in January, the Prime Minister announced $1.3 billion in federal funding for new science and technology activities over the next five years. These will include a national program of Centres of Excellence on university campuses and a program of Canada Scholarships in science, engineering and related disciplines.

Canadian companies carrying out R and D receive strong support through the tax system. When deductions and tax credits for R and D are taken into account, the tax incentives for Canadian firms to invest in R and D are among the most advantageous in the industrialized world.

NATIONAL DEFENCE

To protect Canada's sovereignty and meet our commitments to our allies, we must have a strong and modern defence capability. In the White Paper on Defence Policy, the Government defined three major elements in Canada's renewed defence strategy.

We will strengthen and modernize our naval defences. We will fulfil our commitment to NATO by consolidating our forces in Western Europe. And we will strengthen our defence of Canadian territory by enlarging our reserve forces and integrating them into the regular forces.

This Budget begins the process of implementing the White Paper proposals in a manner consistent with our fiscal principles.

AGRICULTURE

The Government has provided strong support to Canada's farm community in the face of severe international market conditions.

In addition to agricultural assistance under existing programs, the Government announced in December a further series of agricultural initiatives. These initiatives provide income support, help alleviate the pressures of farm debt on many farmers and maintain the economic base of many rural communities.

These actions have been made necessary in large part by falling grain prices caused by the continuing export subsidy war between the United States and the European Economic Community and by the lack of effective international rules governing agricultural subsidies.

At home and internationally, the Government will continue to support Canadian agriculture and work to advance agricultural interests. We will continue to seek better international rules. The Prime Minister is at the forefront of efforts to find a resolution to the international grain subsidy problem. We will continue to work through various forums, most particularly the multilateral trade negotiations currently under way in Geneva. In addition, Canada is a leading member of the Cairns Group—a group of countries that account for more than a third of world grain trade. Together we are working to ensure our shared objectives are met.

ENERGY

Since 1984, we have provided wide-ranging support for the development of Canada's vital energy industry. We signed energy accords with Newfoundland, Nova Scotia and the Western producing provinces to end years of federal-provincial disputes, to make the industry market-responsive and to instill investor confidence.

In 1986, following the collapse of world oil prices, we assisted the oil and gas industry by eliminating the Petroleum and Gas Revenue Tax. We also cushioned the shock of lower prices through the Canadian Exploration and Development Incentive Program.

CANADA AND THE WORLD ECONOMY

I want to place this Budget and our economic program in the broader international perspective.

[*Translation*]

We live in a volatile world economy. Changes in commodity prices, inflation, financial markets and world economic growth have been large and difficult to predict. This situation is not likely to change in the future.

[*English*]

To succeed in this turbulent environment, we must be able to adjust quickly and be flexible in responding to change. At home, we must continue to build the strength and resiliency of

the private sector to position the economy to meet the challenges of the 1990s and beyond. We must stick to our fiscal principles. We must continue to implement priority programs and to deal effectively with unexpected developments in a fiscally responsible way.

We will continue to support the individual and collective efforts of the major industrial countries to strengthen the basis for global economic growth.

• (1710)

At this juncture, the Group of Seven industrial nations has a vital leadership role to play. The world's trade problems and the difficulties faced by developing countries will be the focus of attention when the Prime Minister and the other leaders of the major industrial nations meet this June in Toronto for the Economic Summit. In addition, as Minister of Finance, I am in close consultation with my counterparts in the other G-7 countries to assess global developments and to co-ordinate economic policy action.

Canada is committed to this co-operative approach. By carrying forward actions to revitalize domestic economies and by working together, the major industrial nations can improve the prospects of all countries, including the developing countries. I will be introducing legislation which will allow Canada to support the Enhanced Structural Adjustment Facility of the International Monetary Fund to help address debt problems of the poorest developing countries.

CONCLUSION

To grow and prosper in a more competitive world requires the combined efforts of people in every sector of the economy, every part of the country.

[*Translation*]

From the day we took office, we invited Canadians to share in these efforts. We have benefited greatly from the advice and co-operation that we have received through our extensive consultations. We have also worked closely with provincial governments on a wide range of initiatives essential to Canada's future.

[*English*]

Through the policy course that we charted in 1984, this government embarked on a series of carefully planned actions to strengthen the fundamental components of economic growth and job creation.

We are staying the course because we know that our policies are working. We also know from the experience of the 1970s and early 1980s the approaches and policies that do not work.

We will continue to take actions requiring tough decisions, difficult adjustments and firm resolve. There are no short cuts to achieving Canada's economic potential.

We must continue to improve our ability to adapt, to seize the opportunities created by an ever-changing world.

In the decade to come we cannot be satisfied simply to do as well as other countries. We must continually strive to do better, to be the best.

For the next two weeks Canada and the world will witness many of the finest athletes competing in the Winter Olympics in Calgary. Their commitment and quest for excellence must be what we as a nation bring to the task of building our economy.

[*Translation*]

This commitment and this pursuit of excellence are essential to ensure an economic future that provides challenging opportunities for our children, jobs and economic security for all Canadians.

[*English*]

**Some Hon. Members:** Hear Hear!

**Mr. Speaker:** Order! Pursuant to orders made Friday, January 29, and Monday, February 8, 1988, the House will now revert to introduction of government Bills.

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## ROUTINE PROCEEDINGS

[*English*]

### BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

**Hon. Michael Wilson (Minister of Finance)** moved for leave to introduce Bill C-109, an Act to provide borrowing authority.

**Mr. Speaker:** Shall the Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

**Mr. Speaker:** When shall the Bill be read the second time? At the next sitting of the House?

**Some Hon. Members:** Agreed.

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## GOVERNMENT ORDERS

[*Translation*]

### THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, at a time when the thoughts of Canadians are focused on Calgary and the Olympic Games, I understand why the Minister of Finance (Mr. Wilson) preferred to move up the date for his Budget speech, because with his performance he would never have been able to compete with athletes from all over the world.

[*English*]

The Minister of Finance with this Budget could not even make the cut-off for the Calgary Olympics. Like a worn out athlete who is living in the past, all he can tell us about are his past glories of Lake Placid and Sarajevo. As to the future, no vision, only new taxes, $200 million in new sales taxes and $300 million in new gasoline taxes. If I were a Member on the Tory benches, I would—

**Some Hon. Members:** No, no!

**Mr. Garneau:** Mr. Speaker, we have listened to the speech of the Minister of Finance. May I have the same courtesy?

**Mr. Speaker:** The Hon. Member has the floor.

**Mr. Garneau:** This Budget does not say that in 1988 the Canadian people, on top of the half billion dollars of new taxes announced by the Minister of Finance today, will pay $870 million in taxes announced in December, on telecommunication. De-indexation of personal income tax will cost the Canadian taxpayer an additional three quarters of a billion dollars. The additional sales tax announced last December will be implemented this year. That will add another $60 million. This Budget, together with the news that was announced in December, will mean $2 billion of additional taxes for Canadians in 1988.

• (1720)

**Some Hon. Members:** Shame, shame!

[*Translation*]

**Mr. Garneau:** Mr. Speaker, $200 million worth of new sales taxes, $300 million worth of excise tax on gasoline, plus the taxes announced last December, which are to come into effect this year—all this adds up to a total of $2 billion in new taxes announced by the Minister of Finance, in his December speech and in today's speech, for fiscal 1988.

Mr. Speaker, the Minister of Finance referred to his past achievements. He said everything was under control. But what is the reality?

[*English*]

What is the reality about the public finances today? The national debt has now reached $300 billion, an increase of 66 per cent since the Government took office on September 4, 1984. I should add that 40 per cent of the total national debt was brought in by the Government.

What about the deficit? I am surprised that the Minister of Finance (Mr. Wilson) is playing with his credibility in that manner. He stated that he would hold the line and meet his target of $29.3 billion of deficit. Can you imagine that, Mr. Speaker? That is after six years of recovery—and I will quote the Minister in a moment—and after having increased taxes by $22 billion, and the Minister gave me proof that I was right when I was saying that because he stated that 80 per cent of the tax increase came from growth of the economy and 20 per cent came from increase of taxes. The 20 per cent corresponds to the total amount of taxes that I was talking about, $22 billion of new taxes. Six years of recovery, and the deficit is still around $30 billion. If I take for granted the statement made by the Bank of Montreal in a report published a few weeks ago, without the accounting tricks used by the Minister, the real deficit in this fiscal year will be between $32 billion and $33 billion. Canadians will remember.

[*Translation*]

Mr. Speaker, our national debt has increased by 66 per cent. Taxes have gone up by $22 billion. After six years of economic recovery, the deficit in real terms, if we ignore the Minister's sleight of hand, is more than $31 or $32 billion. I am convinced people in the business world will realize that the Minister's promises . . . I sometimes have the impression the Minister thinks that if he beats his chest and blows his own horn and keeps repeating everything is under control, people will start believing everything is under control, while nothing is further from the truth. Our public finances and the national debt are in a pitiful state.

Mr. Speaker, the real deficit is over $30 billion, our national debt has gone up and taxes keep going up as well. Nevertheless, not a word in the Minister's speech about how the Government intends to finance the announcements it has made in recent months. Where is the Government going to get $16 billion for its nuclear submarines? How is it going to finance research and development programs? How is it going to finance its five-year day-care program? How is it going to raise the $2.8 billion it has promised our farmers?

Mr. Speaker, I do not object to these programs, but if the Minister wants to maintain some credibility, he should provide some indications in his fiscal plan, as we know only what will happen during the first two years, and in some cases, we do not even have the total figures for the year 1990. We have no indications, Mr. Speaker, and I can understand why the deficit is not going down.

[*English*]

The much hoped for "death-bed repentance" by the Minister of Finance was nowhere to be seen in this Budget. Instead, this Minister and the Government have chosen to stand on their record of broken promises and the massive $22 billion increase in individual taxes on our children, our young adults, our families, and our senior citizens.

In short, the Minister of Finance and the Government have chosen to be judged on their record of broken promises and massive tax increases. Even at this eleventh hour—because it is an outgoing Government, and we will have an election sooner

or later—Canadians had hoped that the Minister would reverse these massive, huge, unfair tax increases, but this was not to be.

Canadians had hoped that the Minister would finally respect his word, his solemn promise made in the House in 1984, only a few months before the general election in 1984 when he stated that a Tory Government would not increase taxes. A Tory Government would cut spending.

**Mr. Turner (Vancouver Quadra):** Did he say that?

**Mr. Garneau:** Yes, he said that in the House on behalf of the Government on March 6, 1984.

**Mr. Turner (Vancouver Quadra):** Who said that?

**Mr. Garneau:** The present Minister of Finance when he was sitting on this side of the House. Those words can be found in *Hansard* on March 6, 1984, a few months before the general election. He stated, "We would cut spending. We would not raise taxes, tax levels in Canada are already too high".

**Mr. Turner (Vancouver Quadra):** Who said that?

**Mr. Garneau:** The present Minister of Finance made that promise on behalf of the Tories in 1984. After the election, the Prime Minister (Mr. Mulroney) repeated that. They are both sitting there on the pile of money that they have taken out of our pockets since they have been elected, $22 billion.

Taking into account tax reform, the last three Budgets, and not taking into account the tax increase in today's Budget, it will cost a one-income couple with two children $1,200 a year in additional taxes that have been imposed by this Minister who promised in the House in 1984 that he would not increase taxes, he would cut spending.

[*Translation*]

Mr. Speaker, do you have any idea how many taxes have been imposed? In giving us an empty Budget speech which shows only the good sides, the Minister has made a noteworthy omission. He forgot to list all the tax increases, and if I may, Mr. Speaker, I shall now do so very quickly. It could take a few minutes as the list is long.

**Mr. Turner (Vancouver Quadra):** Certainly! Take your time.

**Mr. Garneau:** Mr. Speaker, the first tax increase was immediately after the Conservatives came into office in 1984: a 1 per cent increase of the sales tax, for $1 billion more. Then, there was a second sales tax increase of 1 per cent in 1986, for another $1 billion. Still in 1986, there was a third sales tax increase, for another $1 billion.

There was a first tax increase of 1 cent a litre on gasoline in 1985. This meant an increase of $450 million. Then, there was another 1 cent increase in 1985, for $450 million. We had a third 1 cent increase in 1987, for $450 million. In 1987, there was still another 1 cent increase, for another $450 million, which brings us to 4 cents, and we got another 1 cent increase today.

[*English*]

It is amazing, talking about the Olympic Games, that with that performance the Minister could not have made the cut-off for the Olympic Games. Perhaps he could have won one medal, the gold medal for the tax on gasoline. Five cents a litre means 23 cents a gallon. Even the Member for St. John's West (Mr. Crosbie) would have to be satisfied with the bronze medal for trying to implement an 18-cent per gallon gas tax in 1979.

[*Translation*]

Mr. Speaker, there have been increases of the sales tax on candy and soft drinks and a new sales tax on snacks. We had a first increase of the excise tax on cigarettes in 1985 for $300 million and a second increase in 1986 for $156 million. In 1987, there was a third increase on tobacco for $70 million. By eliminating the tax credit for Registered Home Ownership Savings Plans, which helped Canadians to save to buy housing, the Government increased taxes by $105 million. Then there was the deindexation of the tax system.

Mr. Speaker, deindexation of the tax system increases taxes by $750 million a year, but the Minister has not said a word about it. There were also changes to the exemptions for spouses, a general surtax of 3 per cent, a temporary surtax of 5 and 10 per cent, an increase in the air transport tax, a 10 per cent tax on long distance calls, an increase of the tax on wallpaper, paint, and so on. Mr. Speaker, there is a whole series of taxes which the Minister forgot to mention.

Let us examine this additional tax on gasoline. If we look at the fiscal plan, we find on page 34 that the tax on gasoline will bring in about $500 million over the next two years. However, if we look at the impact of the trade agreement with the United States, the Minister will lose some $500 million in customs duties. In other words, what the Minister has taken away from us in customs duties is being billed to the consumer.

• (1730)

[*English*]

It is very clear on page 37 of *The Fiscal Plan* that the additional taxes on gasoline are to pay for the tariffs that will be taken out by this agreement with the United States. Now Canadian consumers will pay for the deal that is supposed to lower the price for consumers.

There was only one positive thing that I saw in all these papers. I am very pleased to say that finally the Minister of Finance is acknowledging that the economic recovery in Canada did not start with the Conservative Government.

I should like to quote from the Budget document entitled *Canada's Economic Prospects: Looking Ahead to the 1990s.* Here is what I found:

> Canada is now in its sixth year of economic expansion following the 1981-1982 recession.

Indeed it is gratifying to see that the Minister has recognized that Canada's economic recovery had commenced at least two years before under the previous Liberal administration, and that his Government has been carried along on the wave resulting from world-wide economic recovery. This is what he is saying in this document. I suggest that all Hon. Members read it because it is probably the only page where we can find truth in these documents. I thank the Minister for acknowledging that the Conservative Government was not responsible for Canada's economic recovery.

Aside from this quote which I found in the papers, I will have much more to say tomorrow. However, in a nutshell I would say that it is a non-budget. It is only preparation for an electoral campaign. The Minister gave us only one side of the coin.

Generally speaking the fiscal and budgetary policy of the Government will not solve the problem it was supposed to solve, contrary to what the Minister said. I would say that the general framework of the philosophy of the Government is a blueprint for a Conservative Canada—a Canada for the rich but not a Canada for the average Canadian, not a Canada for the poor; a Canada for the rich regions of the country, but not a Canada for the underdeveloped regions of the country; a Canada that may bring prosperity to a very few, but misery and poverty for many Canadians.

[*Translation*]

I therefore move, seconded by Mr. Turner (Vancouver Quadra):

That the debate be now adjourned.

Motion agreed to.

[*English*]

**Mr. Deputy Speaker:** Pursuant to orders made Friday, January 29, and Monday, February 8, 1988, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.35 p.m.

# HOUSE OF COMMONS

**Thursday, February 11, 1988**

The House met at 11 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*Translation*]

### INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF THE REPORT OF THE SIXTEENTH GENERAL ASSEMBLY OF AIPLF AT YAOUNDE, CAMEROUN

**Mr. André Plourde (Kamouraska—Rivière-du-Loup):** Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the Canadian section at the XVIth General Assembly of the AIPLF held at Yaoundé, Cameroun, from January 4 to January 10, 1988.

[*Editors note: See today's Votes and Proceedings.*]

* * *

[*English*]

**Mr. Hawkes:** Mr. Speaker, I rise on a point of order. I was informed earlier this day that there might be one report from a committee. I wonder if we could revert to committee reports if the Member involved comes into the Chamber a little late.

**Mr. Speaker:** We have not proceeded past that item yet, but I think we should move on.

* * *

[*Translation*]

### PETITIONS

REQUEST FOR IMMEDIATE GOVERNMENT ACTION ON SHELTER FOR HOMELESS

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, I have the honour and duty to present petitions signed by 179 Canadian residents. They originated from Swift Current (Saskatchewan), New Westminster (British Columbia), Locust Hill (Ontario), Victoria (British Columbia), Saint-Eustache (Québec), Niagara Falls and Toronto (Ontario).

The undersigned deplore the fact that last year, over 100,000 persons were homeless in Canada; that the number of homeless young people, women and entire families is increasing steadily; that the number of affordable housing units is still dropping; and that the Government has yet to take actions to deal with these problems.

Wherefore your petitioners humbly pray Parliament to take immediate action to provide all Canadians with acceptable and satisfactory accomodation and to establish social reintegration programs to help these needy Canadians become part of our society again.

[*English*]

PROPOSED FREE TRADE

**Ms. Pauline Jewett (New Westminster—Coquitlam):** Mr. Speaker, I have a number of signatures on a petition addressed to this House concerning the trade deal between the Prime Minister (Mr. Mulroney) and the President.

Since the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine Canada's ability to build a society distinct from that of the United States, and further denies Canada and Canadians the secure access to the U.S. market that was the key objective in the trade negotiations, the petitioners pray that Parliament be dissolved and the people of Canada be given the opportunity to accept or reject the proposed trade agreement during a national general election.

• (1110)

I have a second petition from a number of Canadians who argue the same point. They are requesting that Parliament be dissolved and that the people of Canada be allowed to accept or reject the proposed trade agreement with the United States during a national General Election.

PORNOGRAPHY—SUPPORT FOR BILL C-54

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have the honour to present three petitions this morning. Two of them relate to Bill C-54, the anti-pornography legislation.

The first is from a number of residents of Swift Current, Saskatchewan, and the second from a number of residents of the Burstall, Mendham, Leader and Fox Valley districts of Saskatchewan. Both petitions support the Bill.

The petitioners express concerns that pressures exerted by various permissive minority groups might cause Parliament to water down and weaken the legislation. The petitioners call upon the Government to pass Bill C-54 without dilution in the belief that this Bill gives recognition to the inherent dignity of individuals, particularly women and young children.

OPPOSITION TO MANUFACTURE AND DISTRIBUTION OF FILM

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, the third petition relates to a different topic. A number of residents of Gull Lake, Saskatchewan, humbly pray and call upon Parliament to urge the Government that the Minister of Communications (Miss MacDonald) instruct the National Film Board to take action to have the National Film Board production *The Kid Who Couldn't Miss* removed from distribution because it defames without proof whatsoever Billy Bishop, VC, Canada's most highly decorated serviceman.

PROPOSED FREE TRADE

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I have several petitions to present on the question of trade. The first is from Toronto's Spadina region and it states that considering that the trade agreement between Canada and the United States would have a fundamental impact on Canada's economic, cultural and political independence and implies the loss of jobs in many sectors and regions, the petitioners request that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada and that this debate result in a national election prior to the signing of such agreement.

I also have several petitions from Hodgeville, Swift Current and Maple Creek, Saskatchewan.

The petitioners appeal to the House and say that the Conservative Government has no mandate from the Canadian people to conclude a free trade agreement with the United States. The Prime Minister (Mr. Mulroney) promised, in the course of bilateral trade negotiations, that Canadian sovereignty would not be compromised. The trade agreement which is being negotiated threatens the very fabric of Canadian political and economic sovereignty and would deny Canada the policy freedom to determine its own economic future. Therefore, they call on Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national General Election.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, it is my duty to table a petition that meets the requirements of Standing Order 106 and expresses a grievance that dozens of Canadians wish to bring to the attention of the House.

Whereas the Mulroney Government has sold out Canada without getting anything in return; Canadian industries have yet to be protected against U.S. trade laws; the United States has obtained everything it wanted in major sectors including agriculture, energy, the automobile industry, financial services and investment; the jobs of thousands of Canadians are threatened; the Conservative Government has made no provision for adjustment assistance for Canadian workers;

Wherefore your petitioners humbly pray Parliament to condemn this Government for having signed the Mulroney-Reagan Trade Agreement.

[*English*]

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, it is an honour to present a petition on behalf of constituents of mine, residents of the City of Thunder Bay, who protest that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States.

The Prime Minister (Mr. Mulroney) promised, in the course of the bilateral trade negotiations, that Canadian sovereignty would not be compromised, but the trade agreement negotiated by the Government actually threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunities between the regions.

Since the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the U.S., these petitioners call upon the House of Commons to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement in a national General Election.

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, it is my honour to present a petition, pursuant to Standing Order 106, on behalf of a number of western Canadians who are of the opinion that the Conservative Government does not have a mandate from the people of Canada to conclude a trade deal with the United States.

They believe that Canadian sovereignty is certainly being jeopardized as a result of the trade deal. They also believe that the trade deal negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty since it removes the power of the Canadian Government to effectively control foreign ownership and also to develop Canadian energy resources in the best interests of Canadian citizens.

Since they believe the trade agreement denies us secure access to the United States market, presumably our number one goal in the negotiations, they call upon Parliament to now dissolve to give the people of Canada an opportunity to either accept or reject this proposed trade deal during a national General Election.

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I ask that all questions be allowed to stand.

**Mr. Speaker:** Is it agreed?

**Some Hon. Members:** Agreed.

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# GOVERNMENT ORDERS

[*Translation*]

## THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 10, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, before starting my comments on last night's Budget Speech by the Minister of Finance and informing this House and the Canadian public of the views of the Official Opposition, I would like to take a few moments to recall what Canadians have been able to hear and read about the Budget through the various media. In fact, our electronic media have already qualified the Conservative Government's Budget as a billboard for election advertising.

One headline in the press, and I quote from today's *Ottawa Citizen*, was:

[*English*]

—"Wilson's numbers belie fiscal rhetoric".

[*Translation*]

The headline in *Le Droit* reads: "More promises than action". Another headline in the *Ottawa Citizen* was:

[*English*]

—"Budget full of noise but does nothing about deficit". The Montreal *Gazette*: "Consumer groups, gasoline retailers denounce penny-per-litre tax hike".

[*Translation*]

*Le Droit*: "$300 million in cutbacks". Montreal's *La Presse*: "Pumping taxes", a reference to the excise tax on gas we mentioned yesterday.

A column by Alain Dubuc, who always writes about economic and financial issues, appeared under the following title: "A statement of failure".

Mr. Speaker, I would like to quote the first few paragraphs of this article, where Mr. Dubuc says:

*The Budget—Mr. Garneau*

> Last night, the Minister of Finance, Michael Wilson, brought down his fourth Budget. Let's hope it will be his last. On his fourth time around, he dashed any lingering hopes that his Government would be able to deliver the budgetary goods. This harsh judgment is not based on the fact that yesterday's speech failed to contain any impressive initiatives. A Budget is not supposed to be a political and media event, especially when brought down barely two months after a major tax reform. So the Minister had nothing to say, but unfortunately, he had a great deal to hide!

One editorial in *Le Devoir* is headed: Budget bien fragile (A precarious Budget) and another editorial in *Le Devoir*: "Budget a general disappointment".

Mr. Speaker, budget speeches have always been a major political event in Canada, an event that attracts the interest of the media and of millions of Canadians. In two years, the present Minister of Finance has managed to make it a pedestrian exercise and to rob it of its true meaning.

• (1120)

[*English*]

Traditionally a budget speech has been an opportunity for the Government to explain its philosophy, and set out the main lines of its economic and financial policies, both nationally and internationally. Yet here we have a Minister of Finance who has succeeded in turning one of the most important events of our parliamentary life into a non-event, "full of sound and fury and signifying nothing". The Budget brought down by the Minister of Finance yesterday is little more than an accounting exercise, a complacent and self-serving document that fails to address any of the real problems which Canadians have to face today.

[*Translation*]

I consider this an insult to the millions of unemployed, of welfare recipients, of workers nearing retirement age who lose their jobs and of senior citizens who are now living in poverty and who were expecting the Minister of Finance to give them some hope, if not solutions, in his Budget.

The Minister of Finance is much more like an accountant trying to balance his budget than a manager of the Canadian economy with a vision of the future. Yet, the first responsibility of a government should be to govern the country and to prepare for the future; to ensure that our young people will have the education they need to face future difficulties; to guarantee that our workers have and will receive the training they need to adjust to their fast changing working environment; to ensure that our businesses have and will continue to have access to the financial services, the capital and the technology necessary to develop; and finally, to see to it that the poorest members of our society have and will continue to have enough money to live decently. A Minister of Finance must think about the needs of the economy, not only for the closing year, but also for coming years. This is where the Minister of Finance has failed miserably.

If there is one lesson to be learned from the market crash of last October, it is that our economies can no longer prosper in a profoundly unbalanced environment. For instance, the

growth we witnessed in recent years was the result mostly of a strong consumer demand. The rate of savings in Canada and in the United States is among the lowest in the world. The current account of our balance of payments has shown record deficits in the last three years. Canada is the second most indebted country in the world after the United States. Our public and private external debt has reached $220 billion according to the C.D. Howe Institute. Our budgetary debt is now $300 billion, or nearly $12,000 for every Canadian man, woman and child. When the Conservatives came to power, this debt was only about $7,000 per capita. This means a 60 per cent increase in three and a half years under a Conservative Government, and this debt increases at an even faster pace than our economy.

That is the other side of the coin, the side the Minister of Finance refuses to see. He may have been able to turn a blind eye to these problems during the past three or four years, but he can no longer do so today. In his speech last night, the Minister of Finance totally ignored this new reality, and worse, he perpetuates the illusion by juggling the books and hiding the truth.

[*English*]

The Minister of Finance predicts a deficit of $29.3 billion for 1987/88, but does not say that that objective will be reached only due to accounting gimmicks which have little to do with the reality of the situation.

Last December the Bank of Montreal issued a report on business and had this to say about the public finances of Canada. The so-called progress in deficit reduction was but an illusion, the bank said. It concluded that the actual deficit for 1987/88 would be close to $4 billion above the level announced by the Minister, but due to accounting tricks, including accelerated remittance of source deductions and sales taxes, this did not happen. That statement was made by one of our largest financial institutions. So much for the Minister's credibility.

Moreover, this Budget, like any other, cannot be viewed in isolation. It must be assessed and evaluated in the context of the Government's previous budget initiatives and promises.

[*Translation*]

Mr. Speaker, that is why I want to repeat the promises made by the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) to Canadians during the last election campaign. At the time, they both solemnly promised all Canadians they would reduce the deficit, not by increasing taxes but by cutting expenditures. And now, four years after this irresponsible promise, we are hit with the worse tax increase in Canadian history. The tax on gas rose by one cent per litre last night, which means that in three and a half years the Conservative Government has raised the excise tax on gas by five cents a litre.

This means twenty-three cents a gallon after three and a half years!

Mr. Speaker, on the basis of this record, the Minister of Finance, as I said yesterday, deserves a gold medal as the biggest "gas taxer" in Canada.

Yesterday, federal sales tax was raised for the fourth or fifth time, adding an additional cost of $200 million. And this is in addition to previous increases that raised federal sales tax from 9 to 12 per cent! The tax on tobacco and alcohol has been raised four times. And imagine, Mr. Speaker, a 10 per cent tax on every long distance call Canadian men and women will make this year! A 12 per cent tax will be levied on candy, snacks, soft drinks, paint and wallpaper. There has been a substantial increase in the tax on air travel. Family allowance payments have been partially deindexed and the same applies to child tax credits. Our income tax tables have been partially deindexed as well. As a result of these three decisions, the Conservative Government, without saying a word, has annually taken hundreds of millions of dollars out of the pockets of Canadian taxpayers.

In 1988, partial deindexation of our income tax tables will give the Minister of Finance, who did not even have to mention this in his speech, $750 million, three-quarters of one billion dollars.

Mr. Speaker, the same Minister of Finance who was not going to raise taxes—and he promised as much here in the House—started by introducing a temporary 3 per cent surtax, which became permanent in his Budget.

Mr. Speaker, I am skipping over a whole series of other tax changes, involving altogether $22 billion in tax increases over three and a half years, from a Minister who, when he was seeking the voters' trust, promised not to increase taxes. That is an unbelievable lie Canadians sadly remember.

What is the impact of those increases for the average family? Mr. Speaker, we have evaluated that the average family with two dependent children, with one breadwinner, an average family with $30,000 or $32,000 income that certainly is not extravagant. The additional cost of the new taxes to that family is $1,200 a year. That is $1,200 a year in new taxes imposed on the average family, coming from a Minister who promised not to raise taxes.

Mr. Speaker, as I said earlier, the Minister in his statement yesterday brushed a picture that was too flattering for the Canadian economic situation, a rosy picture that was a far cry from the current reality.

[*English*]

In the following moments I intend to set out eight specific areas where there are concrete problems deserving concrete solutions. I want to talk about the conduct of Canada's monetary policy and interest rates, problems of regional development, poverty and, more particularly, the situation of the working poor, family benefits, Canada's demographic crisis, the environment, the Mulroney-Reagan trade agreement, and Third World debt.

• (1130)

In each case the Minister should have outlined a detailed plan of action. In each case he failed to do so and I intend, in this speech, to give an indication of the approach a Liberal Government would take.

The first area where the Conservative Government should act immediately and in a positive fashion is interest rates. Even though I agree with the Governor of the Bank of Canada that inflation should not be given the chance to rekindle again, I nevertheless believe that conditions are favourable for some sort of reduction in interest rates.

However, if the Government strongly believes that the high interest rates policy of the Bank of Canada should be maintained—and it is a decision which the Minister seems to have taken—then it should concede that this policy has negative effects on the region,s where the major problem is not inflation but unemployment.

In that sense I would urge the Government of Canada to come up with a realistic national regional development strategy to compensate the regions that have been hurt by a monetary policy which may well suit western Canada but which is totally inadequate for the regions. In making this request I am reflecting the view of many business organizations and provincial Premiers as well as many Canadians.

Before addressing the regional development issue, let me explain why I think the Minister of Finance has some room to manoeuvre to reduce interest rates. In its prebudget brief to the Minister of Finance the Canadian Chamber of Commerce asked the Government to adjust its monetary and fiscal policies. In a period of anticipated slow growth, argued the Chamber of Commerce, it would be appropriate for the Government to put in place economic policies to act as counterweights to the effects of the slow-down in the rate of growth of the economy. Following the stock market crash this policy is needed even more. Action on the monetary front and, more precisely, a reduction in the interest rate is, in the current circumstances, appropriate.

Moreover, yesterday the Canadian Manufacturers Association added its voice to that of the Chamber of Commerce and argued that there is room now for a cut in interest rates.

[*Translation*]

Moreover, over the last weekend Quebec's Premier, Mr. Bourassa, also urged the Minister of Finance to reduce interest rates. Mr. Bourassa argued that the Canadian dollar's appreciation relative to the American dollar over these last few years increased the cost of our Canadian exports to the United States and made our firms less productive and less competitive. In my view, Mr. Speaker, all conditions are ripe for lowering interest rates. First, because most forecasting agencies, including the Economic Council of Canada, are expecting slow economic growth this year. Such a slowdown generally signals that a more expansionist economic policy is needed.

Moreover, the Canadian dollar gained some 9 cents relative to the American dollar over two years, partly because of increases in the relative interest rates. The short-term interest rate differential between Canada and the US currently is 2.75 per cent, that is the differential between Canadian and US interest rates, as compared to only 1.75 per cent a year ago, as pointed out by John Grundy in the *Globe and Mail* of January 30, 1988. By themselves, the higher interest rates and the Canadian dollar's appreciation wipe out any gains the Government boasted or hoped to make by eliminating tariffs between Canada and the United States, in addition to unnecessarily increasing the cost of housing for all Canadian homeowners and tenants.

In fact, the Canadian dollar's appreciation in two years has been higher than the tariff reductions negotiated under the trade agreement with the United States.

[*English*]

All these factors lead us to the conclusion that interest rates in Canada are unnecessarily high. Lowering the rates would not only prevent the economy from going into a slow-down but would encourage the creation of many new jobs. Moreover, it would help the Government fight its own deficit. The C.D. Howe Research Institute said last week that reducing the interest rate by 1 percentage point would slice between $2 billion and $3 billion off the deficit each year. I encourage the Government to live by Sir Winston Churchill's motto, "Action this day".

[*Translation*]

So much, Mr. Speaker, for one serious problem, namely the unwarranted relative increase in interest rates, which is costing the Treasury millions of dollars and which threatens to stifle the economic recovery which we have witnessed in the last six years, as the Minister of Finance indicated in his speech yesterday. We have had six years of economic growth which began well before the Conservatives came into power!

[*English*]

As I said earlier, if the Government does not want to have lower rates of interest, if the Government agrees with the policy of the Bank of Canada that inflation is the most serious problem at this time in Canada, then it should at least recognize that this unnecessarily high interest rate policy has negative effects on the regions by increasing unemployment to unbearable levels. If the Minister of Finance believes that the monetary policy is not an appropriate tool to help ease regional disparities, then he should compensate these regions by putting forward a real national strategy for regional development.

[*Translation*]

The problem of regional development is probably one of the most acute and difficult to solve now facing Canada, yet the Minister of Finance barely mentioned it during his speech yesterday. Mr. Speaker, the figures on regional disparities are quite alarming. Unemployment in Newfoundland, for instance, is now 17.4 per cent. After six years of economic recovery, it is

still 17.4 per cent, or three times as high as in Ontario. The per capita income in New Brunswick is about 32 per cent lower than in Ontario. In 1987, Ontario, which includes about 38 per cent of Canada's manpower, obtained 45 per cent of new jobs. After six years of economic recovery in Canada and throughout the world, our unemployment rate has still not gone down to the 7.5 level it had reached before the economic recession which hit all industrialized countries in 1981-82.

Of all the major initiatives of the Government, not a single one will be able to reduce the gap between the have and the have-not provinces. The Chairman of the Economic Council of Canada appeared before the Committee on Finance and Economic Affairs two weeks ago to say just that, and she stated that, contrary to what the Prime Minister had maintained to the effect that the trade agreement with the United States would solve the problem of regional disparities, that Newfoundland would become as rich as Ontario . . . Can you imagine, the Prime Minister of Canada actually said that! I know that you are not involved in partisan politics, Mr. Speaker, but it is quite surprising to hear a Prime Minister make such statements. The Economic Council of Canada Chairman had no choice but to say that the Prime Minister's statement was unfounded and that the trade agreement with the United States would not change the regional disparities afflicting Canada. I know that some of my colleagues, one in particular who sits very close to me, chaired the committee proceedings and vividly remembers Mrs. Maxwell's remarks . . .

And what about the quality of the new jobs created which the Minister of Finance is bragging about? A few months ago I was puzzled by some of the data released by Statistics Canada concerning the trends of Canada's labour force income. After scratching the surface I realized that, taking inflation into account and despite the self-congratulatory posture of the Government with respect to employment growth, the average income of Canadian workers had declined since 1984. The average income of Canadian workers went down 0.5 per cent in 1985, 1.3 per cent in 1986, and the preliminary indications we have point to a further drop in 1987. After four years the average take-home pay of Canadians will have shrunk by nearly 3 per cent. It may be true that the number of Canadians at work now is higher than it was in 1984, but the fact is that on average these workers earn less now than they did in 1984.

A fair number of new jobs created over the past few years are part-time minimum-wage jobs, the kind of work available in the service sector, employment offering minimal protection, few fringe benefits and very limited promotion opportunities.

The solution to the problem of regional development is certainly not an easy one and I realize it. There exists no miracle or overnight solution. But the Tory strategy which consists for all practical purposes in ignoring the problem will certainly settle nothing. It is not by announcing structures that the problem of Canadian men and women living in areas where the economic growth is stagnate will be solved. By ducking the problem of regional imbalance, as the Minister of Finance (Mr. Wilson) and the Government are consistently doing, the Government hopes that the problem will simply go away.

I, for one, believe that any solution with any chance of success should be based on the dynamic human resources of a community. In such a context, the Government would create an adequate infrastructure, a welcoming climate and an environment favourable to the flowering of regional initiatives.

The Government acts as an engine, a spark plug, and therefore should not hesitate to use its fiscal and budgetary capacities to help the underdeveloped regions of our country regain a more acceptable growth rate.

• (1140)

[*English*]

The example of New England is an inspiring one in this regard. It is an area which is not unlike our own Atlantic Provinces. In the 1970s new England lagged behind the rest of the United States in terms of job creation, investment and use of new technology. Now the situation is reversed. The tiny New England economy is booming. Why? It is because governments created the conditions in which entrepreneurs could flourish and because there has been a massive co-operative effort between New England's world class universities and research institutes, the Government and the private sector.

Perhaps the New England experience cannot be copied integrally in Canada, but I am sure we can draw some useful lessons from it. For instance, since the majority of businesses in the regions are small and medium sized businesses, and since one of the major problems of these businesses is to have access to capital at competitive conditions, why does the Government not ask the Federal Business Development Bank to provide more equity financing, and not put in place a program with financial institutions to reduce the administrative costs of loan applications for small businesses?

[*Translation*]

Or, in order to increase the flexibility of corporate operations, why does not the Government take steps to facilitate the participation of workers in corporate capital or profit sharing? These avant-garde measures would reflect the fact that employees of small and medium-size businesses feel deeply involved in the life and success of their respective businesses. Or why does not the Government regroup in a single centre all the services made available to small and medium-size businesses? It is the notion of a single service counter which is so often talked about but which never materializes.

About a year ago, the Federal Development Bank established a list of some 560 federal programs and sub-programs available to small businesses.

Mr. Speaker, how do you think a small business can find its way through this maze of 560 programs with any chance of success when it must knock on doors of between 25 and 30

different federal administration offices? Or in order to help corporations promote their own products on markets abroad, why does not the Government increase its support to the small and medium-size businesses in their efforts to sell abroad?

Indeed, how do you think small businesses in the Gaspé area and even in Montreal could make representations throughout the world to sell their products when their turnover is relatively low and their cash flow does not allow them to hire consultants to travel worldwide? It costs thousands of dollars to do marketing studies, to set up contacts, to publicize and market a product. However, in spite of this substantial potential, the Government does not seem interested in promoting foreign markets for small and medium size businesses.

Finally, why not generalize the experience of industrial incubators that enable small businesses to obtain expert low-cost advice? I have seen myself some experiences made with industrial incubators in the Mauricie area, in Shawinigan, Shawinigan-Sud and Grand-Mère and those projects can accomplish remarkable things. Their development only requires a limited assistance from the Government, some financial and technical assistance and I am convinced that it could contribute very positively to the development of our small and medium size businesses.

[*English*]

Let us look at one more very specific area. I was talking about regional development. If there is one decision made by the Government that will affect regional development it is flow-through shares. The Government is gradually eliminating the 33-1/3 per cent deduction for earned depletion allowance in the resource sector. This change, together with the new rules restricting the projects eligible for flow-through shares, and higher capital gains tax, will have dire consequences for the mining industry and the regions concerned. It is my belief that the present system of flow-through shares has considerably accelerated the exploration of our resources which I believe we all agree is a high risk activity.

In addition, it is a measure which has made it possible to finance the development of resource-rich regions which are generally in the remote areas, thus creating thousands of jobs. I urge the Minister to reconsider these ill-conceived changes to the flow-through shares program.

[*Translation*]

Mr. Speaker, I have had the opportunity, as you may have yourself, to visit regions like Northern Ontario, where I went with my collegue for Algoma (Mr. Foster), the area of Cochrane—Superior, as well as the area of Abitibi, of Val d'Or, and I am always amazed at seeing that Members of Parliament for that region do not protest more against the decisions taken by the Minister concerning the elimination of flow-through shares. The Val d'Or and Rouyn area which had a very high unemployment rate had seen that rate, particularly in Val d'Or, decrease from 20 to 5 per cent after the implementation of those flow-through shares which have allowed the development of mines and especially a strong expansion in mining exploration. As a result of the Minister's decisions for all intents and purposes flow-through shares were eliminated because by removing the accelerated depreciation from those shares, all profits of course, disappeared and the risk is now too big.

I hope that the Conservative Members from Abitibi, from the Northern regions, from Northern Manitoba and Northern Alberta, are going to get together not to fight the legislation on bilingualism but to fight this decision of the Minister which will result in job losses and a slowing down in economic development.

Mr. Speaker, in the area of regional development I have developed an approach combined with a whole set of measures, which could contribute to the development of small and medium-size businesses and also to regional development. These measures are certainly not outstanding they are not wonder solutions, but they reflect an approach which would bring about a long term solution to the problem of underemployment in remote areas.

These recommendations have one thing in common: they support the initiatives of the people willing to help themselves.

[*English*]

Where in the Budget Speech are the Government's new ideas? Where is its creativity? Why does it not have anything new to propose in terms of regional development except for expensive slush funds like the Tory Members are crying to get? I would like to move now to another subject.

• (1150)

**Mr. Wilson (Etobicoke Centre:** You had better.

**An Hon. Member:** The Liberals had a slush fund.

**Mr. Wilson (Etobicoke Centre):** You had better get off that subject.

**Mr. Garneau:** The Minister of Finance seems to be impressed with my last sentence, which means there is reality behind what I say. The Tories know they are going to be defeated, particularly when they see the results of the Gallup poll this morning; 41 per cent for the Liberals, 27 per cent for the Tories. This is why they are crying. They are crying for slush funds to buy their way to the election. The Minister of Finance has said he will not put it up front in his Budget. He would try to use the Atlantic Canada Opportunities Program and the Federal Economic Development Initiative in northern Ontario. He says: "I will not talk about it but you will get your slush fund".

**Mr. Foster:** Shame!

**Mr. Wilson (Etobicoke Centre):** You should know all about that. You are the expert.

**Mr. Garneau:** In my speech in reply to the Budget last year I described our country as a nation divided. I spoke of the

poor, the unemployed and the homeless. I spoke of those who have lost hope, those who are locked out of our institutions. The picture has not improved. There are still 3.9 million Canadians who live below the poverty line. Twenty per cent of Canada's children are growing up poor. One hundred thousand Canadians are still homeless. That is the reality. There are still too many women who are poor or stuck in badly paid jobs. There are too many single parent families and too many native people who have not been given a fair deal. There are too many elderly who are suffering. There is too much substandard housing. That is also the reality.

I want to take this opportunity to address a problem that deserves our attention, that is the plight of the working poor. Contrary to what we think, the poor in Canada are not only the welfare recipients and the unemployed. Astonishingly, 57 percent of Canada's poor families earn an income. The Government cannot claim that the system works well when most of our poor work.

Let me illustrate with a concrete example. A family of four with one working adult earning $5 a hour for 40 hours a week, 52 weeks a year, has an annual income of $10,400 which is well below the poverty line for that particular family. It is in fact maybe 50 per cent below the poverty line. Where are the incentives for a welfare recipient to find a job in these circumstances when they know that they may lose additional benefits such as housing subsidies and dental care? According to some calculations, the benefits people lose by finding a job sometimes overweigh the salary they earn.

The answer to this problem is not to cut welfare benefits as the Conservative instinct dictates. It is to provide adequate incentives for those who can work, to work. That is why the Liberal Party proposes the application of the concept of a guaranteed annual income, a program of income supplementation for those who work but whose salaries are still below the poverty line. Canadians must be encouraged to work, not in a negative fashion by making unemployment and other benefits less attractive, but in a positive sense by ensuring that work can be obtained with adequate financial security and dignity.

Moreover, such an income supplementation program cannot succeed without a new national training program. As representatives from the Vancouver food bank told a Liberal task force on the Mulroney-Reagan trade agreement: "If jobs, jobs, jobs are the issue, then training, training, training is the solution". This training program is not only needed because of the massive number of workers who will be affected by the Canada-U.S. trade agreement but also because of the new technological society in which we live.

Income support and training go hand in hand. Tax reform was an ideal opportunity to put in place some measures in this direction. Once again, this opportunity was missed. The Government should have acted. It cannot back away from its responsibilities.

There is a fourth area where there exists a number of serious problems, that is, family taxation. We had hoped that tax reform would have corrected some of the unfairness of previous Tory Budgets. However, Canadians have been bitterly disappointed. A week does not go by without there being a newspaper headline about the unfair taxes families are forced to pay. Sometimes we read that tax reform hurts families with many children. Sometimes it is families with average incomes that seem to be the target of this Tory Government fiscal policy. It has even been said that the taxation of families is discriminatory and that it grants deductions solely on the basis of a couple's marital status without due regard for the real cost of family life. The policies of this Government have often been described as anti-family. They deserve this label.

[*Translation*]

Allow me, Mr. Speaker, to give you an example of a flagrant inequity which could have been corrected by the Minister of Finance yesterday afternoon. I am referring to the taxation of middle income families. The night the tax reform documents were tabled, I was very surprised to find out that families earning $30,000 a year would be taxed at an effective rate greater than those making over $60,000 and $100,000 a year.

This is absolutely true, and if you follow my argument you will understand. If a family earning $30,000 a year increases its income by $1,000, let us say they get such a raise in salary, the federal Government, thanks to the Hon. Minister of Finance, will get $310 of that amount in direct taxes, that is a 26 per cent tax rate plus a lowering of the child tax credit equivalent to 5 per cent. That puts the marginal tax rate at 31 per cent. However, if the family makes $100,000 a year, the marginal tax rate is 29 per cent, this means that the middle income family, with an income of $30,000, is taxed more, after the tax reform of the Minister, than a family with an income of $100,000 a year or more.

In other words, the taxation rate applying to each salary increase is higher for middle-income than for high-income families. Is this the fairness the Minister of Finance is talking about? Of course, Tory times are hard times. The Liberal Party opposed the three-rate income tax system proposed by the Minister of Finance because it is not progressive enough. As we said in our minority report on tax reform, this rate structure must be reviewed in order to reduce the taxation rate for middle-income families.

This is another area where the Government should have taken action. And once more, it is another area where the Government failed to act.

Mr. Speaker, having described the financial and tax situation of families and the poor, I now come to the very serious problem that Canada will have to face, that of the falling birth rate and the ageing of our population.

Mr. Speaker, this is one of the important problems now facing Canadian society. It is indeed urgent to find concrete and realistic solutions to what, in my opinion, is a real demographic crisis. Even though there are no miracle solutions, I am convinced that governmental authorities can act in

a way that is not as limited as many think, but solutions must be implemented now. However, in this case as in all others, the Conservative Government is stubbornly refusing to act.

In an article published recently in the January-February issue of the magazine *Options politiques*, I expanded on this theme and I would like to take a few minutes to summarize what I said in the article. The first set of 1986 census data became available quite recently, and it shows that the growth rate of our population continues to drop. Between 1981 and 1986, the population of Canada increased by only one million, which represents an annual growth rate of only 0.8 per cent, the lowest rate reported in federal census data in the past 25 years. This decline is due to stagnating immigration levels and a drop in the birth rate. A decline in the birth rate automatically implies that we have an ageing population. In fact, if the number of births declines during a given period and immigration levels remain relatively stable or low, the proportion of elderly people in the population will necessarily increase. In Canada, in addition to a low birth rate and low immigration levels, recent advances in modern medicine have helped to increase life expectancy and as a result promote ageing of the population. When there is a higher percentage of elderly people, this tends to increase the tax burden on those individuals who are still in the labour force, if society wants to maintain the level and quality of services provided. This raises the issue of financing pensions and other social services for tomorrow's senior citizens, that is, for those individuals who today are between 40 and 45 years old. In addition, Canada's future economic growth depends partly on the structure of its population. A younger population will tend to generate an economy that is more dynamic, more risk-oriented and more adaptable to changing conditions. A stronger economy is better able to generate sufficient revenue to pay for the pensions and other services offered to tomorrow's senior citizens.

What can we suggest as a remedy to this disturbing development in our demographic make-up? When we analyze the situation, there are only two options: Increase the birth rate or increase immigration levels.

As far as immigration levels are concerned, and I am sure the Hon. Member for York West (Mr. Marchi) and several other colleagues in this House would have more to say about this, two kinds of actions are necessary. First, we must let more immigrants and more qualified immigrants into this country, and second, we must start a public awareness campaign to make Canadians more aware of the benefits of immigration and more willing to accept new immigrants.

The other aspect of a policy that must be developed is the promotion of a better social and economic environment in which Canadian families can raise their children. We in the Opposition have proposed a childcare program to make maternity possible and easier for women who want children but cannot afford them. Within the limits of fiscal responsibility, that program would aim at increasing financial benefits to those men and women who have dependent children. Employers would establish on the work place childcare facilities for their employees. Finally, the whole array of family benefits should be reviewed, as we suggested earlier. The Tory approach to childcare is simply inadequate, because it is based on the maintenance of tax deductions. But the Government knows full well that deductions are unfair because the benefit is greater for the rich than for middle and low-income earners. What we need is a refundable tax credit, as we have proposed. Under the Tory tax deduction, only families in a position to substantiate their childcare expenditures with receipts can benefit, although the Government knows how difficult it is for couples who hire a babysitter for a few hours to get receipts from that girl, unless they are forged altogether. Also, because the deduction is not refundable, this means that a family with insufficient income to use the deduction gets absolutely no benefit. Again, the result of the Conservative approach is that only rich families can benefit. This is why we in the Liberal Party are proposing to change that deduction to a refundable income tax credit. This would be a first step in the implementation of a genuine childcare policy.

Whether they relate to immigration or child birth, my proposals are not revolutionary—they are practical proposals reflecting the ideas of the economist Alfred Sauvy, who summarized them in the dilemna "To grow or to age", and that also fight the myth viewing immigration as causing unemployment.

If I have taken so much time, Mr. Speaker, to paint this demographic picture of Canada, it is because I wish to underline the difference between what Canada will be if we do not take action and what Canada can be if we realize the consequences of its present demographic evolution and try to correct them. This is the only way to approach the problem of our aging population. Within ten years, people aged 55 and over will account for 23 per cent of our population. The pressures on health care, the lenghtening of waiting lists in homes, reception centres and home-care centres, the increasing poverty of people living alone, especially women, the decreasing reserves in public pension funds, the increase in mandatory early retirement, the shrinking of the tax base, a different view of the nature of recreational activities, all these things will radically change our approach to senior citizens.

It is useless to try to ignore the fact that a larger population of older Canadians will cost more in many ways. These costs can be shared. That is the problem. We have to act now because the higher costs will have to be shared by an increasingly limited and shrinking number of Canadian workers.

This is a major problem, Mr. Speaker, this is a problem which the Government does not mention, this is a problem we shall soon be facing. It will take time to correct it. It will take years, and we have to act now!

• (1200)

[*English*]

I would like to turn to yet another issue that the Minister of Finance barely touched upon in his Budget yesterday—the

environment. Every Member of Parliament knows that solving the problems threatening our environment is a major priority for a majority of Canadians. The outcry following the recent failure of the Government to secure a successful treaty on acid rain with the United States is a sign of the importance of this issue in the minds of Canadians.

The one environmental measure that the Minister of Finance did introduce in his Budget yesterday was the restriction of the use of capital cost allowance write-offs for people investing in certain types of energy conservation equipment. He acted but it was in a negative way.

What could the Minister have done? He could have introduced accelerated tax write-offs on pollution abatement equipment to create jobs in a growing industry and help to clean up our rivers and our air. He could have introduced measures to assist municipalities in repairing and modernizing their sewage systems in order to reverse the trend of water quality deterioration.

[*Translation*]

Mr. Speaker, anyone who has walked about in a sugar bush recently knows that acid rain is an urgent problem. Some experts estimate that, within ten years, the maple syrup industry will have disappeared in Canada. Why not suggest an in-depth study of the organization and financing of the Canadian Forestry Service to increase the funds and human resources of the Service and quicken the pace of research on the problem of the wasting away of our sugar bushes? In the meantime, why not consider creating an emergency fund for the maple syrup industry to find and apply a method to re-establish the nutritional balance of the trees?

Mr. Speaker, as in the case of the other areas to which I have referred today, I am not suggesting anything revolutionary here. I am not suggesting anything impractical. Where are the ideas of the Mulroney Government?

[*English*]

I would like to turn now to the Mulroney-Reagan trade agreement. First, I would like to recall the position of the Liberal Party. We are not philosophically opposed to reducing trade barriers. We are for freer trade on a world-wide basis. However, we do have very serious misgivings about this particular agreement.

As the Right Hon. Leader of the Opposition (Mr. Turner) recalled recently, we are against the Mulroney-Reagan agreement because it does not fulfil our minimum conditions and because it does not guarantee our access to the American market. It is clear that Canada achieved its present position in the international community by following non-discriminatory multilateral trading and negotiating principles which had the result, among other things, of reducing very substantially the levels of tariffs between Canada and the United States, and it helped to open the American market. It is by these principles that we should continue to be guided.

• (1210)

Turning to the agreement, in terms of its negotiating strategy, the Government has made a number of naive assumptions. It believed that obtaining an agreement with the United States would somehow magically exempt Canada from American protectionist sentiment. The reality is that Canada, under the Mulroney-Reagan agreement, is not exempted from the U.S. protectionist measures.

It also believed that we could get a quick fix instead of dealing multilaterally with GATT, that we would be able to negotiate an effective bilateral deal with the strongest economic power in the world and come out the winner. Did the government get what it wanted? Not at all. We do not have secure access to the U.S. market and the dispute settlement mechanism is nothing more than a review panel. It is still to be determined whether it is constitutional under American law. It applies American law and American practice to our exports. It does not change the law to which Canada is subjected in the American market. The countervailing duty on softwood lumber is still in place.

A recent report prepared for the Government of Ontario concluded that the Mulroney-Reagan trade agreement failed to meet four basic criteria for effective dispute settlement. First, it does not impose legally effective limits on national laws and policy that deny market access. It is not binding. It is no more workable than what already exists. It denies participation by either the provinces or the private sector.

I would also like to touch on the question raised recently by the Governments of Quebec and Ontario. I refer to the respecting of provincial jurisdictions *vis-à-vis* this agreement. In a speech made in December, the Attorney-General of Ontario, Ian Scott, stated that the Mulroney-Reagan agreement is a serious intrusion on provincial powers. This is how he put it:

> Whether or not the agreement amounts to a constitutional amendment in any formal sense, it represents, in my view, *de facto* constitutional change".

He went on to say:

> The trade agreement purports to effect major changes in provincial power, regardless of whether the provinces consent. Ignoring the principles of federalism upon which this country was built, the federal Government has attempted to bargain away provincial powers.

[*Translation*]

Quebec as well is concerned about respect for its own jurisdictions. External Trade Minister Pierre Macdonald let it be known in November 1987 that some of the articles of the Mulroney-Reagan agreement failed to dispel uncertainties related to provincial powers.

As a matter of fact, agreement section 103 stipulates that Ottawa will see to it that all necessary measures are taken to implement the provisions of the agreement and ensure compliance on the part of governments of states, provinces and local administrations.

Mr. Macdonald argues that the problem will have to be scrutinized. For instance, American firms might buy hospitals in Quebec if the government were to privatize them, and nothing could be done to prevent that. The Americans would be entitled to the national treatment and might claim the same privileges as those of a Canadian firm. American companies might come and buy any Quebec financial institution, yet pursuant to the Mulroney-Reagan agreement the Quebec Government would not wield sufficient legislative power to intervene.

Mr. Speaker, allow me to relate an incident I witnessed in my professional and political career. I recall that in the mid-70s, when I was a Minister in Quebec, the insurance company La Prévoyance, owned by another company controlled by a well-known Quebecer who was close to retirement, was up for sale. The best offer came from an American. A number of Quebecers raised strong objections: La Prévoyance, then Quebec's biggest insurance company, was going to be sold to the Americans. We had the legislative power and we threatened to use it to stop this transaction. Following this decision by the Quebec Government, *La Laurentienne* purchased *La Prévoyance*, which marked the beginning of *La Laurentienne's* fantastic development.

If I mention this example, it is to emphasize that under the Mulroney-Reagan Agreement, if it is signed and enforced, the Government of Quebec and that of any other province will be unable through legislation to stop a firm which is a jewel in the economy of a province from being taken over by the Americans. And that is why I am saying that, in many respect, this agreement, as it is drafted, infringes upon the right not only of the provinces, but also of this House to adopt and implement legislative measures which reflect the political expectations of the public as expressed during an election.

Greater respect for provincial jurisdictions and trade promotion within our country will ensure Canada's future properity. It is in this direction that the Liberal approach is developing. We must first of all remove the barriers standing in the way of inter-provincial trade before considering an agreement of the kind this Tory Government is proposing.

[*English*]

Finally, how can the Government preach the virtues of its agreement with the United States when we do not have free trade between the provinces? Canada must have free trade between the provinces before real gains from international trade can be realized. The First Ministers Conference can and must be used to create a means of negotiating the reduction of the current barriers to interprovincial trade. This would encourage production efficiencies and assist the development of production facilities capable of supplying global markets.

[*Translation*]

Mr. Speaker, I should like to take this opportunity today to deal briefly with a problem which the Minister of Finance only mentioned in passing in his speech yesterday. I refer to the debt load of under-developed countries.

[*English*]

This is not simply a financial or economic problem, as many would like to believe, but also a political, social, and humanitarian problem.

In August, 1982 when Mexico declared a temporary moratorium on the repayment of its external debt, all western countries and commercial banks thought that it was only a passing problem. That seemed a reasonable assumption at that time and in that economic context. But the most recent report of the World Bank, which was tabled a few weeks ago, reminded us of a very sad fact. The problem of Third World debt, far from being resolved, is more serious today than ever before, and there are no signs of improvement around the corner.

The sum of Third World debt now exceeds one thousand billion dollars. I don't know, Mr. Speaker, if you can imagine what one thousand billion dollars means. I made a calculation, and it would take forty million dollars from each Canadian to pay that debt. If we put it in the American context, each American man, woman, and child, would need to put four million dollars each in a pot to pay this huge debt. It is not a small problem. It is a big and very important problem.

For many developing countries, the servicing of this debt is greater than their present export revenues. Moreover, the price of raw materials, the principal source of foreign revenue for many developing countries, still remains low, as many Canadian grain producers will tell us.

How do we work to resolve this serious problem without endangering the stability of our international financial system, and without hurting the often very poor populations of those debtor countries together with their fragile democracies?

[*Translation*]

Mr. Speaker, I suggest that Canada should be involved more actively in an effort to solve this problem. So far, who has ever heard the Canadian Government or the Prime Minister deal extensively with this very important issue of endebtedness throughout the world? Canada has, of course, wiped off the endebtedness of some African countries among the poorest in the world. That was praiseworthy tokenism.

The Minister of Finance has also compelled Canadian Banks to increase their reserves in case of payment default by these under-developed countries as a result of borrowing from Canadian banking institutions. Everybody knows, however, that although these reserves for the time being would protect Canadian Banks from a possible shock, nothing has been done to alleviate the debt load of these countries. Furthermore, our banks are not immune to the impact the failure of large foreign banks might have. Canada, like other developed countries, is sitting on a powder keg that may explode at any minute.

Mr. Speaker, I think that at the economic summit of seven industrialized countries it will be hosting next June in Toronto, Canada should propose a fresh approach or strategy. Such a

strategy might be based, for instance, on the recommendations of the Senate Committee on Foreign Affairs whose report was tabled only a few months ago. There are four points the Government should consider in preparing its strategy. First of all, it may be timely for Canada to suggest an international conference on the debt problem. I know many banks would object to this approach, but as I said earlier, the problem is both political and financial, and I feel that people who want to sweep the political problem under the rug to save the banks a few million dollars are viewing the problem through the wrong end of the telescope. Furthermore, the Conservative Government could make a firm commitment to increase development aid to 0.7 per cent of GNP by 1995, as the Leader of the Liberal Party promised last week in Vancouver. We all know that Canada spends only 0.48 per cent of its GNP on development aid.

Third suggestion: Canada could pressure other countries, especially the United States, to increase the capital of the World Bank so that the Bank and its branches could take over from the commercial banks the task of granting new loans to developing contries whose sources of financing have disappeared. Mr. Speaker, the problem is a very serious one. Because of the financial difficulties faced by developing countries, there is a real risk that these contries may not be able to pay the charges on their debt. Financing of future expansion of these countries has come to a complete standstill, with all the human problems that this implies and the political problems that this will cause.

That is why we must act now, and international agencies are in the best position to provide a solution. I believe that leaving this to the banks would be a grave political error. And finally, the Government might try to establish, in consultation with Canadian commercial banks, a series of innovative financial instruments as was done recently in Mexico, to provide relief for developing countries and especially to give them a chance to develop their economies.

• (1220)

[*English*]

These are some of the initiatives which the Government should at least be considering. We in the West are sitting on a time bomb. Canada can and should play a leadership role in trying to find solutions to problems such as the Third World debt before it is too late. The problems of the debt of the developing countries may jeopardize the world monetary system.

I strongly urge the Minister and the Canadian Government to use the economic summits of developed countries to play a leadership role in finding solutions to stabilizing our international system of payments and finding durable solutions to the debt of the Third World.

I will conclude that the Budget tabled by the Minister of Finance yesterday together with the former budget represents a real Tory approach to the management of the Canadian economy. I said yesterday, and I will repeat it again, it is a blueprint for a Conservative Canada, a Canada for the rich, a Canada for the wealthy regions but certainly not a Canada for the have-nots, a Canada for the poor and a Canada for the family. This is why I move, seconded by the Hon. Member for Trinity (Miss Nicholson):

> That the motion be amended by deleting all of the words after the word "that" and by substituting the following: This House regrets that the Budget
>
> 1. Failed to redress the inequities of the tax system created by government policies put forward during the last three and one-half years;
>
> 2. Failed to put into place a regional development policy to compensate for the high interest rate policy of the Government;
>
> 3. Failed to put forward a credible plan to deal with the national debt that does not unduly punish lower and middle-income Canadians; and
>
> 4. Failed to specify a Canadian approach for dealing with the instabilities of the international monetary system.

**Mr. Deputy Speaker:** The Chair finds the amendment to be in order. Debate will proceed on the amendment with the Hon. Member for Ottawa Centre (Mr. Cassidy).

**Mr. Nystrom:** Mr. Speaker, I rise on a point of order. There have been the usual discussions and I think there is agreement in the House that the Hon. Member for Ottawa Centre (Mr. Cassidy) will have approximately the same amount of time as the Hon. Member for Laval-des-Rapides (Mr. Garneau) to speak in response to the Budget and to complete his remarks.

**Mr. Deputy Speaker:** Is there unanimous consent to allow the Hon. Member to complete his remarks?

**Some Hon. Members:** Agreed.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, in a few months Canadians will be judging the Government's record in a general election. They will judge the Conservatives on the basis of their integrity, their competence and their fairness in confronting the problems of average Canadians.

Recent polls indicate that the average Canadian does not only question the Government's integrity but that three out of five Canadians question the Government's handling of the economy. Today's polls indicate as well that support for the Conservatives is falling again as people understand just what a lousy Government we have had for the last three and a half years.

Why is that, Mr. Speaker? Why is it that despite all of the Government's efforts, speeches and public relations paid for by the Canadian taxpayer the Government has continued to stay on the downside of public support? It is because Canadians do not feel that the Government has been fair, and they feel that the Government could and should have done better.

In economic terms the country is divided. The Prime Minister (Mr. Mulroney) warned this House last March about the emerging dangers of two Canadas, one rich and prosperous and the other under-employed. But the Finance Minister failed to heed that warning. The Budget he has produced is, as a consequence, a Budget of lost opportunities. The Minister of

Finance (Mr. Wilson) was so busy congratulating himself and his Government on their accomplishments that he forgot to see how far we still have to go.

For all of his self-congratulations, the average unemployment rate in 1987, according to the Budget documents, was 8.9 per cent. The Finance Minister forecast that unemployment in 1988 will be higher than in December and that economic growth is slowing down. But the Budget the Minister produced is like an accountant's report to an annual general meeting on Bay Street. Bay Street may need the Minister of Finance but this country does not need a Minister of Finance who thinks and talks like an accountant.

I want to say to the Minister that there are still 1.1 million unemployed Canadians out there. There are close to half a million part-time workers who want to work full-time but cannot find full-time jobs. There are one-third of a million discouraged workers who are no longer in the labour force but would be if the job opportunities existed. I say through you to the Minister that unemployment may have fallen in the past year but there are still eight provinces of ten where unemployment remains at the levels that prevailed in the 1981-1983 recession.

We have heard the Government say again and again that it was wrong to have unemployment at those levels and blamed the Liberal Government for what prevailed in 1981-1983. Why does the Government tolerate the fact that in eight provinces of ten the situation remains at levels that have not substantially improved?

I say to the Minister that he and his Government are not being fair to average Canadians with tax reforms. The Minister and his Government have not lifted a finger to correct the faults in the tax system, as they could have in yesterday's Budget. I say to the Minister through you, Mr. Speaker, that the Government and the Minister are not being honest about the potential impacts of the trade deal with the United States. I say to the Minister and the Government that the Government could have told the Bank of Canada that it was time to bring interest rates down in order to get the economy moving and to stop the Canadian dollar going through the roof.

[*Translation*]

Mr. Speaker, the Government had an opportunity in 1988. Despite the stock market crash in October, the economy is going strong, but for how long? One must be blind not to notice the first signs of a coming recession in the American economy, a recession that will probably affect the Canadian economy considerably. As the well-known saying goes: When the Unites States sneeze, Canada catches a cold. The introduction of a budget is a golden opportunity to act and set out a vision in which all Canadians will feel involved and not only a small select group, the old boys network, those who sit on the boards of large corporations. The Minister had a unique opportunity to turn to all Canadian men and women to build tomorrow's Canada, the Canada of the 90's. But he failed miserably.

That was the time for the Minister to show leadership about interest rates. At a time when the Canadian economy is only beginning to recover, the Bank of Canada puts on the brakes and through its policies brings on a most unacceptable rise in interest rates and the Canadian dollar. I am afraid the hope Canadians had of seeing their region become as prosperous as central Canada has just vanished. The Minister, the Prime Minister are to blame. Mr. Speaker, both the Prime Minister and the Minister of Finance had the choice of doing something for low-income Canadian men and women, for ordinary people, but true to character, they decided to do nothing.

• (1230)

[*English*]

The Prime Minister told the House last March that we are in the process of building two Canadas, one which is rich and promising and one which is underdeveloped and underemployed. Those words were lost on the Minister of Finance.

When I was preparing for this response to the Budget, I took the trouble to read my Budget reply of last year. I was tempted to deliver the same speech because nothing has really changed.

The fact that yesterday's Budget makes hardly any reference to regional disparities in Canada shows just how unaware the Finance Minister and his officials really are of the problems affecting real people from Vancouver Island to St. John's. There is no reference to the projected growth for the economies in different provinces and different regions of Canada. It is almost as if most of Canada did not exist.

The other day the Governor of the Bank of Canada came before the Committee on Finance and Economic Affairs to inform us that things were overheating in southern Ontario to the point where he felt he had to put the brakes on through monetary policy. The Finance Minister puts a priority on growth in Central Canada as well. It is not good enough to have a Finance Minister from Mississauga and to have a Governor for the central bank from southern Ontario. It is time we had monetary and fiscal policies that served all of Canada and not just one region.

As my Leader said a few months ago, Canada cannot be strong if its regions are weak. Since the Progressive Conservatives came to power in September of 1984, close to one-half of the job creation in Canada has come to one province, Central Canada, the Province of Ontario, which has less than 35 per cent of the population. As an Ontario Member of Parliament, I welcome the fact that there are more jobs today in this province than there were in 1984. However, as a politician who is concerned about the whole country, I want to say that a policy of growth in one province will breed resentment, a sense of unfairness and a sense that there is something fundamentally wrong in the country. That is what the Conservatives are doing by concentrating on just one province. That kind of disparity breeds resentment and that is not the kind of policy on which to build a nation.

[*Translation*]

The Government itself in the November 1986 Throne Speech stated that regional employment income disparities were an unacceptable reality. So why accept it in this Budget, Mr. Speaker? In its 1987 annual report, the Economic Council of Canada emphasizes that we must fight unequal economic growth, support tax measures that can strengthen regional economies, and that a priority economic goal for Canadians is to achieve a fair distribution of growth, employment opportunities and social services.

Mr. Speaker, last year the Organization for Economic Co-operation and Development in its report on Canada, stated in the same line of thought that one of the most striking aspects of the 1986 growth was the very acute regional disparities in economic growth; and that despite such differences being a familiar aspect of the Canadian economic environment, they were especially acute last year.

Even the Government appears to think that something must be done. In May 1988, the taskforce set up by the Federal and Provincial Ministers responsible for economic growth stated in their report that efforts to strenghten the economic structure of less privileged areas will require a proactive role on the part of the Government, in co-operation with the private sector, supported by resources and a will to innovate and to experiment, both at the policy and program development level.

[*English*]

If the Economic Council of Canada, the Throne Speech and the OECD all say that we should be acting to fight regional inequalities, then where is the Minister of Finance? The Minister of Finance and his Government are going in the exact opposite direction spelled out for them by all of these experts and authorities.

Far from responding to the need for innovative new programs in the regions, the Conservatives have cut $3 billion from spending on regional economic expansion programs since 1984. The Conservatives made announcements all over the place. They announced an Atlantic Canada Opportunities Agency, a Western Diversification Fund and FEDNOR for northern Ontario. This is marvellous because of the jobs that are being created by the Progressive Conservatives in the forestry sector because of the trees that will have to be cut and the paper that has to be made to churn out the press releases on which they make these announcements. However, does it go beyond that? The answer is no, it does not.

As my colleague from St. John's East has pointed out, in the year and a half since the Atlantic Opportunities Agency was announced, regional development spending in the Maritimes has been drying up. New money is not being spent. At best, the agency will have some $200 million per year. You and I know, Mr. Speaker, what is actually being prepared. The Government did not want to make announcements right now so that it could come up with its lollipops and freebies at the time of the next election campaign in the hopes that it could deceive Canadians into putting a rotten Government back into power. Canadians can see through this Government. They know that they could not trust the Conservatives over the last three and a half years, and that that will not change between now and the next General Election.

I would add that the situation in western Canada is even less advanced. Legislation to establish the Western Diversification Agency has not yet been considered in Parliament. Is that a sign of priority or is it a sign of a Government which wants to use smoke and mirrors in place of real programs to get the economy of the regions back on track?

What are we talking about? The plain fact is that in every province except for Ontario and Manitoba unemployment is still at the levels of the 1981 to 1983 recession. The regional disparities that opened up during the depression are not closing up, and in dollar terms are actually increasing. Unemployment rates remained at unacceptably high levels in most parts of Canada for last year.

The average unemployment level for last year was 18.6 per cent in Newfoundland, 13.3 per cent in P.E.I., 12.5 per cent in Nova Scotia, 13.2 per cent in New Brunswick, 10.3 per cent in Quebec, 6.1 per cent in Ontario, 7.4 per cent in Manitoba, 7.3 per cent in Saskatchewan, 9.6 per cent in Alberta and 12.0 per cent in British Columbia. We still have a long way to go, and that, I say to all Hon. Members, is an understatement.

This is not just an East-West problem either. Even in Central Canada, my Province of Ontario, there are serious disparities. Homelessness is chronic in major cities of Ontario. Food banks have become a way of life for thousands of people from Vancouver to St. John's. In my City of Ottawa, there are food banks just a 10-minute walk from the House of Commons. There is a record demand for housing at reasonable cost and it has not been met. Unemployment has risen to around 14 per cent in Windsor according to people there, and 17.9 per cent in the Gaspé.

[*Translation*]

The unemployment rate is 14 per cent in the lower St. Lawrence area. And in Northwest Ontario it is 9,8 per cent.

So we have regional disparities not only between provinces but within the two most prosperous provinces in Canada.

Although the youth unemployment rate remains between 12 and 13 per cent, the Government reduced by $300 million the job creation and other programs for the young since 1984.

• (1240)

[*English*]

If we could get to the hearts and souls of the unemployed we would find worse. We would find the continued discouragement and despair of people who suffer from unemployment. I wonder what they thought as they watched the Minister of Finance last night. What would they have thought had they gone to that jolly gathering of the Minister's invited guests who had a small glass and celebrated three and a half years of

Tory prosperity in certain parts of this country. That prosperity does not reach to the average family and people in many other parts of the country. I wonder if the Minister ever thought of himself in this way.

Across Canada two-thirds of the adult population over 15 participate in the labour force, but that participation was only 56 per cent in New Brunswick and less than 50 per cent in Newfoundland. If you assume, and it is a fair assumption, that two-thirds of the adults in those two provinces want to work if the work is available, then the unemployment rate in New Brunswick would have more than doubled to 26 per cent, and to around 38 per cent in Newfoundland. On the same basis the unemployment rate would have been around 19 per cent in Nova Scotia and close to 14 per cent in Quebec.

Let us not fool ourselves; we must let the Minister know that we have not arrived at the economic recovery target. He cannot rest on his laurels now. We have barely begun the job that needs to be done.

To make matters worse, Canada may still face serious consequences from last October's stock-market crash and the slowing of the U.S. economy. The Economic Council of Canada and other forecasters have been revising their forecasts downwards. Even the Minister of Finance expects that unemployment in 1988 will exceed last December's rate. The crash may have particular impact on consumer and business spending this year, and consumer spending is starting to decline now. The savings rate has dropped to the point where most savings are made through contractual instruments such as RRSPs. Bankruptcies are on the rise again and certain cities are beginning to suffer from a downturn in the automobile industry which has been a bell-wether for economic downturns in the past.

Faced with that situation it is not right or fair that the Government of Canada should stand on the sidelines. It does not help people in Rimouski to know that Mississauga has full employment. This is a big country, regionally diverse and traditionally committed to a sense of sharing and social justice. That means we need initiatives from the Government, not just rhetoric about how well we have fared over the last three and a half years.

What can be done? My colleagues and I have said on every Budget to date that this country must make a commitment to full employment which is every bit as serious as our commitment to economic growth or combating inflation. As countries like Austria, Norway and Sweden have demonstrated, that commitment can be delivered in a variety of ways, but it will not be fulfilled if it is not made. My Party is proud to make that commitment to full employment. We believe a Canadian Government must do everything in its power to translate that commitment into reality.

It is unacceptable that the Minister of Finance tolerates unemployment rates that will continue at recession levels into the 1990s.

**Ms. Jewett:** Like Maggie Thatcher.

**Mr. Cassidy:** Maggie Thatcher has just allowed television into the House of Commons so the people of England know just what kind of Prime Minister she is. Perhaps we need to find some way to look into the hearts and minds of members of the Conservative Government to know why, when it comes down to the crunch, they line up with stock brokers, investment bankers and big business, and ignore the needs of average Canadians from coast to coast.

As I said, it is unacceptable that we have a Minister of Finance who will tolerate unemployment rates at recession levels in much of Canada into the 1990s. We need to embark now on a full employment strategy and I want to talk about some of the things we should be doing.

We should have a commitment to diversification, and secondary processing of resources in local communities across Canada, based on local needs with local input into the decision-making process. We need a partnership with the federal Government which will tie government assistance and tax incentives for investment to commitments to job creation and regional development. We need a specific commitment to increase national spending on research and development to levels achieved in other industrial nations, in conjunction with the provinces, universities and the private sector.

We had that promise from the Progressive Conservatives before the 1984 election but everyone knows what they did when they came into office. They slashed the National Research Council, and cut research and development spending to the point where it has hardly grown as a proportion of the GNP from 1984 to the present.

We need a commitment to use federal procurement and planning arrangements with major corporations to achieve specific goals of job creation and regional development.

[*Translation*]

Mr. Speaker, on this side of the House, we have proposed initiatives such as a community initiative fund that would help community development groups, small businesses, co-operatives and other community organizations launch initiatives for job creation in their own areas. In that context, it is my belief that we must welcome the announcement in the Budget of economic incentives to co-operation by national labour-sponsored venture capital corporations, that are similar to the support now given to the Quebec Solidarity Fund. This is one of the few positive measures in the Budget tabled by the Minister of Finance.

[*English*]

We have proposed specific programs to help young people receive adequate training and education and help diversify single-industry communities based on specific resources. For the last four years Canadian municipalities have been trying to get the federal Government to give attention to their plight and the deterioration of municipal infrastructure in every part of Canada. Federal cost sharing in this area can be targeted to

areas of high unemployment and will have specific, positive results in such areas of basic service as water treatment, sewage, non-profit housing and land servicing. Yet the Government rejected those pleas.

Last year our housing industry operated at a very high level but it was not providing housing for Canadians of low and modest incomes. This year housing starts are forecast to drop by some 20 per cent so there is ample capacity in the industry to support housing as a tool of economic development in areas of high unemployment. The opportunity is there. Why does the Government not seize it rather than ignoring it?

[*Translation*]

Mr. Speaker, the future holds gigantic technological changes in store for us. The technological turnaround requires Government support to help the industries which must face this new technology and which are now in full expansion. The workers also need incentives, and one of the ways in which a country such as Sweden has been able to maintain full employment has been through its adjustment policies for workers and its commitment to ongoing training for workers, areas in which Canada is lagging far behind.

The response of our Government has been to cut back funds for the Canadian Jobs Strategy instead of giving as much priority to human resources as to corporate resources.

[*English*]

In short, the problem of moving to full employment is not that the tools or programs are lacking, it is that the will is lacking and the Conservative Government and its Minister of Finance are too wedded ideologically to market oriented policies to accept the need for a mixture of policies that suit a mixed economy that will take us to full employment.

That is not all that needs to be done now. If Canadians are to be convinced that their Government is fair, then the tax system announced last December by the Minister of Finance has to be overhauled. The Finance Minister did not talk about these tax changes in his Budget but they are just as much a part of his fiscal policy as is the one cent a litre tax which he is imposing on motorists to pay for child care exemptions and for the loss of tariff revenue under the Canada-U.S. trade agreement.

• (1250)

Every time the Minister gets up I reckon I should have run to the gas pumps before he did so because every time he gets up he raises sales tax. It is $50 a year for the average family this time. It is $350 in sales tax that the Minister has increased on petroleum products since 1984. This is a Government that lost an election over an 18-cent-a-gallon tax increase on gasoline in 1979.

The Government has moved in one area. It has been a bit sensitive on the change in the manufacturers' sales tax, albeit on an interim basis. We welcome the new proposals and will study them closely. The initial reaction appears to be more positive than the initiatives taken by the Government in the White Paper which came forward last June. However, I want to remind the House of the basic unfairness of a tax system in which Canadians with incomes of over $100,000 a year will be the big winners and Canadians with average incomes will be continually worse off than they were in 1984.

We estimate that the tax increases on the average family, that is one earning $35,000 with a couple of kids, will be almost $1,400 since 1984, with the increases on booze which came in last December and with the increase on gasoline which came in yesterday. The average tax cut which that family will receive is about $310. That means that under the Conservatives they will get propaganda about tax cuts and an actual tax increase of $1,125 over three and a half years. Moreover, any benefit that the average family receives from tax reform will be eliminated over two or three years because of gradual deindexing.

Last December's figures show us where the real winners are. Some 180,000 families with above average incomes of over $100,000 a year are the ones who should be salaam-ing to the Minister of Finance for the favour he has done them because they will get tax cuts averaging $4,165 per annum apiece. The total value of the tax cuts to those big hitters is about $750 million. That is twice the total value of the tax cuts that the Minister has given to 2.8 million taxpaying households with incomes below $15,000.

If the Minister of Finance had his tax priorities straight he could have taken that $750 million and used it to ensure that no Canadian with income below the poverty line had to pay a nickel in income tax. I suggest that that should be a priority for the Government rather than giving $750 million to people on big incomes. The Finance Minister boasts that he is taking 850,000 Canadians off the tax rolls. He does not mention that they got peanuts and the real benefits went to his buddies on Bay Street.

[*Translation*]

Mr. Speaker, I can also mention the fact that it is especially in Quebec that the tax on gasoline will hit hard. Indeed, I remind Hon. Members that Quebec has the highest gasoline prices in North America, and we shall now be paying one cent more thanks to the Minister of Finance.

[*English*]

The issue of tax fairness is one that strikes home to every Canadian family whether they live in Toronto, Moncton, or Kamloops. It is not only an issue of what people are paying now but also an issue of what they will pay when stage two of tax reform comes into being and the new national sales tax comes into force.

The Finance Minister has told this House that the present manufacturers' sales tax is "fundamentally flawed, it's hidden, it's arbitrary, it's capricious, it hurts our economy, it is costing us jobs". So what does he do? He is prolonging it and putting temporary measures into force on November 1 of this year.

Since 1984 these Conservative increases in sales taxes have taken $750 out of the pockets of average families in sales and excise taxes alone. Now the Government says that stage two will come in. The Minister says "Trust me, I'm not going to raise any increased taxes from this particular tax". However, he is not coming clean and he is not being honest with Canadians who want to know what the impact will be on them.

What rate will the new tax be set at? We do not know. Now that the Minister has grudgingly agreed to exempt food, what is the nature of that exemption? How much is the sales tax credit going to be? Will it be adequate for average families or only for people who are on very low incomes? What will be the cut-off? We do not know. An election is coming and Canadians have a right to know what the Finance Minister is proposing.

On top of that, the Finance Minister failed to mention the fact that a third of the existing manufacturers' sales tax is borne by business as a cost of business inputs. There is a general sense that it makes sense to take that cost off on exports in line with what other countries do. This is why many countries have moved to a form of cascading tax or value-added tax. However, I want to know what that means under the Finance Minister's new regime in terms of additional burden that will be borne by the average individual taxpayer. A Government that was truly fair in its tax policy would have increased the tax burden fairly as between those three major sources; that is, personal tax, corporation tax, and sales taxes.

The Government has done the opposite. According to estimates for 1988 corporation tax will have risen by only 28 per cent since 1984-85; personal income tax has gone up by 55 per cent, and sales tax revenues to the Government of Canada have gone up by 96 per cent to $27 billion—they have doubled. If a third of that burden is transferred now from business to individuals does that mean that another $9 billion in tax load will be shifted from the corporate sector to individuals?

We have a right to honesty from the Government in terms of what its tax plans really are. The Government does not believe in indicating honestly and openly what it intends to do. Earlier this week in the House of Commons my Leader pointed out how large corporations are continuing to escape paying their fair share of corporate tax, leaving average Canadians holding the bag.

I want to cite this to you. In 1986 Alcan Aluminum had income totalling $220 million. It did not pay tax but got a tax credit of $32 million. In the same year Brascan had profits of $187 million according to *The Globe and Mail*. It got a tax credit of $2.3 million with no tax payable. Hees International, another holding company, had $170 million of income and no taxes were paid. Power Financial had $132 million of income and received a tax credit of $1 million. Bramalea, a real estate company, had income of $51 million and no taxes were paid. In 1987 Cadillac Fairview had $95 million worth of income and got a tax credit of $12.4 million.

When is this going to stop? When will we see major corporations paying their share the way that my friend from Yorkton—Melville pays his share of taxation every year, the way that my constituents in Ottawa Centre pay their share of taxes every year? Why is it that the average Canadian pays year after year while major Canadian corporations go year after year without paying a nickel in tax?

Last October StatsCan released some figures which showed that the corporate income tax system is particularly favourable to large profitable corporations. According to StatsCan "the corporate income tax system is systematically biased toward concentration. It is structured so that larger firms are about to grow relatively faster than medium and small-sized firms". The StatsCan study said that the White Paper changes to corporate income taxes would change this situation only modestly.

We need to see that system changed. If the tax system is not fair, then in the end that unfairness will breed resentment and resistance. It will undermine the willingness of Canadians to co-operate with the Government, to build for the future, to comply with a voluntary system of tax collection. If the tax system is not fair the revenues that could be collected to help create jobs and create fairness between different regions of Canada will stay in the hands of rich taxpayers and rich corporations.

That is why my Party says that this is one area in which we can take a leaf from the book of the United States. Despite having a conservative Government, a Republican Government in Washington, despite having a reactionary President, President Reagan, the United States has put in its recent tax reform a minimum tax of 20 per cent on American corporations in Canada. Moreover, an American corporation whose subsidiary in Canada does not pay tax may well wind up paying minimum tax in the United States on taxes that were not paid in Canada. That is fundamentally wrong. In this case if it is good enough for the Americans it is good enough for Canada. We need a minimum tax on corporations and we need that minimum tax now.

**Mr. Deputy Speaker:** I presume that the Hon. Member will continue after Question Period.

**Mr. Cassidy:** With the co-operation of the House, Mr. Speaker, I would be quite willing to continue now and conclude my speech.

**Mr. Deputy Speaker:** Is there agreement to that effect?

**Some Hon. Members:** Agreed.

**Mr. Cassidy:** I believe that was agreed to previously, Mr. Speaker. The report of the Finance and Economic Affairs Committee on tax reform recommended a minimum margin tax on financial institutions, another form of minimum tax. That would have permitted a number of needed improvements in the tax system proposed in the White Paper. However, the Minister of Finance rejected that minimum margin tax and

chose to put the interest of the banks ahead of the needs of average Canadians. He was wrong.

• (1300)

We should move now to roll back the de-indexing which has taken place in the tax system so that it does not systematically discriminate against average Canadians. Average Canadians support a progressive tax system. It is wrong to have cut into taxes on upper income earners so sharply when the Government should have redistributed income to average Canadians. The Government could have repealed the folly of capital gains tax exemptions which have given some Canadians tax exempt income that exceeds what an average family may earn in five or ten years, or even in a lifetime.

I plead for a sense of accountability. The current deficit is $29.3 billion and is not coming down by very much every year. The Government of Canada spends close to $30 billion every year in tax expenditures. That never enters into the Government accounts or into the estimates. It simply trickles out the back door, largely to friends of the Government, friends of the Minister of Finance, people who think like him. That is wrong. If we had full accounting for those tax expenditures we could remove some of those unneeded loopholes, tax benefits and privileges and use the money for economic development, regional expansion and to reduce the deficit.

A fair tax system would cut taxes for average Canadians and would generate the resources to help put in place a policy of full employment and regional fairness.

[*Translation*]

Mr. Speaker, one of the major aspects of justice in a society is the way in which we deal with the problems of families with young children. This Budget contains the series of measures for child care to help families with young children introduced and announced by the Government last December. However, this is basically insufficient. In his Budget, the Minister says that 200,000 new spaces in day-care centres will be created over the next seven years thanks to Government initiatives. However, the measures to create these places are absent from this Budget. Indeed, if you look at the implications of this Budget, you will find that only $40,000 have been put aside to support family expenditures for child care.

[*English*]

The money being spent on child care by the Conservatives does not begin to replace the funding taken out of family benefits since they were elected. If all elements of family benefits were to be re-indexed, the cost in 1991 would be around $1.6 billion, which is $500 million more than the Conservatives are planning to spend on child care after seven years. Far from putting money into child care, they are taking it out.

[*Translation*]

Mr. Speaker, the Government can do more to create a fairer and more equitable economy. Since last year, the Bank of Canada has been following a very restricted monetary policy and the Government has stated several times that its objective is to bring down the inflation rate to zero. Thus, the monetary policy for which the Government is theoretically responsible goes directly against the objective of full employment.

The Conservative Government could have created many more jobs if the Bank of Canada was not set on maintaining high interest rates to fight against inflation. Instead of putting forward a fair program for the average Canadian who is affected by the high interest rates, the Minister of Finance firmly supports the policy of the Bank of Canada.

[*English*]

On behalf of New Democrats, I say that it is time for the Minister and the Government to take control of monetary policy rather than leaving it exclusively in the hands of the Bank of Canada, whose dedication to fighting inflation blinds it to all consequences of an overly tight monetary policy. It is time to bring the interest rates down. They can be brought down by one per cent or 2 per cent, which I and my Party believe should be done now.

There are many reasons why we should bring interest rates down. It is not a dollar be damned policy, because there is an option available now. The dollar has been driven too high because of the tight interest policy of the Bank of Canada. Economists such as Michael McCracken have made it clear that we have that option, yet the Minister of Finance ignores it. In fact, in his Budget he forecasts higher interest rates on the national debt and forecasts that real interest rates will be rising from 4 per cent last year to 4.6 per cent, when they should be falling. The cut in rates would help the average consumer.

There was an increase in bankruptcies last year which has been aggravated by the increase in interest rates. High interest rates have increased the cost of capital in Canada for business to the point where the differential is now 30 per cent to 35 per cent in terms of the cost of investment for businesses investing in Canada. This is at a time when the Government says Canadian business will have to be competitive in order to go head to head against American firms as a result of the Government's blind devotion to free trade.

There has been extensive and probably excessive foreign borrowing. One of the reasons is that high rates were put in place to support the dollar. William Macness, Vice-President of the Bank of Nova Scotia, recently called for a reduction in interest rates to end our foreign borrowing habit.

Premier Bourassa recently stated that the dollar has become too high, and pointed out that the increase in the dollar in the last two years amounts to an 11 per cent or 12 per cent increase in tariffs on Canadian goods being sold in the United States.

My friend, the Hon. Member for Yorkton—Melville (Mr. Nystrom), reports that farmers and livestock producers in western Canada are feeling the pinch now as the cost of their

exports to Americans are beginning to rise to the point where they are no longer competitive, thereby reducing their returns. We cannot afford to let that continue.

A cut in interest rates would have a direct effect on the federal deficit. The estimate in the Budget is approximately $2 billion. Since the deficit could be brought down by $2 billion or more if the Government were not paying such high interest rates on the deficit, the Minister is partly responsible for the high deficit which is proposed.

The Economic Council of Canada said that a cut in rates would be the most important single job generating initiative that the Government could take. Let me remind the Minister of Finance that we do not have full employment in the interior of British Columbia, in Newfoundland, Nova Scotia or Prince Edward Island. There is no full employment in Chicoutimi, Windsor or in many parts of this country. I suggest that to put on the brakes because things may be starting to overheat in Toronto is essentially unfair to 90 per cent of the population of this country who are not in that zone of affluence. They should not be held back because of the policies of the Bank of Canada. It is time to bring those interest rates down.

Let me move to the question of the trade initiative. I suppose it was predictable that the Government would congratulate itself as the Minister of Finance has done. I wish, however, that he and his Government would be more honest with Canadians rather than looking at the future through rose-coloured glasses.

• (1310)

This Government embarked on its trade negotiations to bring an end to unfair American trade laws affecting Canadian exports. The Government failed. It came up with a deal in which Canada and the United States will spend the next seven years talking about the issue of U.S. trade legislation which originally took us to the bargaining table but in which we have no guarantees of making any progress. We know what is going to happen. I saw it in my newspaper the other day. The Prime Minister was at a high school in eastern Ontario speaking to some students. There was a picture of the American eagle reaching down to claw the head of the Prime Minister. Little did he know what was happening. Little do Canadians know what is happening. Those unfair trade laws will come back to haunt us.

I remember that just a year ago the Prime Minister told us we would have 500,000 new jobs because of the trade deal. The Economic Council then said it would be 360,000 jobs. Now they are saying that might be 10 years or 12 years down the road. The Department of Finance says it is 120,000 jobs. Who are we going to believe? I am not really sure. I do know that 120,000 jobs represents only 10 per cent of the number of Canadians who are currently unemployed.

Yesterday the Minister of Finance told Canadians how well he thinks the economy is doing. The Governor of the Bank of Canada tells us how much we are in danger of the economy in southern Ontario overheating. What are those two men really saying? If things are going so well, why does Canada have to beg the United States for a trade deal which will tie the hands of future Canadian Governments and which will affect our sovereignty and our economy in so many ways? Why is the Minister of Finance so insecure about his Government's ability to manage the economy? If I can put it another way, why is he so dedicated in an ideological way to a way of thinking about the economy in which governments have no role, the market is supreme? He will Americanize the Canadian economy rather than letting Canadians run Canada's economy in Canada's way for the benefit of average Canadians from coast to coast.

Original disparities will not disappear as the Prime Minister has tried to tell us. In fact, they may even increase. I took the pains to look at regional disparities in the United States, thinking that with two centuries of free trade between the American states they surely would not have the problems we have here in Canada. Yet, I found that the average per capita personal income in the State of Connecticut in 1966 was about $19,600, but in Mississippi in the same year it was only $9,716. In other words, in Connecticut average incomes were double the average per capita income in Mississippi. What is happening? How could these disparities exist?

I guess I was wrong, but perhaps the Minister of Finance is wrong as well in trying to claim that disparities in Canada will disappear if only we get free trade. Mississippi has no trade barriers in its dealings with any of other 49 states of the United States, yet the income there is one half the level of Connecticut and barely over one half the level of other states such as Massachusetts, New Jersey and other prosperous states in the United States.

What is the disparity here in Canada? Interestingly enough, in 1986 the disparity between Ontario and Newfoundland was $18,740 versus $11,380. That is unacceptable. But Ontario was two thirds higher than Newfoundland, not double. We have done better in this country without free trade than the American states have done in the United States with free trade.

A number of my colleagues of Scottish origin got together to celebrate Robbie Burns night. I might remind them that Scotland has been engaged in a free trade agreement with England for some three and a half centuries now, the longest free trade agreement existing anywhere in the world. Do the disparities still exist between Scotland and England? You bet they do. Can the Scots take measures to get their economy going the way they would like to do? No, they have become a tributary and colony to the United Kingdom of Great Britain, Northern Ireland and Scotland at Westminster, and have been unable to govern for themselves. Is that the future for our country? I am afraid that with our Minister of Finance that is the direction in which we are going.

One of our forecasts has come to pass in this particular Budget. Canadians are not going to go scot free. Someone has to pay for the tariff cuts that are in the trade deal. The

Minister of Finance acknowledges that because every time one drives to the corner store to pick up a newspaper to see how one's stocks are doing on Wall Street, an extra gasoline tax will be paid. If one drives to the United States to get those goods the Minister of Finance says will be tariff free, one will be paying gasoline tax.

It is interesting that Canadians in the next two years will pay $515 million in added gasoline tax in order to receive $525 million in tariff cuts. It is more or less equal. In other words, we do not get a free lunch from the Tories. Canadians are going to pay. Our cost of living is going to show that if the cost of goods in the stores come down, the cost of taxes paid by Canadians will go up in equal measure.

The real question is what tools will future Canadian Governments have to direct the economy after the trade deal goes through, if it does? Where is the adjustment program that Canadian industries will need? They were not announced in this Budget. Where is the assurance that the new regional development agency will not run smack into American interference through trade laws which have not been changed? There is no such assurance.

We are taking on an American option in terms of the way we are running our economy. At the same time we are facing some very severe problems. I noticed this week that the Campeau Corporation, now based in Toronto, has run into state legislation in Delaware and Ohio to block its takeover of the Federated Stores. It is a $4 billion or $5 billion takeover which is currently being undertaken.

In other words, when a Canadian company goes to the United States as the Minister of Finance wants it to do, as part of the spirit of the trade deal, and tries to establish a foothold in an important industry, the retailing industry—and bear in mind there is meant to be national treatment between the two countries in retailing and other services—the Government of the United States does not say anything. It is leaving the dirty work to the State of Delaware and to the State of Ohio. There is a very real danger that whatever the wisdom of that particular deal, it will be blocked by state action and you can bet your bottom dollar, Mr. Speaker, that Clayton Yeutter, Ronald Reagan and the other American authorities, will not intervene to ensure that that particular deal can take place.

The Americans are beside themselves. They are transfixed with the fact that Canadian companies are starting to acquire a modest proportion of the United States economy. That will continue. At the same time they have negotiated that there is no restraint at all on American investment coming into Canada.

The ironic result of national treatment will be that those Delaware takeover laws will apply to American takeovers as well. What will happen as state after state takes action to keep the Canadians, the Germans and the Japanese out, is that American companies will look to Canada for takeover targets because the takeover market in the United States is tied up.

What we are seeing now in the economic arena is that Canada for three and a half years has been a laboratory for orthodox economics and neoconservativism. Economic doctrines with chief similarity is to put the market first and to put workers and human fulfilment last. The New Democratic Party considers that the task of economic policy is to put people first ahead of orthodox abstractions and statistical aggregates such as economic growths, profits, and so on.

We are not alone in this view. In the past four years there has been an increasing witness from Canada's churches saying exactly the same thing. When Pope John Paul was in Toronto in 1984 he argued that the needs of the poor take priority over the desires of the rich, the rights of the workers over the maximization of profits, the preservation of the environment over uncontrolled industrial expansion, production to meet social needs over production for military purposes.

The Catholic Bishops of Canada have delivered the same message, and the United Church of Canada in its 1984 resolution on the economic crisis argued likewise, as it expressed support for social and economic policies across the world dedicated to justice, that the needs of the poor should have priority over the wants of the rich and that Canada needed a national program for full employment.

We should not lose sight of the basic purpose of economic organization which is to create goods and services for the population and to provide fulfilling employment for the men and women in the labour force. Our society, through Government, makes an important contribution to the success of the economy and to the success of any enterprise through laws, customs, education, training, health and social services, infrastructure and so on. Let us not turn our backs on that important contribution. Let us not ignore the role of Government for ideological reasons. Let us continue to see Government work in partnership with average Canadians, with Canadian enterprises, with Canadian unions and with voluntary organizations across this country.

I resent the criticism which has been directed to my Party from time to time suggesting that New Democrats are centralists and protectionists and mercantilists and interventionalists and so on. What we have talked about consistently is quite simply that we recognize that change and adaptation to change is going to be a central element in any economic strategy over the next decade. No Party can ignore it or pretend it does not exist. However, in adapting to change, human factors and regional factors must have an important priority for any government in Canada. That goes particularly for a social democratic government, which I hope takes office in this country very soon.

• (1320)

I believe that most Canadians would want that to be so because that kind of collective tradition is something which is deeply rooted in the fabric of Canadian life and Canadian

government from the time that Sir John A. Macdonald built the great Canadian railroad back in the 1870s.

The difference between the New Democratic Party and the other Parties in many of our economic policies is that we acknowledge the need for government participation or leadership in the economy. We are not afraid to look for government intervention or involvement where it is needed and useful. Other Parties seem to decry such intervention in theory but in practice they also resort to it. Even the United States which decries such intervention practices it through such means as its defence budget. We are seeing the same thing now with respect to defence contracts here in Canada.

When I say that we need vision and leadership from the Government I think that that is an entirely appropriate role for the Government to take. I think that governments can and should plan. After all, individuals plan, companies plan and universities plan, as do municipalities, private organizations and businesses. Why should Government not plan as well? What is more important than to have a vision of the late 1990s, where we want to be in 10 years, and then decide how we will get there?

My vision and the vision of my Party includes full employment for every Canadian in every region of Canada, balanced economic development in regional fairness, a country which is technologically and economically competitive, major increases in manpower training and formation that affect every working man and woman across the country, programs for young people to enable them to take their place in the workplace, major increases in research and development, and a reworking of our tax system to lift the tax burden on the poor and make this system more equitable.

We want to see a better balance of work and leisure so that we do not have 90 per cent of the population working and 10 per cent involuntarily at leisure because they are unemployed.

We want to see greater participation for every Canadian in decision making, a form of economic democracy, a full recognition of the equality of women in our workplace and in our society, a more rational international agreement around farming, farm products and agricultural trade, equality and opportunities for minorities, and a true basis of non-discrimination and of social justice.

We want to see a maintenance of the social safety net so that in terms of income and in terms of social opportunities every Canadian can continue to benefit.

We want to see a national day care system that covers every Canadian family.

We want to see cultural development that enables us to continue to maintain and assert our Canadian identity, a substantial increase in Canada's aid to less developed countries, and a world in which Canada increasingly and more confidently asserts itself as a middle power with the unique and distinctive view of its interests and the interests of the world based on where we are in the North American hemisphere and of our interests as an independent nation, not just as a subsidiary of our great neighbour to the south.

We want to see advances to the General Agreement on Tariffs and Trade in sorting out non-tariff barriers, advances in dispute resolution with the United States and other major trading partners, more diversification of Canadian trade, and a shared direction in monetary policy so that we no longer have a Minister of Finance who says, "I am sorry I cannot do that in terms of bringing interest rates down. I cannot give that direction because the Governor of the bank says that he will resign if I tell him what to do".

We want to see a more open style of budgetary and economic management that would prevail both in Ottawa and in the provinces.

Sometime in the next year we expect that there will be a general election.

[*Translation*]

—election through which Canadians would be supposed to judge this Conservative government's record for the last four years. The record will show whether or not the government has delivered the goods following the commitments made during the 1984 election campaign when they promised to be open, honest and fair and to clean up the patronage practices used by the Liberals under the previous Liberal administration. On all those counts, Mr. Speaker, Canadians now don't trust the Conservative government.

[*English*]

But average Canadians will also have to judge the Conservatives on their economic record. Has the Minister of Finance put Main Street first or Bay Street? Was it in the interests of average Canadians that the Government brought in the tax-free exemption on capital gains? Do ordinary Canadians benefit when major corporations such as Alcan or Brascan make substantial profits and pay no tax? Does a single parent in Vancouver or a mechanic and her family in Hamilton benefit when the biggest tax cuts go to company presidents and high-priced lawyers and consultants earning over $100,000 per year? How does recovery of jobs in Mississauga help people who want to work in Newfoundland but who face levels of unemployment that have hardly changed since the recession? What will the Government be able to do to help hundreds of thousands of Canadians whose jobs will be affected by the trade agreement if it is ratified?

This Budget is not fair to the average Canadian. It does not bring tax fairness. It fails to come to grips with the increasing impact of high interest rates on the Canadian dollar and on the Canadian economy. This Budget is not fair to those parts of Canada, eight provinces and the territories, that are still suffering unemployment at recession levels. This Budget is not honest or open in telling Canadians what the trade deal will really mean.

If there is a Conservative election manifesto in this Budget, then so be it. We will oppose the Government on this, its election platform, with pleasure. However, now is not the time to stand pat. Now is not the time to do nothing. Now is not the time for these lost opportunities.

It is for all these reasons that I therefore move the following amendment to the amendment to the Budget motion moved by my friend, the Hon. Member for Laval-des-Rapides (Mr. Garneau):

> That the amendment to the motion of the Minister of Finance be amended by adding immediately thereafter the following words:
>
> "and this House further condemns the Government for introducing a Budget that ignores the real economic needs of the country in which over 1.1 million Canadians are unemployed and eight out of 10 provinces and the territories continue to experience employment and income disparities equal to those of the 1981-83 recession; for increasing the tax burden of average Canadian families to a level of $1,125 over the 1984 level through yet another increase in gas taxes; for failing to bring fairness to the tax system through the elimination of costly tax breaks and the introduction of a corporate minimum tax that would ensure fair and regular tax payment from those 60,000 profitable corporations that will pay no tax following Conservative tax reform; for maintaining a policy of high interest rates begun by previous Liberal governments; and for failing to introduce a system of universal child care that would assist average Canadian families and create jobs."

As I said, this was a Budget of lost opportunities. The Government had the option to be fair to the average Canadian. It failed to fulfil it.

**Some Hon. Members:** Hear, hear!

**Mr. Deputy Speaker:** I will reserve on the admissibility of the amendment to the amendment and make a decision immediately after Question Period.

It being 1.30 p.m., I do now leave the Chair until 2 p.m.

At 1.30 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

## SOCIAL WELFARE

SOCIAL PROGRAMS—THE HOMELESS—GOVERNMENT'S PERFORMANCE

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, for the second year in a row the Minister of Finance (Mr. Wilson) has presented a Budget without even referring to the homeless.

The Conservative Government has slashed so deeply into its social expenditures that the most destitute Canadians are no longer protected by our social programs. Everywhere throughout the country—Toronto, Montreal, Vancouver, Winnipeg, Ottawa or wherever—men, women and entire families are homeless. They sleep in the streets near warm air vents, under bridges, or in abandoned buildings from which they are often ejected.

Once again the Minister of Finance has shown that his Government does not have the political will to come to grips with the problems of the most underprivileged in our society. Our Budget deficit is important, our human deficit even more so! This Government gives priority to wealth over the well-being of Canadians who are homeless or live in slums.

Mr. Speaker, it is inconceivable that in times of economic renewal we should see so many homeless people for whom we have no programs designed to help them get back to a normal and productive existence.

That is telling evidence of political failure and the worst scandal ever witnessed under this Government.

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[*English*]

## HISTORIC EVENTS

ANNIVERSARY OF INDEPENDENCE OF LITHUANIA

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, 70 years ago on February 16, 1918, Lithuania became an independent democratic nation. That treasured status perished when Soviet troops invaded the Baltic states in 1940. Lithuania remains occupied by the Soviets to this day.

In spite of Soviet threats of reprisal bordering on martial law, Lithuanians in Vilnius and Kaunas are planning peaceful flower-laying ceremonies on February 16 at historical and national sites to pay tribute to the brave and independent spirit of their nation.

The Lithuanian community in Canada is issuing a protest to the Soviet Union in an open letter to Mr. Gorbachev, appearing in Canada's national newspaper, indicating their dismay and abhorrence of the oppressive measures announced by Soviet authorities.

I call upon the Secretary of State for External Affairs (Mr. Clark) to use all available measures to maintain pressure on the Soviet Union until its illegal occupation of Lithuania is ended and Lithuania once again takes its rightful place among the free and independent nations of the world.

Lithuanian Canadians invite all freedom-loving Canadians to join with them in commemorating the spirit of independence and in demonstrating their desire for liberty and justice in their homeland.

## THE BUDGET

CRITICISM OF PROVISIONS BY CANADIAN COUNCIL OF SOCIAL DEVELOPMENT

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, the Prime Minister (Mr. Mulroney) recently spoke of two Canadas, one rich and one poor. In yesterday's Budget we saw only too clearly that his Government is interested only in the rich people in Canada.

At a time when the number of people receiving welfare in cities from one end of Canada to another is at a record high, at a time when more people are homeless since the dirty thirties, at a time when more and more people are depending on the charity provided by churches and community groups through food banks, we saw a Budget which continuously ignored those problems and those people.

How else can we explain the post-budget statement issued by the Canadian Council of Social Development which points out that in this Budget there is no increase in the federal minimum wage, now the second lowest in the country at $4 an hour; no increase in the refundable tax credit for low income earners hit by the gasoline tax increase; no increase in aid to regions such as Atlantic Canada which has less than 3 per cent of the jobs that have been created since 1984; no increase in help to Canadian families living below the poverty line, although they now number 851,000, up from 745,000 in 1980.

The Government could have helped all these Canadians yesterday. It is an indictment of its priorities and its record that it failed all of them once again.

**Mr. Speaker:** I regret to advise the Hon. Member that his time has expired.

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## ST. LAWRENCE SEAWAY

WELLAND CANAL REHABILITATION PROGRAM

**Mr. Allan Pietz (Welland):** Mr. Speaker, the Welland Canal section of the St. Lawrence Seaway is closed for the winter, but it is by no means idle. During this winter's shut-down period, work began on the Welland Canal rehabilitation program which will see $175 million spent on the waterway over a seven year period. This was announced by the Minister of Transport (Mr. Crosbie) in November, 1986, in response to urgent calls for repair work following the blow-out at Lock 7 the year before. So far this year $1.5 million has been spent on the rehabilitation of Lock 7 located in the city of Thorold. Recently a contract for more than $3 million was awarded for repairs on Lock 4.

Those are only two of the many contracts awarded this winter, contracts which have put more than 600 people to work in the Niagara region. The rehabilitation program demonstrates the federal Government's commitment to the future of the Welland Canal and to a strong economy in the Niagara region.

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## CAPE BRETON DEVELOPMENT CORPORATION

EARLY RETIREES—UNEMPLOYMENT INSURANCE DEDUCTED FROM BENEFITS

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, individuals who opted for a preretirement leave plan at the Cape Breton Development Corporation in 1974-75 are being requested, in accordance with the law, to have unemployment insurance premiums deducted from their benefits. This deduction has not been requested of individuals who, in recent years, have been receiving compassionate disability benefits from the Cape Breton Development Corporation, or other early retirement benefits such as the MILAP program. The question that must be put is, why the difference?

Revenue Canada states; "The Devco preretirement leave plan was designed purposely to have the workers affected to continue to be employed under a contract of service to Devco in order that they be eligible to continue to earn entitlement of various benefits, more specifically, Canada Pension Plan. With very few exceptions, income from employment for purposes of one of the acts mentioned above is income from employment for the purpose of the other".

The circumstances have changed. It seems to me that what took place many years ago is no longer applicable in 1988. I hope that the Government would see that this matter is somewhat discriminatory. If the Government changes the ruling of Revenue Canada, the preretirement workers would be happy, management of the Cape Breton Development Corporation would be happy, and it would also save the Government of Canada a lot of money.

I call upon the Minister of National Revenue (Mr. MacKay) to reconsider his previous decision in light of these facts.

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[*Translation*]

## CONSUMER AFFAIRS

IRRADIATION OF FOOD—NEED FOR MAJOR INFORMATION PROGRAM

**Mr. Robert Toupin (Terrebonne):** Mr. Speaker, food irradiation is a process whereby all elements are exposed to electron or X-Rays. In September 1987, the Federal Government announced the thrust of its policy on food irradiation and labelling of irradiated food.

*S. O. 21*

There is concern, however, that irradiated food may lose its nutritional value and contain radiolytic substances as yet not fully identified or studied.

So far, Canada and the United States have authorized the irradiation of foodstuffs such as potatoes, onions, wheat, wheat flour and spices.

Consumers are afraid of irradiation. The Government should launch a public debate and inform Canadians, through a wide information program, as a condition to the acceptance of irradiated food by consumers.

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## THE BUDGET

FINANCE—RULES OF THE GAME

**Mr. Gabriel Fontaine (Lévis):** In his Budget speech yesterday, Mr. Speaker, this Government's Minister of Finance (Mr. Wilson) confirmed, along the lines of previous years, the game plan for Canadians, both for those who benefit from the redistribution of wealth through the State, and those who participate in the production of this wealth, our businessmen.

To those who are on the receiving end, we guarantee the financial resources of the Government to the senior citizens, the chronic benefit recipients, the young and the unemployed. To our lenders, we will pay $32 billon.

To businessmen, we guarantee an increased control over our expenses, still lower interest rates, a tax system to promote business and investments.

Mr. Speaker, that is a fine climate for all Canadians. The Government is teaming-up with businessmen and ensuring the protection of Canadian citizens.

* * *

[*English*]

## FINANCE

TAX INCREASES—EFFECT ON AVERAGE FAMILY

**Mr. Nelson A. Riis (Kamloops—Shuswap):** Mr. Speaker, when it comes to playing with numbers the Minister of Finance (Mr. Wilson) has more moves than Wayne Gretzky and more tricks than Harry Houdini. The following is a list of tax increases that the Conservative Government has imposed on the average Canadian family.

In 1984 an increase in oil and gas prices cost the average family $200 per year; the increase in unemployment insurance premiums cost the average family $102 per year; the sales tax increase cost the average family $150 per year.

In 1985 the elimination of the federal tax reduction cost the average family $100 per year; modification of indexing cost the average family $115 per year; the cut in family allowance cost the average family $22 per year; cigarette and alcohol tax increases cost the average family $75 per year; sales tax changes cost the average family $150 per year; gas tax increases cost the average family $50 per year.

In 1986 the 3 per cent income surtax cost the average family $170 per year; the sales tax increase cost the average family $150 per year; cigarette and alcohol tax increases cost the average family $20 per year.

In 1987 the gas tax increase cost the average family $150 per year; sales tax changes cost the average family $15 per year; cigarette and air ticket tax cost the average family $35 per year.

In 1988 the gas tax increases will cost the average family $50 per year.

The grand total is $1,124.

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[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

INDUSTRIAL ECONOMY OF EAST MONTREAL

**Mrs. Carole Jacques (Montreal—Mercier):** Mr. Speaker, I want to say today in the House that I sincerely deplore the inane remarks made last week by the two leaders of the opposition concerning the economy of Montreal East.

As the elected representative of that area, I want to inform them that Montreal East's economy is doing just fine. Indeed, Mr. Speaker, the industrial economy of that area is simmering with excitement. I could summarize the situation by saying that Rivière-des-Prairies Industrial Park is full, that the Pointe-aux-Trembles one is also full and that a third industrial park in my area is being considered together with the City of Montreal East. I suggest, therefore, that things are not as bad as all that in Montreal East.

Moreover, 2,500 jobs have been created since we came to power, and 2,500 others have been maintained, including those at the Gulf Refinery and at Bombardier. These are concrete evidence, and no one should claim, as the leader of the socialist party did last week, that Montreal should be declared a "designated area".

Moreover, the Liberal Leader, Mr. Turner, had the gall to ask Canadians to elect him Prime Minister by promising a $50 million fund to help the industries, when he knows full well, as the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) does too, that it is only a matter of days before the CREEM report recommendations are implemented.

• (1410)

[*English*]

## NATIONAL PAROLE BOARD

SUPERVISION OF PAROLEES IN TORONTO—OPERATION OF HALF-WAY HOUSES

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, residents in Metropolitan Toronto are justifiably alarmed and angry about substandard parole supervision at half-way houses in their community. They have had enough and they want action.

Recently a convicted rapist was released on a day pass to Montgomery House, a privately run half-way house. He was subsequently charged with first-degree murder in the brutal death of a young woman. Unbelievingly, the half-way house did not notify the police until 14 hours after this particular inmate went missing. The inexcusable delay in notifying the police put the public at greater risk.

The half-way house in question is one of several in Toronto operated by a private agency, Operation Springboard. It was the decision of the Conservative Government to privatize half-way houses. We objected to this move. Privatization of half-way houses has put the public at greater risk. The private sector has no business supervising parolees, let alone dangerous parolees. This is the job of the Government of Canada. This is the job of professionally trained parole officers.

I call on the Government to terminate its contract with Operation Springboard immediately and to resume control of all half-way houses in Metropolitan Toronto. Further, I call upon the Government to ensure that dangerous inmates are not released on parole without proper supervision, to assure the safety of residents.

* * *

## WINTER OLYMPIC GAMES

TRIBUTE TO WORK OF ALL AGENCIES AND VOLUNTEERS

**Mrs. Barbara Sparrow (Calgary South):** Mr. Speaker, almost 10 years ago Calgary had a dream, a dream to host the fifteenth Olympic Winter Games. That dream has come true in the most striking of all settings, the Canadian Rockies and the vital and lively city of Calgary which I am so proud to represent.

On the eve of what undoubtedly will be the most successful Winter Games in the history of the Olympic movement, I want to congratulate the Minister of Fitness and Amateur Sport (Mr. Jelinek) and the Government of Canada for their major contributions toward this success.



Not just Calgary, not just Alberta, but the whole of Canada can be proud of the state of the art facilities constructed on time and on budget. Credit must go also to the organizing committee, known to most as OCO '88, and to the many volunteers who have been so generous with their time and efforts.

I could not leave out the Torch relay race across Canada organized by Petro-Canada. This has truly aroused the patriotic spirit of Canadians right across the country.

I invite all Canadians to come and see the world's tallest Olympic Torch, the Calgary Tower, and to support our superb Canadian athletes.

Here is to the fifteenth Olympic Winter Games, and here is to Calgary!

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## THE BUDGET

EFFECT ON ATLANTIC PROVINCES

**Mr. Jack Harris (St. John's East):** Mr. Speaker, the Budget presented by the Minister of Finance (Mr. Wilson) is for Atlantic Canadians a do-nothing Budget. The Government has seen fit over the past three years to cut its commitment to regional development. It has increased taxes to the point where the average Canadian family is paying $1,000 more in taxes than three years ago.

And what of unemployment, Mr. Speaker? What of the jobs, jobs, jobs the Prime Minister (Mr. Mulroney) promised Canadians in the last election? The Government tells us one thing, but the jobs are not finding their way into the Atlantic provinces. Indeed, the unemployment rate in all four Atlantic provinces is worse today than it was in 1981 during the height of the recession.

In 1981 the unemployment rate in Newfoundland was 13.9 per cent, today it is 19.6 per cent. In P.E.I. the unemployment rate in 1981 was 11.2 per cent, today it is 18.3 per cent. In Nova Scotia the unemployment rate in 1981 was 10.2 per cent, today it is 13.5 per cent. For New Brunswick the unemployment rate in 1981 was 11.5 per cent and today it is 13.7 per cent.

With the Government's response, Mr. Speaker, it is no surprise that the Organization of Economic Co-operation and Development in its report last August noted the starkness of regional growth disparity—

**Mr. Speaker:** I regret that the Hon. Member's time has expired.

[*Translation*]

## REGIONAL ECONOMIC DEVELOPMENT

NEEDS AND PRIORITIES OF REMOTE REGIONS—GOVERNMENT'S PERFORMANCE

**Mr. Guy St-Julien (Abitibi):** Mr. Speaker, in his Budget speech yesterday, the Minister of Finance (Mr. Wilson) indicated that he was going to adopt a new approach to regional development. For the past 23 years, the Abitibi and Témiscamingue regions have been waiting for such an approach by the federal Government to regional development, an approach which would take into account the needs and priorities of remote areas.

On December 22, 1987, the Hon. Minister of Regional Industrial Expansion and Minister of State responsible for Science and Technology (Mr. de Cotret) stated in Sept-Îles: "The global economic development plan which we are proposing for the peripheral areas of Quebec is consistent with the regional development policy of the federal Government which is determined to support the development efforts of Canadians in less privileged areas." Today, Mr. Speaker, thanks to the enormous effort made by the Minister, the Prime Minister (Mr. Mulroney) and the Conservative Members representing these great areas, justice will finally be made.

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## OFFICIAL LANGUAGES

IMPORTANCE OF BILINGUALISM IN CANADA

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I should like to urge the Prime Minister of Canada and the Cabinet not to give in to requests made by thirty-odd Conservative Members who are against the Bill on bilingualism. I should like to urge the Prime Minister and the Cabinet to hold their ground before these people who do not want francophones outside Quebec to be served in French in federal institutions, and who do not want anglophones in Quebec to be served in their own mother tongue in that province.

Mr. Speaker, I should also like to denounce the argument of these 30 Conservative Members who claim that anglophones are mistreated because of Bill 101. First, Mr. Speaker, this measure is a federal Bill. We are to vote to improve French and English services in every federal jurisdiction, and Quebec will know how to deal with Bill 101. I would ask these Alberta Conservative Members to make sure that Mr. Piquette will be allowed to speak French in the provincial legislature.

[*English*]

## PIPELINES

VANCOUVER ISLAND NATURAL GAS PIPELINE PROJECT—FEDERAL ASSISTANCE URGED

**Mr. Ted Schellenberg (Nanaimo—Alberni):** Mr. Speaker, almost eight years ago the Liberal Government of the day promised to fund two major energy projects in Canada, the natural gas pipeline between Quebec and the Maritimes, and a natural gas pipeline from the B.C. Lower Mainland to Vancouver Island.

The Q & M line was built at great effort and great cost. Now the Province of British Columbia has selected a new route for the Vancouver Island pipeline, and earlier this week it requested federal financial assistance.

This request should be seriously considered by our Government and responded to at the earliest possible date. Vancouver Island remains the only densely populated area in Canada without access to natural gas. Building the proposed pipeline would benefit consumers, industry, and the workforce. It is British Columbia's turn. The Vancouver Island natural gas pipeline is a project whose time has come.

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# ORAL QUESTION PERIOD

[*Translation*]

## THE BUDGET

QUERY WHERE $3 BILLION WENT

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I have a question for the Minister of Finance. Yesterday in his Budget speech, the Minister of Finance was more concerned about the past than the future. In his remembrance of things past, he forgot to mention all the taxes that put such a heavy burden on Canadian men and women.

Mr. Speaker, in his document The Fiscal Plan, the Minister tells us that the Government's revenues for fiscal 1988-89 will be $3 billion more than was forecast last June for the same fiscal year. In spite of increased tax revenues, despite of the fact that the Minister announced an additional tax on gas yesterday which will raise $300 million, in spite of the fact that he announced a sales tax increase which will raise two million—

**An Hon. Member**: Two million!

**Mr. Garneau**: —two hundred million dollars, in spite of the fact that no new programs were announced in the Budget speech, the deficit has remained the same.

I want to ask the Minister of Finance where the additional $3 billion went?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think if the Hon. Member had reflected on what precisely was in the Budget and what the Budget was about, he would have understood that this was a reporting of the various measures that have been announced by the Government as well as some of the changes that have taken place. Particularly in response to the Member's question, the increase in interest rates over what had been anticipated is a large part of the increase in expenditures.

As the Hon. Member is well aware, we have identified priority areas such as science and technology, regional development, child care, defence, oil and gas, and not least the problems in the agricultural sector. We have addressed these problems, but we have been able to do this in a fiscally responsible way so that we can keep on our budget track.

BANK OF CANADA—INTEREST RATE LEVEL

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I have not found anything in the Budget Papers explaining how much money the Government could spend on the nuclear submarines or the other things about which the Minister just spoke.

To come back to the rate of interest, due to the fact that the Minister spoke about the importance of the rate of interest as debt servicing in terms of total government expenditure, why does the Minister not sit down with the Governor of the Bank of Canada and work something out to get the interest rate down? The spread between the interest rates in the U.S. and Canada is higher than it was a year ago, 275 basis points today compared with 170 last year.

• (1420)

Why does the Minister not talk to the Governor of the Bank of Canada to convince him to lower the rate of interest? He would then be in a position to lower his own expenditures.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, it is kind of amusing to us on this side of the House to be preached at by representatives of the Party that shoved interest rates to 22 per cent and 25 per cent in the early 1980s. I think the Hon. Member is well aware of the fact that interest rates are three percentage points lower than they were when we came to office. He is also aware that they are about 1 or 1 and a quarter per cent lower than they were last October, and the interest rate went down today by about one-eighth of 1 per cent. We are making good progress.

SPREAD BETWEEN CANADIAN AND UNITED STATES INTEREST RATE LEVELS

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, if this Party had committed any sins, September 4 of 1984 settled that. The Minister's Party is in power; it is the Government. The Minister knows that interest rates are too high.

I will repeat my question. Why does the Minister accept that the spread between the interest rate in Canada and the U.S. is at 275 basis points? This pushes the Canadian dollar too high and affects our competitiveness with the United States. Still the Minister is complaining about the large expenditures due to the debt servicing. Why does he not sit down with the Governor of the Bank of Canada and discuss this matter in order to try to get the rate of interest at a proper level?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I meet with the Governor of the Bank of Canada on an ongoing basis. We usually meet once a week, and talk on the phone at other times. There is very good consultation and dialogue between us at all times.

I have said in the past and I will say again that it is very important that we head off the problem of inflation and do not let ourselves fall into the mistakes of the past, the mistakes of the 1970s and the early 1980s when inflation got away from us—not us, from the previous Government. When inflation got out of control, we saw interest rates going to 20 per cent and 25 per cent. That is the problem we are trying to avoid. We have shown good progress, as I indicated, by getting rates down three percentage points since we came into office, and 1.5 or 1 and a quarter percentage points since last October.

The Hon. Member must look at the over-all economic performance of the country within this whole background. We have created 1,158,000 jobs. We are number one in economic growth of the G-7 countries, the major industrialized countries. We are number one in employment growth. We are number one in productivity.

EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I think Canadians are finally beginning to see the first real evidence of the costs of the proposed continental trade deal between Canada and the United States. On page 34 of the Fiscal Plan, hidden in the bowels of all these figures, there is the heading: "Changes due to major policy actions", half a billion dollars lost on tariff revenue because of the trade deal, half a billion dollars of increased revenue due to the gasoline tax increases. Every time someone fills up a tank, he will be paying another $5 in direct federal taxes, while half a billion dollars has gone out of the consumers' pockets to pay for the Prime Minister's trade folly.

Why is the Minister of Finance asking Canadian consumers to bear the costs of the ill-begotten initiative of this Government?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think there is a certain little something that the Hon. Member misses about this. Lower tariffs equal lower prices for consumers.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** Yes, we are seeing the real evidence of the free trade agreement with this Budget. We are seeing the first indications of lower prices to consumers. We are seeing the first indications, through those lower prices to consumers, of additional economic growth which will create more jobs in Canada. That is what the trade agreement means to Canada.

EFFECT OF AGREEMENT ON CONSUMERS

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I have in my hand a copy of the Minister's own document which says that over the life of the agreement, the 10-year phase-in, the best possible scenario is a 1 per cent reduction in the cost of living for consumers. Yet if we go ahead with this reduction, it will mean a $2.1 billion loss in revenue. If the Minister of Finance persists in raising taxes on Canadians, that will mean $220 out of every consumer's pocket, wiping out any benefits he has put in his document. It is all gone.

Why is it that once again the Government has hidden the real costs of the trade agreement? Is what it really intends to do to slap the consumers with the cost of its stupid scheme?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, how can we be hiding the figure if it is there in black and white in the document?

**Mr. Axworthy:** Didn't hear it in your speech. So you admit to it, do you?

**Mr. Wilson (Etobicoke Centre):** The Hon. Member is playing cutesy with some numbers here, but I think he should look at the record of the Government which created 1,158,000 jobs over a three and a half year period. We will be increasing jobs as a result of the trade agreement and I am glad the Hon. Member acknowledges that there will be that increase in jobs. We will also be increasing—

**Mr. Axworthy:** Within the margin of error of the computer, Mike.

**Mr. Wilson (Etobicoke Centre):** Perhaps the Hon. Member would let me answer questions, because I think Canadians who are watching television would want to hear the answers. We will also see from tax reform an increase in economic performance and jobs as a direct result of the Government's policy. There is a package here, a package of policies embodying trade, tax reform, regulatory reform, privatization, and training programs for individual Canadians, all of which are designed to produce a healthier economy, more jobs, more opportunities and a greater future for Canadians.

CORPORATE MINIMUM TAX PROPOSAL

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is for the Minister of Finance. Since the Government was elected in 1984, all the tax changes up to and including yesterday's Budget have meant a net increase in taxes for the average family of just over $1,000. To quote the boss of the Minister of Finance, the Prime Minister, he said, in somewhat of a different context, that politicians have options or choices.

Since the Minister of Finance had an option yesterday before he brought in his Budget to get additional revenue by increasing for the fourth time taxes on a litre of gasoline, or by bringing in a minimum tax on corporate profits like the U.S. already has, why did the Minister of Finance choose once again to attack the ordinary Canadian consumer?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member talks about a corporate minimum tax. I think he must acknowledge the fact that tax reform will result in Canadian corporations paying $5 billion more in taxes in the next five years. That is a clear resolve and a clear shift of the tax burden from individual Canadians to the corporate community.

The Hon. Member is very well aware, as I have commented to him previously in the House, why a corporate minimum tax does not work. It is because—the Hon. Member is laughing. Over a cycle, corporations pay taxes, but if they lose in one year they expect to make up that loss from their profits in another year, and if they were not allowed to make those losses up they would find that they would be laying off people and some of them would go out of business. That is the point the Hon. Member does not recognize. It is the businesses in the regions of the country and the businesses that are the weakest which are the ones he wants to put out of business.

• (1430)

**Mr. Broadbent:** Mr. Speaker, what we recognize, what the U.S. Government recognizes, and what many European Governments recognize, is that when corporations make profits they ought to pay taxes just like everyone else.

EFFECT OF TAXES ON FAMILIES

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister did not comment on the figure I used this time. Will he confirm that, according to his officials' calculations and including the effects of yesterday's Budget, the average family in Canada is paying over $1,000 more every year compared with when the Conservatives were elected in 1984, and only the richest 2 per cent of Canadians will be paying less? Will he also explain to Canadians that that is the Conservative view of economic justice?

**Hon. Michael Wilson (Minister of Finance):** No, I will not confirm those because I think the Hon. Member is playing with numbers again. What I will confirm is that under tax reform 85 per cent of Canadians will be paying lower taxes. Some 90 per cent of Canadians over 65 will be paying lower taxes. Some 850,000 Canadians in low-income brackets will find they will not be paying any taxes. That is the result of tax reform.

[*Translation*]

SOCIAL JUSTICE—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa)**: Mr. Speaker, the Minister knows perfectly well that since 1984, the average family has to pay more. That is the situation, as the Minister is well aware. Nevertheless, since the last election, the Conservatives have increased personal income tax, they have raised the tax on gas, they have increased sales tax, and at the same time wealthy Canadians have had their taxes reduced. Is that what the Conservative Party calls justice?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, many of those whom the Hon. Member would classify as wealthy Canadians are paying a lot more taxes as a result of tax reform. I will also tell him that since 1984 a lot of things have changed.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** We have seen interest rates drop three percentage points. If the jackals on the other side would just cool it a little bit they may learn something. That translates into $1,200 more take home pay for a person renewing a $50,000 mortgage. That is a clear increase in the capacity of Canadians to consume goods.

As well, 1,158,000 more people are working today. The Hon. Member has to acknowledge that there is a package of programs here which are designed to work, and they work better than the Hon. Member said in November of 1984 and May of 1985. He knows what is coming. The Hon. Member said Conservative Party policies were going to result in 200,000 people losing their jobs.

**Some Hon. Members:** Shame!

**Mr. Wilson (Etobicoke Centre):** Instead, 1,158,000 more are working today.

REMOVAL OF INFLATION PROTECTION FROM TAX SYSTEM

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, my question is also directed to the Minister of Finance. His decision in 1985 to remove full inflation protection from the tax system built in not only an automatic tax increase every year, amounting this year to $750 million, but also a decrease in benefits used mainly by young parents with young children and slender incomes. Can the Minister justify that?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this is another example of how the opposition Parties pull out one element of an economic package and do not look at the over-all objective. I think the over-all result is very clear. I was in the Hon. Member's position in the previous Parliament. I noticed that Canada was number seven among the Group of Seven industrialized countries in economic growth. We were number seven in employment performance. We were number seven in productivity. We are now number one in those categories.

**Some Hon. Members:** Hear, hear!

PAYMENT OF TAXES BY FAMILIES

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, the Minister's policies mean that a one-earner family with an income of $30,000 and two children will this year be paying an additional $1,200 in taxes. What has that got to do with the figures he just gave us about being number seven or whatever?

**Mr. Epp (Provencher):** Tell her whatever, Mike.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, in tax reform we have a couple of one-earner families with two children under 18, earning $20,000, and they are going to pay $585 less in taxes. At $25,000 it would be $710 less tax. At $30,000 it would be $590 less tax.

The other point I should have made in reply to the previous question is that we have made some adjustments. We introduced a refundable sales tax credit for low-income earners. We increased the size of the child tax credit. We accelerated payment of that credit so that people do not have to go to tax discounters. We increased the spousal allowance. We brought in a child care program which increases the child tax credit for low-income earners. Hon. Members do not like to hear it all. We have also increased allowances for veterans.

There is a wide range of policies we brought in to offset some of the impact of the changes we have made.

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## REGIONAL ECONOMIC DEVELOPMENT

REGIONAL DISPARITIES—GOVERNMENT POLICY

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, my question is also directed to the Minister of Finance. He just mentioned jobs. I do not think we have any disagreement with that. He has cited the record. However, I think that—

**Mr. Clark (Yellowhead):** Good!

**Some Hon. Members:** Hear, hear!

**Mr. Broadbent:** Wait for it.

**Ms. McLaughlin:** However, the Minister will have to acknowledge that there has not been a fair regional distribution of those jobs over the past four years. Given that eight out of 10 of the provinces still experience unemployment equal to the 1981-83 recession levels, why did the Minister not introduce measures to decrease regional disparity and increase employment throughout the regions?

**Mr. Clark (Yellowhead):** Oh, a reversal of Cassidy!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, something was handed to me before Question Period which I was quite shocked by—

**Some Hon. Members:** The polls!

**Mr. Wilson (Etobicoke Centre):** —because it was implied that it was something I said. I quote: "The top priorities would be to keep the economy running well in areas where it is running well now and, generally speaking, that means central Canada. It is particularly true in the automotive industry."

I looked at that and said that does not sound like me. Who said it? I looked more closely and—Ed Broadbent said it!

**Some Hon. Members:** Oh, oh!

**Mr. Siddon:** Deny it, Ed.

**Mr. Speaker:** The Hon. Member for Yukon.

**Mr. Charest:** You better talk to her, Ed.

**Mr. Speaker:** I think I am obliged to advise Hon. Members that in the last several days I have received complaints from both sides concerning the use of Hon. Members' names instead of addressing them as they ought to be addressed in this Chamber. I ask all Hon. Members to comply.

• (1440)

REGIONAL UNEMPLOYMENT—USE OF CORPORATE TAXES

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, one thing we know the Minister does not want to talk about is jobs in the regions. We can understand why, because since 1984 the Government has cut back regional development by $3 billion.

Is the Minister saying that he is happy with unemployment at 19.6 per cent in Newfoundland, 11.4 per cent in B.C., 9.7 per cent in Quebec, and 13.7 per cent in New Brunswick? Why not use tax revenue from minimum corporate taxes on profit-making corporations to create jobs in the regions?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I apologize. It was the Hon. Member for Oshawa who said that the top priority would be to keep the economy running well in central Canada.

We have to get a better perspective on how we are dealing with these regional problems. Canadians have to learn that politicians should not be speaking out of both sides of their mouths. The New Democratic Party voted against $127 million going into the Atlantic Canada Opportunities Agency.

**Some Hon. Members:** Shame, shame!

**Mr. Riis:** It's dishonest to say that.

**Mr. Wilson (Etobicoke Centre):** They voted against $101 million going into the new Western Diversification Fund.

**Some Hon. Members:** Shame.

**Mr. Wilson (Etobicoke Centre):** They voted against $456 million going into the Regional Industrial Expansion Program.

**Some Hon. Members:** Shame!

**Ms. Mitchell:** You don't care about answering the question.

**Mr. Blackburn (Brant):** What about Sinc Stevens' law bill?

**Mr. Broadbent:** That's why you're at 27 per cent, that kind of answer.

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## FINANCE

CORPORATIONS—NON-PAYMENT OF TAXES

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my question is directed to the Minister of Finance as well and I, too, wish to quote the record. The record shows that since the Government came to office in 1984 individuals have paid tax increases of $29 billion whereas corporations paid only $2.2 billion. Furthermore, the increase in gasoline tax brings the cumulative increase to 23 cents a gallon. That is the record of the Government.

**Some Hon. Members:** Shame, shame!

**Mr. Dingwall:** We will do the same with the Minister of Finance as we did with the Hon. Member for St. John's West. We will boot him out.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** Order. The Hon. Member will put his supplemental question.

**Mr. Dingwall:** Would the Minister of Finance explain to Canadians the fairness of hosing Canadians as he has been doing since he came to office, and why he allows 60,000 profitable corporations to go on without paying any taxes? Explain the fairness.

**Mr. Foster:** Hang your head and resign.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member said a lot of things in his preamble and I will not describe the accuracy of them. However, I will just draw attention to the fact that the Hon. Member represents a riding in Cape Breton where a number of the companies which are marginally profitable are not paying tax because they enjoy the benefits of the Cape Breton Investment Tax Credit.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** Is the Hon. Member saying that we should withdraw the Cape Breton Investment Tax Credit? Is he saying that we should put in some form of minimum tax which will nullify the benefits of the Cape

Breton Investment Tax Credit? Is he saying that we should do this and remove the incentive which has created upwards of 1,000 jobs in Cape Breton for the people whom he purports to represent?

**Mr. Speaker:** The Hon. Member for a short supplemental.

PRICE OF GASOLINE

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my supplementary question is directed to the Minister of Finance. The Minister of Finance should have the courage of his convictions and admit that unemployment in Cape Breton this month was 21 per cent as a result of his policies.

The Canadian Automobile Association said: "Canadians are now paying more than 50 per cent more than Americans for gasoline". The Canadian price is 53 cents a litre and the American price is 35 cents a litre. The Association says: "Clearly, transportation-related industries in Canada will be unable to compete with their American counterparts as we enter a free trade era".

I ask this elitist Minister of Finance to explain to the people of Canada why he discriminates against the transportation-related industries in the country? Explain, Mr. Finance Minister.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, many of the companies—

**Mr. Tobin:** You're running on empty, Mike.

**Mr. Wilson (Etobicoke Centre):** Perhaps the Hon. Member's colleague would allow me to answer the question.

A large proportion of the industry about which the Hon. Member speaks uses diesel fuel. The provision of yesterday did not include diesel fuel.

The Hon. Member may cherry-pick if he likes, but the key question which he must answer is why, under this Government, 1,158,000 jobs have been created, and why we are number one among the major industrialized countries while, when he was sitting on this side of the House supporting the previous Government, we were number seven.

[*Translation*]

SETTING OF INTEREST RATE POLICY—GOVERNMENT POSITION

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my question is about a just interest rate policy and is directed to the Minister of Finance, who apparently is not listening to a growing number of Canadians who are upset about the increase in interest rates.

If the Minister choses to ignore my Party's advice, perhaps he will listen to the Canadian Chamber of Commerce, the Canadian Manufacturers Association and the Premier of Quebec who have also advised the Minister to ask the Bank of Canada to lower interest rates in this country.

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am pleased that the Hon. Member is now quoting the Canadian Chamber of Commerce. This is probably the first time he has ever done that.

I commented on this question in the House on Monday as well as today. I have said that it is important that we acknowledge the impact which inflation can have on an economy if it gets out of hand. We are trying to stop the increase in inflation before it gets out of hand by getting inflation down, so that we do not cause the problems which led to the very high interest rates in the 1970s and early 1980s. That is the fundamental reason.

I point out to the Hon. Member, as I have done in the past, that interest rates are 3 percentage points lower than they were when we came into office They are 1.5 percentage points below what they were last October, and today the Bank of Canada rate is down about an eighth of a point.

**Mr. Cassidy:** Mr. Speaker, I have no problem quoting the Chamber of Commerce when what it says makes sense for the manufacturing economy of the country.

REQUEST THAT MINISTER DIRECT BANK OF CANADA TO REDUCE INTEREST RATES

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, why is the Minister taking a stand of allowing interest rates to go up when the rate of inflation in Canada has been stable for some four years and when the Canadian inflation rate has actually fallen below that of the United States?

Why is he taking this stand when the high interest rates are raising the value of the dollar to the point where it has put us at a 10 per cent disadvantage in terms of sales to the United States and other markets because of the increase in the value of the dollar?

Why will the Minister not take his responsibility and direct the Bank of Canada to bring interest rates down and keep them at a reasonable level, rather than allowing them to go up as they are now?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member wants to stand there and wave his magic wand and say "This shall happen". The Hon. Member ignores something which he has probably never understood—the market-place. What is causing the increase in the level of the Canadian dollar is the fact that there is a good amount of investment capital coming into the country because people see this as a good place to invest. People see that the economy is going to be stronger.

**Mr. Axworthy:** Takeover money.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member for Winnipeg—Fort Garry is blabbering away. I want to draw to his attention that from 1976 to 1986 the dollar went straight

down. Since we have been able to get our policies introduced and to get them to take hold, we are starting to see some strength in the Canadian dollar. That is a direct reflection of the strength of the Canadian economy, which is a direct reflection of the strength of the Government of Canada's economic policies.

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## IMMIGRATION

SITUATION OF LONG-TERM ILLEGAL IMMIGRANTS IN TORONTO

**Mr. Andrew Witer (Parkdale—High Park):** Mr. Speaker, my question is directed to the Minister of State for Immigration. The Minister will know that there are thousands of long-term illegal immigrants living and working in Toronto whose children are not attending school for fear of detection and deportation. The Minister will also know that many of them are subject to intimidation, abuse, and blackmail by unscrupulous immigration consultants.

• (1450)

Will the Minister tell the House what criteria exist to land these immigrants, what measures are being taken to prevent their children from becoming illiterate, and what progress he can report on the prosecution of unscrupulous immigration consultants?

**Hon. Gerry Weiner (Minister of State (Immigration)):** Mr. Speaker, I want to thank the Hon. Member for bringing this very serious matter to the attention of the House and for the dedicated manner in which he has been consulting with the concerned citizens.

It is an unfortunate situation for which the parents are responsible. They are here illegally.

We have a mechanism for those people who have been here a sufficient length of time whereby, on the basis of how well they have been established, their motivation, and adaptability, together we can regularize their situation on a case by case basis, using humane and compassionate criteria. If they are accepted under those guidelines, of course the children are automatically accepted for school.

As far as the unscrupulous counsellors are concerned, every incident that is brought to our attention is immediately referred to the RCMP for investigation. There are presently six cases before the courts and it is certainly inappropriate to comment on those cases.

## OFFICIAL LANGUAGES

BILL C-72—GOVERNMENT POSITION

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, my question is directed to the Deputy Prime Minister. Alarming reports from the Tory caucus concerning the official languages legislation, Bill C-72, are being circulated in the press and other media. All too many Conservatives are calling for the Bill to be withdrawn.

On the one hand there is the Back-bench Committee demanding that the Bill be killed while, on the other hand, some of the Quebec Tory back-benchers have threatened to pick up their marbles, and go back to their first love, the PQ Party, if any changes are made to the Bill.

Will the Minister clarify the situation? He is quoted in the press today as saying that he will review proposed changes to the Bill while, two paragraphs later, saying: "No changes will be made to the Bill". Will the Minister tell us exactly where the Government stands on Bill C-72?

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, when I introduced this Bill I pointed out that I was representing the Government's view and, I believe, the view of the vast majority of Members of this Parliament. I pointed out that this Bill was the essence of fairness and one which represented tolerance in our country and the best instincts that Canadians should have with respect to the question of official languages. That is the position we take as a Party and as a Government.

We do in fact consult with our caucus members with respect to concerns they have about legislation. We should not be ashamed of this. I am quite happy to defend this legislation and discuss it with our caucus members.

My colleague, the Deputy Prime Minister, who is also President of the Treasury Board, has a very significant role in the operation of the Public Service and delivery of services in Canada.

As far as I and the Government of Canada are concerned, this Bill is a fair Bill and I trust that it will receive the overwhelming support of Members of Parliament in this House.

[*Translation*]

RAPID ADOPTION OF BILL—GOVERNMENT POSITION

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, it is quite true that the Minister has received the support of official language minority groups, the Leader of the Opposition and many other groups and individuals, but there is one group that is digging in its heels, a group of dinosaurs in the Conservative Caucus which does not want the Bill to be passed.

My question is this: Is the Government, is Cabinet prepared to go ahead and proceed with the Bill as quickly as possible, or is it going to give in to pressures and agree with its backbench

dinosaurs who want to destroy official languages in this country?

[*English*]

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I find the terminology used by the Hon. Member unhelpful. If there are improvements that can be made to the legislation, naturally we are prepared to listen to suggestions from all sides of the House. That should not preclude members of the government Party from having an opportunity to make the same observations. The Hon. Member himself has some suggestions that he thinks would be improvements to the Bill. Are we to close our minds to his suggestions at all?

**Mr. Gauthier:** No.

**Mr. Hnatyshyn:** He says no. I can only tell him that we in this Party and this Government are proud of the initiative in this legislation. When the Hon. Member tells me that there are 25 Members of the Liberal Party who want to speak on it, it does not sound to me like he is very anxious to rush this matter through Parliament.

* * *

## FOOD AND AGRICULTURE ORGANIZATION

ACCUSATIONS MADE AGAINST CANADA

**Mr. Jack Scowen (Mackenzie):** Mr. Speaker, my question is directed to the Secretary of State for External Affairs. There are reports in many of the nation's papers today that Canada has been criticized by the Information Officer of the FAO for delaying payment of our assessed contribution to the FAO. The report also indicates that Canada has engaged in character assassination during the recent election campaign for the new Director General of the FAO.

The FAO plays an important role in addressing world hunger. The starving in Ethiopia are one example of the critical needs which must be addressed. Will the Minister explain this delay in payment of our contribution and the accusation of character assassination?

**Right Hon. Joe Clark (Secretary of State for External Affairs):** Mr. Speaker, I have seen those reports in Canadian newspapers which, in the case I have seen, was written by a very reputable Canadian reporter. I think that is extraordinary behaviour on the part of an official of a United Nations organization. Various Canadian Governments, including this one and our predecessor, have been very concerned about the management of the Food and Agriculture Organization. This kind of incident demonstrates exactly why we are concerned.

I have written Dr. Saouma this morning indicating that I expect his apology.

[*Translation*]

## OFFICIAL LANGUAGES ACT

STATEMENT OF MEMBER FOR WINNIPEG—ASSINIBOINE—GOVERNMENT POSITION

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I have a question for the Deputy Prime Minister. He and the Minister of Justice are aware that our party and the Liberal Party very strongly support Bill C-72 dealing with official languages which was introduced by the Minister of Justice. In view of the fact that the Hon. Member for Winnipeg—Assiniboine was reported as saying that the bill will be referred to a committee of the Conservative Party, my question is this: Could the Deputy Prime Minister give the House and the Canadian people the assurance that such will not be the case, because it would be a cause for great concern to our party and most Canadians.

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, there is no committee as the Hon. Member has suggested. I have undertaken to meet with Members who have expressed some concerns about certain aspects of the Bill.

The Minister of Justice has very clearly outlined the position of the Government. If improvements can be made, whether they come from this side of the House or that side of the House, they will certainly be entertained.

STATEMENT ATTRIBUTED TO MEMBER FOR WINNIPEG—ASSINIBOINE

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, just to be precise, I ask the question not just as a Canadian but as a western Member of Parliament. In light of the fact that the Member for Winnipeg—Assiniboine has said the Bill "will be completely redrafted", I want assurances from the Deputy Prime Minister that the Bill will not be watered down, will not be redrafted, weakened or gutted in any way.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member has been a Member of the House for a long time and knows that once a Bill is introduced in the House it becomes the property of the House and cannot be redrafted.

**Mr. Andre:** The question is out of order.

**Mr. Mazankowski:** Really, the question is out of order.

As I stated, if there are improvements that can be made to the Bill, whether they come from this side of the House or that side, of course they will be entertained.

[*Translation*]

## THE BUDGET

QUÉBEC REGIONAL DEVELOPMENT AND NEEDS OF EAST MONTREAL

**Mr. Jean-Claude Malépart (Montréal—Sainte-Marie):** Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, Mr. Gérard D. Lévesque, the Quebec Minister of Finance, indicated that he was very disappointed with the budget presented by the Federal Government because there was nothing in it for families and especially for regional development in Quebec. Could the Minister of Finance explain to the Canadian people why he failed to announce anything concrete in his budget to promote regional development in Quebec and to meet the needs of Montreal East? Why no announcement?

**An Hon. Member:** Good question!

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I believe that regional development spending has increased from $490 million to $807 million since we came to office. Furthermore, my colleague, the Minister of Regional Industrial Expansion and Minister of State for Science and Technology, has begun a consultation process in which he is consulting with people in various regions of the Province of Quebec to understand how a program specifically targeted to Quebec could be designed. This is taking place now and should be completed shortly.

[*Translation*]

QUERY WHY GOVERNMENT CHOSE TO ATTACK WHOLE BODY OF CANADIAN TAXPAYERS RATHER THAN THE RICH

**Mr. Jean-Claude Malépart (Montréal—Sainte-Marie):** Mr. Speaker, I am sure that the Minister of Finance's reply will not satisfy his Quebec counterpart. Moreover, the latter deplored the fact that Quebec consumers will have to pay $70 million more because of this gasoline tax increase. The Minister is well aware that over the past four years, as my Hon. friend said a while ago, he has managed to beat all gasoline tax increase records: 23 cents a gallon! Which means that working men and women will have to pay $275 more for gasoline. Could the Minister explain to us why, instead of taxing the rich, he has chosen to tax the gasoline used by working men and women, thereby affecting also poor families using our public transit systems? Why did he choose to attack the majority of Canadian taxpayers instead of the rich?

• (1500)

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member talks about records. This Government has beaten all records in job creation. There have been 64,000 jobs created in the Hon. Member's city, the city of Montreal, 64,000 in a 12-month period. That is progress.

**Mr. Rossi:** Answer the question.

**Mr. Wilson (Etobicoke Centre):** That is getting the economy working, and it is getting the economy working through a broad economic program—

**Mr. Rossi:** Answer the question.

**Mr. Wilson (Etobicoke Centre):** —that governs a number of elements of economic policy—

**Ms. Copps:** Bring back Crosbie.

**Mr. Wilson (Etobicoke Centre):** —which probably is over the head of the Hon. Member.

**Ms. Copps:** Come on!

* * *

## BUSINESS OF THE HOUSE

WEEKLY STATEMENT

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I would like to ask my hon. colleague, the Deputy Government House Leader, for the usual statement of Government business. In particular, I would like him to tell us exactly what day second reading of Bill C-72 will resume. Also, could he tell us what his plans are for calling Bill C-30 on National Parks?

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I wish to advise the House that today we will continue the Budget debate. Tomorrow, following discussions with both House Leaders, we will commence debate on the Borrowing Bill, Bill C-109.

There will be the week's recess, and when we return on Monday, February 22, the Budget debate will continue, with the first vote possible, if in fact the Opposition does force a vote. Tuesday, February 23, we will have the Budget debate and continue on throughout that week.

With specific reference to Bill C-72, it would be of assistance to the Government if my hon. friend could tell me just how many more speakers the Opposition has—

**Mr. Gauthier:** We have only had four.

**Mr. Lewis:** —and we will then continue with that. I will have to check on Bill C-30 to see exactly where we are on that. I would also indicate to the House that the Government expects to table the 1988-89 Main Estimates on Tuesday, February 23.

**Mr. Gray (Windsor West):** Mr. Speaker, is the Government in a position to give any indication when it might call Bill C-30, the National Parks Act? I will get back to my hon. friend as to the number of speakers. We have had only four so far. I do not see any reason why the information he seeks would

prevent him from saying whether Bill C-72 will be called again for second reading on Wednesday, Thursday or Friday of the week we are back.

**Mr. Lewis:** With respect to both questions, first, I will have to check with the Minister of the Environment (Mr. McMillan) *vis-à-vis* Bill C-30. With respect to Bill C-72, the week we return we expect to have a full and complete Budget debate, keeping the debate all within that week, and thereafter we will discuss and co-operate with members of the Opposition on the business of the day.

## ROUTINE PROCEEDINGS

[*English*]

**Mr. Scott Fennell (Ontario):** Mr. Speaker, there have been discussions with the other Parties with respect to going back to Presenting Reports from Standing Committees. I received the consent of both the other two Parties and, with your permission, Mr. Speaker, I would like to present—

**Mr. Gauthier:** You have to have unanimous consent.

**Mr. Deputy Speaker:** I presume there is unanimous consent?

**Some Hon. Members:** Agreed.

* * *

### COMMITTEES OF THE HOUSE

STRIKING—FIFTIETH REPORT OF STANDING COMMITTEE

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I have the honour of tabling the Fiftieth Report of the Striking Committee. That shows how busy the Striking Committee is.

If the House gives its consent, Mr. Speaker, I intend to move concurrence in this report later this day.

EMERGENCIES ACT—PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

**Mr. Fred McCain (Carleton—Charlotte):** Mr. Speaker, as chairman of the legislative committee, I would like to report Bill C-76, an Act to provide for emergency preparedness and to make a related amendment to the National Defence Act, to the House.



### STRIKING

CONCURRENCE IN FIFTIETH REPORT OF STANDING COMMITTEE

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I would like at this time to move that the fiftieth report of the Striking Committee presented to the House earlier this day, be concurred in.

Motion agreed to.

## GOVERNMENT ORDERS

[*English*]

### THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Garneau (p. 12860).

**Mr. Deputy Speaker:** Prior to the adjournment at 1.30, the Chair received a subamendment by Mr. Cassidy, seconded by Mr. Riis, which the Chair does find to be in order. It reads as follows:

> That the amendment to the motion of the Minister of Finance be amended by adding immediately thereafter the following words:
>
> "and this House further condemns the Government for introducing a budget that ignores the real economic needs of the country in which over 1.1 million Canadians are unemployed and eight out of ten provinces and the territories continue to experience employment and income disparities equal to those of the 1981-83 recession; for increasing the tax burden of average Canadian families to a level of $1,125 over the 1984 level through yet another increase in gas taxes; for failing to bring fairness to the tax system through the elimination of costly tax breaks and the introduction of a corporate minimum tax that would ensure fair and regular tax payment from those 60,000 profitable corporations that will pay no tax following Conservative tax reform; for maintaining a policy of high interest rates begun by previous Liberal Governments; and for failing to introduce a system of universal child care that would assist average Canadian families and create jobs.

The debate will continue on the subamendment.

**Mr. Murray Dorin (Edmonton West):** Mr. Speaker, after hearing the subamendment read, I would like to suggest that I may have something to say about some of those comments and mis-suggestions the subamendment sets forth.

The Budget debate provides us with an opportunity to examine not only the Budget, the financial reports and working papers of the Government, but it also gives us an opportunity to examine what the Budget represents, namely, the course of action and policy that we as a Government have implemented and will continue to implement.

The Budget presented by the Minister of Finance (Mr. Wilson) is a status report of the record of the Conservative Government in terms of its economic performance as well as an outline of our plan to meet economic responsibilities and opportunities in the future.

What does that status report say? It tells us that our economy performs well with the Conservative Government, that business performs well and that we can create an environment to ensure that our ideas and our workers are competitive in world markets.

The Opposition says we should have made this a more glamorous budget, that we should have brought in many changes. We have no reason to introduce sweeping budget provisions in an economic climate that is performing exceptionally well. We do not need to change something that is obviously working. The fact that it is working is reflected in the unprecedented statistics on job creation in this country. Since the last election a total of 1,156,000 jobs have been created. Some 53,000 of those jobs are in my Province of Alberta. More than half of the total jobs are for women. Some 85 per cent of the jobs are full time. In fact, between 1984 and 1986 more jobs were created in Canada than in France, Germany, Italy or the United Kingdom, countries that have more than twice our population.

• (1510)

The record is indeed impressive. It is more impressive when we consider the reaction of the Opposition to previous Budgets, economic policies and implementing legislation of the Government. The Members of the NDP have shown through their voting record that they are philosophically opposed to repeating our strong economic performance should they ever be elected to government. They voted against the repeal of the National Energy Program. They voted against the $500,000 capital gains tax exemption for farmers. They voted against the expenditure of $92 million for drought relief for western farmers. They voted against providing the Western Diversification Fund with an initial $100 million. They voted against legislation to compensate the uninsured depositors of the two western banks. They proposed amendments to the Income Tax Act to block our establishing a minimum tax on upper income earners and to block our establishing sales tax credits for low income earners.

**Mr. Riis:** Mr. Speaker, I rise on a point of order. It is important for you to know, Mr. Speaker, and I do not think there was any intent on the part of the Hon. Member to mislead, but the point that the Hon. Member fails to make in terms of the NDP voting was that we were voting against that package because it included the moneys for the lawyer for the Hon. Member for York—Peel (Mr. Stevens). That was the only way that we could bring attention to this critical matter.

**Mr. Deputy Speaker:** I do not think it is clearly a point of order but rather a matter for debate.

**Mr. Dorin:** The fact remains that Members of the NDP have voted against virtually any measure that has attempted to reduce the deficit. They have voted against measures which would have helped regions in the country to develop, not just Ontario. They are obviously concerned about the interests of Oshawa because leader comes from that city.

After the 1984 economic statement the NDP and the Liberals estimated that between 50,000 and 100,000 jobs would be lost. After the May, 1985, Budget they predicted a loss of 125,000. Clearly those predictions were wrong. Not only were they wrong, they were out by over 1 million.

We can assume that the predictions and the rhetoric that we heard in the speeches this morning are more of the same attempts to suggest that they do not believe that the private sector, if encouraged by strong economic indicators and solid government policies, will expand. Members of the Liberal Party and Members of the NDP seem to believe that the only employer in the country is the Government. They seem unable to accept the strong economic growth we have enjoyed as a result of Government fiscal responsibility.

There have been increases in the number of jobs in all parts of Canada. Employment has increased in every single province. Employment has not increased to the levels that we would like in some regions, but every single province has seen an increase in the number of jobs.

Although they formed the Government for an extended period of time, the Liberals did not manage to come close to the kind of record we have had during the time that we have been in office. We created an average of 28,900 jobs every month between 1984 and 1987. During a comparable period under the reign of the Liberals the average was 7,709 jobs. Gross inflows of direct foreign investment doubled between 1984 and 1987. Housing starts last year were at their highest level since 1977. The inflation rate has been in the 4 per cent range, the most stable price environment since 1971. Obviously, the economic performance is very solid.

I mentioned that this Budget is a status report on the effectiveness of the Government's economic policy. But it is also an outline for our intention to stick with those policies. It is also a statement on how we reconcile all that we would like to do with all that we can realistically afford. That is where we are different from the opposition Parties. We draw a distinction between the desirable and the practical. We recognize that everything has a price. In some cases, we are willing to pay the price; in others we are not.

We raise money without being unduly onerous. We spend money without being frivolous. We develop policy without being unduly intrusive.

It is this difference in approach that makes this Budget a realistic effort to balance the needs of the country with the need for fiscal responsibility. In fact, fiscal responsibility has, since the election of the Government, finally become part of the process of making Budgets. It should have been a consideration all along, but it was not.

The previous Government saw fit to increase the deficit to the point where the flexibility of the Government was severely restricted. It attempted to solve the problem by ignoring the source of it. Increasing the deficit allowed it to provide the programs it wanted. Presumably the NDP would adopt a

similar strategy if it ever had the opportunity to do so. The opposition Parties have opposed virtually every measure taken by the Government to reduce the deficit. They have called for new expenditures which will lead to higher deficits which will lead inevitably to higher interest rates even though they hide behind a cloak which suggests that they are seeking lower rates. If most Government spending goes to debt servicing, then it is ill equipped to respond to international pricing situations, to increase social programs or to handle internal administrative difficulties.

In 1984 the federal deficit was $38 billion, up from $14 billion just three years before. The national debt was growing at a rate of 26 per cent per year. If we had continued to pile public debt up at that rate, it would be more than $100 billion higher than it is today. But we stopped that trend. In fact, we reversed it.

For the first time in the post-war period the deficit has fallen for four years in a row. There are those who would say that we have not gone far enough, and I might be included among those. There are also those who would say that Government spending is too high,and I might be included among those as well. No, we have not yet solved the problem of deficit Budgets but we have been addressing the problem. We are committed to fiscal principles which bring a reasonable balance to the financial situation.

We have set out a plan and we are sticking to it, which is far more than either of the Parties opposite have proposed or implemented. Because we are reducing the deficit we are increasing our funding flexibility and our ability to respond to the needs of Canadians. We set priorities that respond to the needs of Canadians in areas such as child care, science and technology research funding, and economic diversification in the regions of Canada. The economic and social record of the Conservative Government is clear. What we have done for the economy speaks for itself. This Budget and a number of fairly recent policy announcements have made our plan for the future very clear. Just as the Budget generally reflects our commitment to balancing fiscal responsibility with social responsibility, it also confirms our commitment to meet the challenges of the future. It sets out a plan for the future on the issues that we feel should be given a priority.

Child care is an important issue, both for its social and its financial implications.

**Ms. Mitchell:** You are doing nothing for child care.

**Mr. Dorin:** Any number of options are available, from doing nothing to implementing the NDP's $11 billion universal system. The first option overlooks social responsibility. We are committed to full participation in the labour force.

**Ms. Mitchell:** Why don't you read our report? You might get the facts straight.

**Mr. Dorin:** —especially during a period of economic growth. I hear the Hon. Member for Vancouver East (Ms. Mitchell). I read the report of the standing committee of which she was a part.

**Ms. Mitchell:** Does it say anything about $11 billion?

**Mr. Dorin:** I have supported the report. Sitting here in front of me is my colleague, the Hon. Member for Fraser Valley East (Mr. Belsher) who was a member of that committee. It was a very fine report. I accept the principles and the commitment of the majority of Members who wrote that report.

The fact of the matter is that the second option, the option presented by the New Democratic Party, overlooks fiscal responsibility. Even more important than money it ignores that it is the right and the responsibility of Canadian parents to choose the way that they want to raise their children.

We have introduced a policy which reconciles the social needs for child care and parental choice with fiscal responsibility.

There are three components of that child care strategy. They are direct tax assistance to parents, federal-provincial funding, and a research fund. This strategy will give two kinds of assistance to parents with children under the age of six years.

First, those with receipted child care expenses can take advantage of an increased income tax deduction. Second, the refundable child tax credit will be increased by $200 per year for children under six years of age. This is a 40 per cent increase and will benefit about 75 per cent of families with young children. Although the delivery and operation of child care services is the responsibility of provincial Governments, the federal Government has committed $3 billion over the next seven years. We believe that if parents choose to place their children in day care, we should help to make those spaces available.

• (1520)

We have also created a research fund. There must be better ways of educating and caring for young children, and the fund is dedicated to finding them. How we raise our children now will have a great deal to do with how they serve and prosper in our community in the future. We provided funding to encourage the study and development of new child care services and arrangements. This addresses the short-term problems of women who want to continue in or enter the workforce. It also addresses the long-term problem of how we will provide for our children and educate them to function in a world that we cannot yet see.

Preparing ourselves as best we can for future challenges and opportunities underlies not only this but other government priorities. For example, we know that science and technology will play a critical role in our future development and prosperity. Our ability to compete in future markets will require the efficient use of technology. We have introduced a program focusing on industrial innovation and technological diffusion, the development of strategic technologies, and the effective

management of federal science and technology resources. We have also refined the special tax treatment that research and development receives.

To ensure that we are prepared both technologically and socially for the changes that will be brought, we have made a $1.3 billion commitment over the next five years for university centres of excellence and science and engineering scholarships. The centres will establish networks of researchers and scientists across the country to conduct world-class research. The scholarships will assist an estimated 2,500 university students in science, engineering, and related disciplines.

This funding is important for several reasons. Science and technology does not only affect engineers and scientists. Whether we are consumers who purchase devices to make our work easier, whether we work in a plant that assembles those devices, or whether we are in an industry that relies on technology for production or extraction, we are affected by technology.

Science and technology will also determine how we compete in our future trading markets. Our products and their efficient manufacture will require ongoing improvement and innovation. If we are not the originators of those innovations then we risk losing our competitive edge by having to buy them from others. We are supplementing our Government's spending with a realization that, if we do not encourage science and technology in the short term, we will pay dearly over the long term.

We are also addressing a problem that should have been addressed long ago, namely, economic diversification in the regions of Canada. We will help westerners, and others—but I speak particularly about westerners because I am a westerner—use science, planning, innovation, and talent to better balance their economy.

The West has enormous wealth and vitality founded on the resources of agriculture, forestry, mining, and energy. However, it remains vulnerable to the uncertain demands of international markets and the fluctuation of prices for its products. This leads to boom and bust cycles which have had damaging effects upon our employment growth and social stability.

The Government has established an investment fund of $1.2 billion to encourage developments of strategic importance to the West. We have made a solid commitment to the western economy and westerners. In my riding there are many projects of which I am aware that have either been announced or will have imminent announcements.

We have also made a solid commitment to taxpayers. This Budget reflects that. Now that the first stage of the tax reform process has been completed it will mean that 85 per cent of all households will pay less income tax, and 90 per cent of seniors will pay less tax. Tax reform will lower over-all tax rates and broaden the tax base. This is the fairest way of ensuring that taxpayers in similar circumstances are treated in a fair manner.

The benefits of tax reform will be felt by most Canadians, first through lower personal rates and again in the form of an enhanced economy. The average tax reduction per household is $490. This money can be spent or invested, either of which will help the economy.

These policies show a clear understanding of the implications of government action, and an understanding of what makes the economy work. We do not accept the NDP solution of "spend, spend, spend", or the Liberal solution of "talk, talk, ignore". Rather, we examine the problems, we look at the means of solving them, and we act in a realistic, responsible manner.

Some are saying that this is a "nothing" Budget. From one point of view that is true. The Minister of Finance has taken the politics out of financial management. For those who are seeking hand-outs, goodies, media events, and winners and losers, indeed this is a "nothing" Budget. The glitz and gloss, the smoke and mirrors, too often used in the past to deflect attention from the Government's economic performance, are removed. For those seeking an accounting of the Government's economic and fiscal record and its outline for the future in the broader sense, they can take satisfaction that this Budget presented by the Minister of Finance achieves all of that and more. It presents a solid record and a reasonable and a responsible plan for the future.

The Budget shows that both our record and our plan are strong. Members on this side of the House can be proud of that record. Those Members on the other side would applaud if they could go beyond the narrow partisan interests and rhetoric. Most of all, this is a record and a plan that all Canadians can look to with satisfaction and with confidence in our abilities to respond to future challenges and opportunities.

**Mr. Riis:** I have a very quick question for my hon. friend. While I do not particularly agree with anything that he had to say, I do want to pose a question to him on a matter that he referred to indirectly on a variety of occasions, that is, the 60,000 corporations in this country.

There are 60,000 profitable corporations in Canada that last year paid no income tax whatsoever, in spite of their profits. For example, Cadillac Fairview, had profits of $95 million, and it paid no income tax. Union Carbide of Canada had profits of $28 million, and it paid no income tax. Brascan of Canada had profits of $187 million and it paid no income tax. Alcan-Aluminum had profits of $220 million and it paid no income tax. Power Financial Corporation had profits of $132 million and it paid no income tax. I could go on and read 60,000 of those corporations, Mr. Speaker.

In terms of the fact that once again in this Budget Canadians got nailed by an increase in the gas tax, which over the last four years of Conservative Government has cost the average family an increase of $1,100 in new taxes of one kind or another, does the Hon. Member personally believe that it is right to have a tax system in this country where 60,000

profitable corporations year after year get away without paying a single cent in income tax? As a matter of fact, many of those corporations actually get tax credits.

**Mr. Dorin:** In response to the question of the Hon. Member for Kamloops—Shuswap (Mr. Riis), I can say that he has had a lot of experience on the finance committee. Part of the time that he was there we were members together on that committee. The Hon. Member knows very well that in many ways what he says, while technically could be argued to be correct, by and large is incorrect.

For example, the Hon. Member will know that of those 60,000 supposedly profitable corporations, the largest number are farmers and small businesses. The reason for that is that they are in cyclical businesses. One year they will have a profit of $100,000, and the next year a loss of $100,000. We allow them to average those profits and losses.

The Hon. Member will know that over time they all pay a share of tax, but in any given year it is correct that a corporation may have a paper profit because perhaps for three years prior they have had major losses and they may be on the brink of financial disaster.

Is the Hon. Member suggesting that we go to those small businesses, or any business that is on the brink of financial disaster—

**Mr. Riis:** Brascan?

**Mr. Dorin:** —and turn to them and say, "Now that you have finally had a good year after five years of losses we are going to put you out of business by taking that little bit that you have made, put your employees out of business, and put you under"? Is that what the Hon. Member wants?

**Ms. Mitchell:** The Hon. Member needs to check his facts. He stated that the NDP was proposing the spending of $11 billion on child care. That is absolutely ridiculous. He is quoting the Katie Cooke report. It is time that he read our report. Does the Member realize that the NDP proposal for child care would have cost less than the Conservatives' proposal for child care and our proposal would have produced many more licensed quality child care spaces in a short period? For example, we would have put in about $600 million per year and over five years this would have achieved 200,000 spaces. The Government's proposal is to spend $5.4 billion, not $600 million a year, but $5.4 billion over seven years. It would take seven years to create 200,000 spaces which is the number of spaces that are created without the Government getting involved in the first place. I think the Member is quite uninformed about child care proposals.

• (1530)

As far as the Budget is concerned, does the Member not think it would make more sense, rather than having a child care expense deduction doubled which benefits only wealthier people who pay taxes and does nothing for low-income people or average income people who pay no tax, to take the lost revenue, which is something like $270 million this year because of the child care tax in the Budget, and put that into day-care spaces? Why not agree with that? It is crazy to say the Conservatives' proposal for child care is positive. It will not create anywhere near the number of spaces needed.

**Mr. Dorin:** Mr. Speaker, I think I can answer the Member's question fairly simply. The Member is correct that the $11 billion figure is the one that evolves out of the Katie Cooke report. Nonetheless the models—

**Ms. Mitchell:** Why do you say it was the NDP?

**Mr. Dorin:** I was going to say in answer to her question, if the Member can wait a moment, that nonetheless the models are essentially the same.

**Ms. Mitchell:** They are not.

**Mr. Dorin:** We can presume that the predictions of what the NDP would spend are about in line with what the New Democrats have said in the past when they predicted that 100,000 jobs would be lost while one million have been created. We can take a grain of caution when we hear that the New Democrats are predicting that they can operate this program for less than what the Government has proposed.

In fact, what the NDP has proposed is a state run and operated system, universal, but the Government chooses where to send your children, the Government chooses who will train them and how to train them and what the standards will be. I want to have the right, as a parent, to choose whether or not to take advantage of day care and to choose whether or not to have a neighbour or a friend look after my children. I want the right to choose whether to go to a private centre or a non-profit centre. Those choices are allowed in the proposal put forward by our Government. They are not options allowed under the NDP version. Under our proposal they are allowed because we offer a tax assisted benefit to the users through increasing the amount of deduction allowed. We also offer an increase in the refundable child tax credit—and it is refundable—to people with small children. It is a program and a policy which addresses the needs of young children and people with young children but it does it in a way which will allow people to choose what form of child care they prefer.

**Mr. Gagnon:** Mr. Speaker, I was listening to the comments of the Hon. Member for Edmonton West (Mr. Dorin). He mentioned briefly the regional growth of jobs. Perhaps he could refer to page 30 of *Canada's Economic Prospects* where the Minister of Finance (Mr. Wilson) said:

> There was also much greater regional balance in employment growth in 1987 . . . As a result, the unemployment rate has declined in every province, particularly in some of the Atlantic provinces and in British Columbia.

There is an accompanying graph on page 30. Would the Hon. Member comment on regional growth and jobs?

Second, being from an oil producing region, perhaps the Hon. Member would tell us what is the effect of the resource allowance calculation which has been taken off oil mining plants. As the Hon. Member knows, being a chartered accountant, it had a double dip with the write-off of both the resource allowance and the royalties.

**Mr. Dorin:** Mr. Speaker, I will not take a long time to answer the first question which is a relatively complicated one. As the Member mentions, the Minister in his documents attached to the Budget provided a graph which shows the growth of jobs across the country in percentage terms. There are reasons why they vary. We know that the industrial part of the country has done well. We know that the resource producing sections have not done as well but they are now recovering. Certainly in my own province the oil industry has come back, not as much as we would like it to, but we are seeing new developments. Last week there was one announced in forestry. There are more on the way. We are starting to see some of the positive effects shifting to the regions, and I pointed out that every province has seen increased employment over the last three years.

In response to the Hon. Member's second question, I have not had an opportunity yet to evaluate the exact impact of the tax change, but the underlying principle of what the Member is saying is that it puts oil producers who produce oil from oil sands and those types of projects essentially on the same basis as oil producers who produce from conventional oil sources, regular oil wells. That is the underlying principle and there are some technical changes in that regard which I have not yet examined. I could advise the Hon. Member later if he is still interested.

[*Translation*]

**Mr. Deputy Speaker:** Resuming debate. The Hon. Member for Outremont (Mrs. Pépin).

**Mrs. Lucie Pépin (Outremont):** Mr. Speaker, today we are once again discussing the Budget that was brought down yesterday. It has brought us more taxes, more debt, nothing for the average Canadian, and a makeshift child care program for our families.

[*English*]

It is Budget day once again. It is time to look at which promises the federal Government has kept and which promises it has broken. One thing the federal Government has done is to allocate $5.4 billion to a new national strategy for child care. This sounds very impressive, but if we look closely at the program we see that the Conservative Government has actually cheated the less privileged children in Canada. The Prime Minister (Mr. Mulroney) promised affordable quality child care for all Canadian children. On December 3, 1987 he broke that promise.

[*Translation*]

Today, if we take a closer look at this strategy, we see no improvement in maternity benefits, no incentive to establish daycare facilities at the place of work, no measures to help communities deal directly with the issue of providing daycare services. Federal subsidies will not be tied in any way to quality of service or fair access. The new program does not recognize the real extent of the need for daycare and makes no long-term commitment in this respect. The program deprives low-income families of certain funds set aside for them under the Canada Assistance Plan and makes these funds available to the provinces who will be free to channel them to the income group of their choice. Children between the ages of 6 and 13 represent 57 per cent of our population, and these children are not covered under the program. The new strategy sets a ceiling on daycare services that did not exist before.

I heard the Hon. Member for Edmonton West (Mr. Dorin) say earlier that parents would have a choice, but I wonder what kind of choice that will be because there are not enough spaces, and furthermore, the program was designed for families who are well off. It was not designed to be available to families on low and average incomes.

[*English*]

The government program allocates $3 billion of the $5.4 billion to a federal-provincial cost-sharing program. This is with the objective of creating 200 new day-care spaces. There is a problem here. Only 10 per cent of eligible children under 13 years of age have access to licensed child care now. There are over one million children who need child care spaces and the Government is not meeting even one-quarter of this demand.

Over the last five years child care spaces have increased by 19 per cent per year. If this increase were to continue for the next seven years without this new program introduced by the Government, we would have 900,000 new spaces in 1995. Instead, we will have 400,000 new spaces.

[*Translation*]

So the Government is stalling. It restricts the number of new spaces for daycare instead of creating incentives and responding to the existing need.

Mr. Speaker, the Liberal Party asked for a quality program. It also wants funds for staffing daycare centres. Today, however, very few new spaces will be created and very little money will be spent to guarantee the quality of the program because the federal Government has failed to set any standards. It has not provided anything in the way of supervision as to how the money will be used, how it will be spent and what kind of daycare services will be established in the various provinces.

• (1540)

[*English*]

The provincial Minister of Health and Welfare from Newfoundland once called child care services a breeding ground for juvenile delinquents. With some provincial Governments demonstrating an attitude like that, I do not

know why the Government feels comfortable giving away blank cheques to the provinces. How can the provinces possibly guarantee quality child care?

[*Translation*]

What do daycare centres cost today? Most of us are aware the cost ranges from $4,000 to $8,000 per child per year.

The Liberal Party said it finds these costs excessive, because we know most families cannot afford to pay that kind of money.

[*English*]

The costs for these spaces should be divided between the federal Government, provincial Governments, employers and parents.

[*Translation*]

Parents should not pay more than a *pro rata* of their earnings, because all parents are in the same boat now and the famous CAP program which was to be extended to make it accessible to low and middle income families has not yet been considered by the Government.

[*English*]

Unfortunately, the Conservative Government did not listen to our pleas. Instead of creating universally affordable spaces, the Government has put $2.3 billion into new tax deductions. That means that those who can afford to pay $5,000 a year for child care can now get a $4,000 deduction. Those who cannot afford to pay $5,000 a year do not get anything back for child care.

In the Government's Budget, we see that it has projected $40 million in revenue for the increased child care tax deductions and $170 million to $340 million in increased revenue is peanuts. The Government obviously does not expect many parents to take advantage of these new deductions. This is because few parents can find receipted child care or, if they do find it, they cannot afford it.

Sixty-seven per cent of mothers with young children work full time. Two hundred extra dollars per year in child tax credits will not help these women find child care or pay for it.

[*Translation*]

This year, they have a $100 deduction, which does not even represent $10 per month per child.

[*English*]

The Government seems to have forgotten that over a million children live in poverty in Canada. Big tax deductions will not help them. Creating 200,000 new spaces will not help them enough. Giving money to unsympathetic provincial Governments without setting national standards will not help them. The Prime Minister certainly broke a big promise last December.

[*Translation*]

Without talking about the number of jobs which could have been created with a good cable system, Mr. Speaker, several studies have shown that it would have been possible to create 200 000 new jobs. Which means that these 200 000 taxpayers would have helped the economy of this country recover.

[*English*]

This year, children did not get any help from the Government. I would now like to look at what the Conservative Government has done for women in this Budget.

[*Translation*]

Last year, the Government initiated negotiations with the United States for the purpose of signing a free trade agreement. It is universally agreed that, if the Federal Government gets this agreement, the manufacturing and service industries will be greatly affected and that many jobs will be lost because of the Reagan-Mulroney Agreement. Canadian industries will again have to face very stiff competition from the Americans and several of our industries will go under.

We are well aware that the industries which will be most affected are the clothing, textile and footwear industries, which are female labour intensive. We know that women represent now more thant 63 per cent of the labour force in these industries. Most of these women have not finished high school; many are immigrants who do not speak either French or English; many are old and have held the same jobs all their lives. For most of them, finding new jobs would be very difficult.

[*English*]

The Canadian Labour Congress predicts that 250,000 women will lose their jobs. An Ontario study predicts that 100,000 women will face unemployment in that province alone. A Quebec study estimates a loss of 30,000 jobs.

In the service industry, women make up 83 per cent of the labour force, but we are facing big competition from the United States. Services are the fastest growing American export. How do we expect to compete?

During the time the Conservative Government has been negotiating this trade deal, it has cut its spending on job training by 23 per cent. The Government knows that many jobs will be lost but it has made no move to help. It has cut the job-training budget by $500 million since 1985.

Under the Canadian Jobs Strategy, funds were shifted from the public sector to the private sector for on-the-job training. It has been found that employers have favoured men over women as trainees. There are no controls in place to monitor employers or to evaluate the work skills acquired.

There is little federal funding allocated to language training for male immigrants. There is almost no funding allocated to language training for female immigrants. The Government seems to assume that female immigrants will be provided for by their spouses or will take jobs that do not require language skills, in other words, menial labour.

Some programs under the Canadian Jobs Strategy are targeted at women. The Job Development Program gives

training to women who have been unemployed for eight months or more. The Job Entry Program requires that women be unemployed for two to three years before they qualify. Any woman who cannot afford to stay unemployed for that long cannot profit from this training program.

Training allowances are still less than minimum wage. How can a woman who supports a family afford to get job training if the Government gives her no financial aid? Government programs are entirely insufficient to help women with unemployment and relocation under free trade.

• (1550)

The Prime Minister promised women help to integrate into non-traditional sectors of the economy. The Conservative Government just announced it is allocating $8.8 million for this. That is $8.8 million to help 51 per cent of the population. Is the Government joking? Does it believe it will accomplish anything with such a small amount of money? The Prime Minister spent $1 million on a trip to Asia in 1986. Does he not think women in Canada deserve more than $8 million? Thanks to the Conservative Government, women and children face a dimmer future over the next few years. Now we must look at the family as a whole.

[*Translation*]

And it is not any better, Mr. Speaker.

[*English*]

The Government claims it has made a fairer tax system by broadening the tax base and lowering personal income tax rates. I do not believe it is fairer at all. This is an anti-family tax policy.

[*Translation*]

We know that families in the 1990's are quite different from those we knew ten years ago. There are over one million poor children in Canada. Of all Canadian families, 13 per cent are single parent families whose heads are mostly women. And half of them earn less than $10 000 a year. The Government should do something to help these families, but just now it is doing nothing. We must keep in mind that in Canada today, 29 per cent of couples are living on one salary.

[*English*]

The Conservative Government said it has lowered income taxes. In reality, individuals paid $22 billion more in income taxes in 1987 than they did in 1984. The Government says it is reducing personal income taxes by $5 billion by 1993. It took only three years to increase taxes by $22 billion, but it will take five years to decrease taxes by $5 billion. What kind of fairness is that?

In fact, the public debt has risen by 66 per cent between 1984 and 1988. The Minister told us he had to increase taxes to bring down the debt. Now a family with two children pays $1,200 more in taxes than it did in 1984, and our debt has increased. Where is all that money going?

We know that $2.5 million went for the Shamrock Summit in 1986; $15 million went to increase the personnel budgets of cabinet Ministers; almost $3 million went to new uniforms for the Armed Forces; $10 million went to expenses surrounding Simon Reisman's free trade negotiations; and $2 million was spent on the Stevens inquiry.

The total increase in taxes for an individual has been in the area of 68 per cent, while it has been only 28 per cent for corporations. The Government spends money like water but forgets the plight of families when giving hand-outs. The Government partially deindexed family allowances and the child tax credit in 1986. That means that tax credits would grow only if the inflation rate exceeded 3 per cent. That represents a hidden tax increase of $700 million per year, so taxes will increase in 1988 without the Government doing or saying anything. Because of this deindexation, the family benefits package will decrease in value by $1.5 billion by 1991. As we have seen, child care deductions increased from $2,000 to $4,000. Instead of using that money to create new spaces and set up a child care tax credit that will benefit all families, the Government continues to help higher-income families.

The Government also introduced higher sales taxes on many consumer goods. This tax is regressive because everyone must pay it regardless of how little they earn. Sales taxes have been raised on gasoline, snack food, air transportation, long-distance phone calls, toys, wallpaper and paint. Those things are not luxuries, they are things that all families need and use. How can the Government say the system is fair when low-income families benefit so little?

The Government will continue with these injustices if it is elected again. It has promised a new sales tax after the next election.

[*Translation*]

And I will spare you the taxes the Government intended to impose on food, Mr. Speaker.

[*English*]

Finally, let me point out one last inequity in the tax system that must be corrected immediately. A common law couple with a child is allowed, under the present system, to claim the full personal tax credit of $1,020 for their child. A married couple can claim only $65 in child tax credit. I find this unfair and unequal. It must be changed. Either common law couples must be forced to claim only the child tax credit or the credit must be increased to $1,020 for all families.

Thank you, Mr. Prime Minister, for being so consistently unfair to lower and middle-income families.

[*Translation*]

When the committee on tax reform was meeting, one of the things that were requested was for separated wives not to pay the full tax on the alimony payments they get. It was then proposed that taxes be paid only on half of that amount to take into account the fact that the former wife has to care for the children. The present system is unfair. If someone is entrusted

with funds to keep and manage for someone else, he does not have to pay taxes on these funds. The woman in that case is not free to spend the money as she wishes. Therefore she should not be required to pay taxes on the payment she receives for the children.

The Government is proud of its good administration. It says that thanks to its leadership, the country's economy is thriving. I have to admit, Mr. Speaker, that industry and business are doing very well. But what about our country's silent majority? What is happening to middle and low-income families? What is happening to our children? What are they getting? Very little, Mr. Speaker! As a matter of fact, they have to pay more taxes and are getting poorer. We were hoping that tax reform would bring changes but once more, we were disappointed. Although the child tax credit was increased, many low-income families and all middle and high-income families will be receiving less total benefits for children due to the decrease in the child tax exemption and to the partial deindexation of family allowances.

With the *Confédération des organismes familiaux du Québec*, one wonders whether having a child or children is not as important to society as it was in the years prior to 1985. Families do not seem to be able to afford their children any more. Is that the kind of society, the kind of choice we want to make in this country? Of course not.

[*English*]

We have seen that the Government has done little to help women and children and families. After stalling for half a year, the Minister of National Health and Welfare (Mr. Epp) produced an inadequate child care program. It continues to help children who already have child care while doing nothing for children who do not.

The Minister of Finance (Mr. Wilson) said there is no need for new job training programs. He said that after admitting that 25,000 jobs will be lost every year under free trade. The Minister of Finance (Mr. Wilson) also claimed that he is saving the taxpayer money, yet we are paying more taxes now under a more regressive tax system than we were in 1984. Finally, it is the Prime Minister who made all these promises before his election in 1984. It is the Prime Minister who has not lived up to any of these promises.

• (1600)

**Ms. Mitchell:** Mr. Speaker, first I would like to congratulate my hon. colleague for her speech, much of which I certainly agree with. In fact, I thought for a minute it was one of my NDP colleagues talking as she was saying so many wonderful things.

The Member and I were on the Special Committee on Child Care, as was a Member on the government side who is in the House today. I agree with her that the Budget does absolutely nothing for child care. In fact, instead of putting money into child care they are really taking it out. For over three years the Government promised that it was making child care a priority. Yet, we still have no up-front money in the Budget to get on with child care. Does the Member agree that this was nothing but a lot of pre-election rhetoric, that the Government did not want to put any money into child care spaces anyway?

The Member referred to the doubling of the child care expense deduction and said that this is a regressive measure. I agree completely. We feel very strongly that that is the case because it applies to higher income families who pay taxes and gives nothing to lower income families. I think of students, single parents, and the working poor who do not pay taxes at all. Those are the ones who are finding it so hard to find money for child care services. I agree with her that this is a regressive measure.

If I understood the Member correctly, she was talking about some kind of a child care tax credit which would benefit families and would not be regressive. Certainly tax credits are not as regressive. However, if there is only a certain amount of money, does the Member believe it should be used for a tax credit or would it be better to put any available money into funding so that we can begin to have more quality child care spaces for children who need them?

[*Translation*]

**Mrs. Pépin:** Mr. Speaker, I wish the State could pay the entire cost of daycare, because I feel that today there is an urgent need for this service in Canada. However, I also think we have to consider certain expenditures and what the economy will bear. So our Party proposes that people who can afford it should pay, and that the service should also be available to families on low and average incomes, who would be charged according to their ability to pay. I remember that when I sat on the Special Committee on Daycare with my colleague, a number of couples told us they would have no objection to sharing the cost on this basis. So while I think that the Conservative Government is doing very little for daycare, I must admit that although I would prefer the Government to pay the full cost, I do not think that today, considering families are prepared to do their share, the Government should bear the entire cost. I think there was only one point on which we disagreed.

[*English*]

**Mr. Nystrom:** Mr. Speaker, I would first like to make an observation. The Member for Outrement (Mrs. Pépin)—

[*Translation*]

—just made a very progressive and very positive speech, so much so that the Hon. Member for Vancouver East (Ms. Mitchell) said she was almost "like the New Democrats". I wonder why and perhaps the Hon. Member would like to answer a serious question of a general nature—the Liberal Party in the Opposition leans more to the left, and on the Government side more to the right?

It never fails. I remember after John Diefenbaker was elected and Lester Pearson was the Liberal Party Leader. There were some conferences in Kingston, and we saw a Party

that was more like a Socialist Party, but after the next election, it started leaning towards the Conservatives. Why?

Why are you more to the left when you are in the Opposition, more like a Social-Democratic Party, and after the elections, we see your Party leaning more to the right, like the Conservative Party?

Mr. Speaker, in fact, it is probably just another Progressive Conservative Party. But this is a very serious question.

**Mrs. Pépin:** Mr. Speaker, since I am a first time Member, I cannot answer for what my party has done in the past, but had there been, in fact, a greater number of new Members, men and women, with ideas leaning more to the left than to the right, perhaps the party would have taken a different orientation at the time.

**Mr. Nystrom:** Mr. Speaker, if, by chance, this party was elected in the next election, would she remain to the left, would she remain a progressive Member or would she follow the lead of the old guard liberal presidency and slide to the right?

**Mrs. Pépin:** I believe there is room for everyone in the Liberal Party. However, Mr. Speaker, I can assure you that with regards to a program such as the one on child care, which is being announced prior to an election, we shall implement it if we return to power.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**Mr. Deputy Speaker:** In accordance with Standing Order 66, I wish to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for St. Catharines (Mr. Reid)—Environmental Affairs—Niagara area study—Request for release; the Hon. Member for Thunder Bay—Nipigon (Mr. Epp)—Trade—Free trade—Elimination of marine transport sector—Government position/Situation of shipping industry; the Hon. Member for Algoma (Mr. Foster)—Trade—Import controls on U.S. dairy products/Canadian position.

## GOVERNMENT ORDERS

[*Translation*]

### THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 10, consideration of the motion of Mr. Wilson (Etobicoke-Centre) that this House approves in general the budgetary policy of the Government and the amendment of Mr. Garneau (p. 12860) and the amendment to the amendment of Mr. Cassidy (p. 12883).

**Mr. Deputy Speaker:** Resuming debate with the Hon. Minister of Labour (Mr. Cadieux).

**Hon. Pierre H. Cadieux (Minister of Labour):** Mr. Speaker, as a new Member of the House, I am pleased to take part today in the budget debate. I must admit the exchange we have just heard was so interesting I am tempted to give my colleagues more time to settle the basic issues of their coalition.

On a more serious note, Mr. Speaker, I am pleased to speak on the budget my colleague, the Hon. Minister of Finance (Mr. Wilson), tabled yesterday.

By this budget, Mr. Speaker, the Government wants to emphasize how important it is for Canadian workers to participate fully, as equal partners of the business community and governments, in building a strong and prosperous Canada.

[*English*]

In building a strong and prosperous Canada the reduction of unemployment is an obvious priority. In this regard the Government's record of job creation is eloquent enough proof of our commitment to the working men and women of Canada.

[*Translation*]

The Governemnt proved it could create jobs. We have created more than 1 million new jobs since September 1984, and the unemployment rate has been constantly declining. As a result, Canadians have many more opportunities and can be confident in their future.

Regarding the unemployment rate decline, I want to stress the role played by small and medium-size businesses that have shown dynamism and entrepreneurship, were not afraid to face the competition on national as well as international markets and to which we owe the creation of so many new jobs.

During the last three years and a half, our economic advances have been splendid and, by and large, Canada achieved better results than all other large industrialized countries, and that economic success, Mr. Speaker, is translated in a large number of concrete achievements.

Let me point out as an example the mortgate rates that are three points lower, allowing homeowners to save $1,200 a year on a $50,000 mortgage amortized over 25 years.

As far as workers are concerned, Mr. Speaker, what we see currently is a positive behaviour, an increasingly evident will to help strengthen the economy. This is a change the Government supported, and of which I am personally quite proud.

As you know, Mr. Speaker, the Minister of Finance announced that Canadians who invest in national venture capital funds sponsored by labour unions will be entitled to Federal income tax credits.

Our economy needs venture capital to support its growth, and this is especially true in the case of job-creating small businesses and of the high technology sectors. More recently, we saw that venture capital could also help secure endangered jobs, thanks first and foremost to the labour movement.

I am referring of course to the Solidarity Fund of the Quebec Federation of Labour to which the Canadian Government contributed $10 million in addition to granting its shareholders generous, 20 percent income tax credits. The Solidarity Fund, Mr. Speaker, has now more than $135 million in assets and a membership totalling more than 43,000. More than 6,000 jobs have been created or preserved because of investments in some 40 businesses in Quebec. The results obtained to date by the Solidarity Fund show that such funds can be used to preserve and create jobs for Canadian workers across the land.

Through its Solidarity Fund, the QPC has shown, in the face of general skepticism when that initiative was launched, that workers can be active and aggressive partners in the national economy.

We all must listen to them, and to business managers, Mr. Speaker. Their ideas deserve to be examined. This is what we have been doing, and this is exactly what we intend to keep on doing. The tax measures announced yesterday will enable labour unions to get involved in the establishment of venture capital funds and, as far as I am concerned, Mr. Speaker, I would have no hesitation in encouraging them to get involved in that area.

• (1610)

[*English*]

Because of the success of the Quebec fund, the Government introduced in yesterday's Budget tax incentives for investment in national venture capital funds sponsored by labour organizations. This new tax measure will make a federal tax credit of 20 per cent available to individuals who purchase shares of a national labour-sponsored venture capital corporation. Funds raised will have to be invested in active small and medium sized businesses with at least 60 per cent of the funds invested in risk capital.

Individual investors will receive a 20 per cent federal tax credit on their first $3,500 invested. For example, a worker who invests $1,000 in a national fund will receive a federal tax credit of $200.

Thanks to this measure, unions will be encouraged to establish national venture capital funds whereby a worker's savings may be channeled into business enterprises that need capital to maintain or create employment. Such funds allow workers to take part in job creation and economic development through equity ownership. The enthusiasm that the Quebec workers have shown for such funds is evidence of the willingness of workers to co-operate in strengthening and developing the economy. I am confident that this success in Quebec will be repeated across the country as the labour movement plays an even larger role as an essential partner in Canada's economic development.

Initiatives such as labour-sponsored venture capital funds are typical of the new spirit of constructive co-operation that is having a beneficial impact on the very positive labour climate which we enjoy in Canada. It is important to note that over 90 per cent of collective agreements in Canada are settled without strikes or lock-outs. The past year, for example, was one of the most peaceful in a decade, with only .09 per cent of estimated total working time affected by work stoppages. That is to say, only nine days per 10,000 worked were lost as part of the collective bargaining process.

Labour organizations such as the Canadian Federation of Labour and the Quebec Federation of Labour have publicly stated their support for replacing confrontational labour-management relations with more co-operation to meet common challenges. Many important members of the business community, such as the Canadian Chamber of Commerce, the Conseil du Patronat du Québec, and the Canadian Manufacturers' Association have echoed these statements.

There are indeed numerous examples of constructive labour-management relations outside the collective bargaining process in all regions and sectors throughout Canada that are real success stories. Investors at home and abroad are beginning to take notice. The high degree of labour-management co-operation which exists on the Canadian labour scene is no doubt one of the most important factors in the excellent performance of the Canadian economy.

We are currently investigating avenues to develop further co-operative initiatives in the work place. I am confident that such initiatives, as well as the fiscal measures announced in the Budget, will help the labour movement contribute fully to economic progress and prosperity in this country.

I am also pleased to report that we have had and are continuing to have fruitful discussions with provincial Governments on how best to proceed with a program to help older workers affected by major lay-offs. The Government is concerned about the special problems faced by these workers, who often have little or no chance of competing effectively in the job market. Accordingly, I will be making an announcement with regard to the program for older workers' adjustment in the near future.

[*Translation*]

Mr. Speaker, I believe that labour, business and government should work together to find new ways to cooperate, in order to bring economic and social progress in Canada.

[*English*]

This can take many forms: Worker participation in the corporate strategic planning process, regional and sectoral union-management dialogue, or worker investment in business.

[*Translation*]

As you can see, Mr. Speaker, the Government is moving on all fronts. Since 1984, we committed ourselves to a new direction in order to bring economic renewal in Canada, and we have continuously been innovative in the pursuit of our goals.

Mr. Speaker, I am confident that the new fiscal measures related to venture capital funds, announced by my colleage, the Minister of Finance, will have a significant impact. I am convinced that they will lead to a wider participation of workers in the economic growth of the country. I am sure, Mr. Speaker, that they will bring an economic climate favourable to the creation of new jobs and a continuing growth of our economy.

[*English*]

**Mr. Deputy Speaker:** Is the House ready for the question? The Hon. Member for Yorkton—Melville (Mr. Nystrom) on debate.

**Mr. Nystrom:** Mr. Speaker, I thought it might be wise to raise a question or comment for the Minister of Labour (Mr. Cadieux) at this time.

[*Translation*]

Mr. Speaker, I appreciated the speech from the Minister of Labour (Mr. Cadieux), but—

[*English*]

I realize, Mr. Speaker, that you were the person who had the honour to drop the puck last night in the great hockey game between the MP's and NHL Old Timers. I was disappointed that the Minister of Labour did not participate as a player, but at least he participated by being in the players' box and cheering on his team. Of course, we would not have done as well if it were not for the lone New Democrat flying the left wing flag.

The Minister of Labour is one of the more progressive members of the Progressive Conservative Party. Is he not somewhat embarrassed from time to time by the fact that since his Party took power in 1984 the taxes on individual Canadians have risen by some $1,000 to $1,200? That is quite a substantial sum for ordinary taxpayers in this country.

[*Translation*]

I wonder, Mr. Speaker, whether the Minister of Labour (Mr. Cadieux) agrees with the Minister of Finance who raised the personal income tax of Canadian families $1000 over three years. This is not fair for ordinary Canadians, for the average Quebecer. Does the Minister of Labour also agree with the fact that we have, in Canada, 60,000 corporations which have paid no tax whatsoever to the federal Governement? Is he in agreement with such a fiscal system, a system which is so reactionary? I know, Mr. Speaker, that the Minister is a progressive, but does he agree with his Minister of Finance who is more of a reactionary than a progressive?

**Mr. Cadieux:** Mr. Speaker, if we are going to talk about reactionaries, I must point out the very reactionary and probably extraordinary performance of my honorable colleague who indeed played brilliantly in last night's hockey game. As for me, I already indicated that I could be there next year as a mediator to make the referees stick to the rules so that the game goes more smoothly. However, I must say that it was still a very good game. I must thank not only all the participants on the ice but also the many spectators who attended last night's great display of talent.

To get back to a more relevant issue, Mr. Speaker, namely the Budget tabled by my honorable colleague the Minister of Finance (Mr. Wilson), if it is reactionary to reduce the amount of income tax paid by eight out of ten households, to eliminate income tax entirely for some 850,000 low income earners, to reduce the amount of income tax paid by almost nine out of 10 Canadians aged 65 or more and to greatly reduce the amount of income tax paid by most families with children, then I don't mind being called a reactionary.

Mr. Speaker, as far as the economic performance of the Government is concerned, I think that during Question Period today, the Minister of Finance was able to answer many of the unfounded criticisms put by my colleagues over there, including that regarding the 60,000 firms who apparently, according to these Hon. Members, do not pay any income tax. On the one hand, I must simply underline the fact that if they were penalized, some of those businesses, for instance in Cape Breton, would obviously be unable, as was stated by the Minister of Finance, to create the jobs they have so far created, in particular since we came to power, and they would have to face some very serious problems. On the other hand, Mr. Speaker, I believe that businessess that do create new jobs—which is the motor of the economy—need to be helped as much as possible, and the Minister of Finance has clearly indicated that this must be looked at on a yearly basis so that when losses did occur, there had to be some kind of recovery in order to maintain the jobs that had been created and to create new ones.

• (1620)

[*English*]

**Mr. Simon de Jong (Regina East):** Mr. Speaker, I too wish to participate in the debate on the Budget presented by the Minister of Finance (Mr. Wilson) last evening. I think it is fair to say that the Budget presented to us was really a do-nothing, stand-pat Budget. I think government Members themselves will admit that the Budget certainly did not take any great new initiatives. From the Government's point of view it was a reporting to the nation as to where the state of the economy stands.

I think it is fair to say as well that government Members feel that the statement was a statement of economic progress, that there was no need to take new measures, that the economy was doing well, the deficit was being brought under control, and as far as the Government is concerned, this is exactly where the

national economy should be. In essence, the Budget Speech of the Minister of Finance was one of confirmation that the economy is sound. Of course, we in the Opposition beg to disagree. We will point out that everything is not fine in Canada's economy. There are many men, women and children who live their lives at times in not so quiet desperation. There are over 1.5 million men and women in this country who do not have jobs. They are out looking for jobs but cannot find any. We have hundreds of thousands of Canadians who are living in abject poverty. They are uncertain as to where their next meal will come from. I have personally been involved in studies which have occurred in my riding of Regina East on hunger among the children of Regina. It is a real problem. In the breadbasket of the world, so to speak, Saskatchewan, there are young children who go to bed hungry at night and a lot of anti-social behaviour such as petty theft and break and enter are the result. These are economic crimes committed because of economic desperation.

Certainly Regina is not unique. Every major city of this country has the problem of children and young people going to bed hungry. We talk about Canadians earning low incomes who live below the poverty line, the working poor, who find it extremely difficult to meet the mortgage payments and food bills every month and who have little left over to go to a movie and buy some popcorn and a soft drink. These people live in extreme economic scarcity. Therefore, for us to assume that everything is well and that all the Minister of Finance has to do is to bring in a Budget extolling the record of the Government, in essence saying: "No new initiatives are needed", I think is living in a fool's paradise. It indicates to me that the Minister of Finance and his Government are out of touch with the reality that so many Canadians must face day in and day out.

It is obvious that the wealth and prosperity spoken of so eloquently by the Minister of Finance in his Budget does not exist across this country. Yes, there are pockets of economic activity where there are low rates of unemployment, but even in those pockets, the working poor have to face horrendous costs for housing, transportation and food. The price of housing in Toronto is just exhorbitant, and one wonders how people who work at the local doughnut shop, the clerks at the Bay or Safeway stores, with their meagre incomes, can even afford a small room somewhere, let alone be able to buy a modest home to put a roof over the head of a family they hope to raise. That is an impossible dream for those Canadians. Yet when we talk about the economic plight of millions of Canadians, at the same time these very Canadians are living in a land of plenty.

We live in a country with an abundance of resources and wealth, a country with vast tracks of fertile lands, huge forests, mineral deposits and sources of energy. We are indeed blessed as a country and as a people. There are few places on the face of this earth which have as many advantages as this country. We are one of the best educated peoples in the history of the human race. We have a sparse population. Thus we do not have the tremendous problem of population overcrowding. We live in an age of technological wonder. Our ability to produce is unheard of in the history of mankind.

• (1630)

Yet despite all the wealth, all the advantages and all the technologies that we have today there are people in the country who go to bed hungry. Surely, we have to ask ourselves as Members of Parliament, as leaders and representatives of the people, why something so drastically wrong is going on here. Something is not working right. Why is it that with all this wealth and with all this tremendous technological ability and trained population we cannot put it together so that basic human needs are met? Something is wrong.

I think Canadians from all political Parties assume that their Government will give some leadership in bringing together the resources, the technology, the capital and the human ability so that we can have an economy that functions and at the same time satisfies the basic human needs of its citizens. So when we have a Government that brings in a Budget that, in essence, says, "Everything is all right, Jack, there are no problems here to solve," I think we have a Government that is not living up to its duties as a Government. We have a Government that is not providing leadership, and as such it is a failed Government with failed opportunities. Surely, this is the best way to describe the Budget. It is a Budget of failed opportunities.

There is no doubt that as Canadians and as members of the human race we are living in an age of tremendous social, economic, political and technological change. We are indeed all of us living in a very insecure time. We are living in a time, an age, when one receives an education and assumes that with that education and the skills that one has acquired one can go out to get a job and earn a living and that that will enable one to secure enough income to raise a family. But this is no longer true, not even for the best educated. We do not live in that security any more.

Experts tell us that the young people of today must realize that they will have to be retrained two or three times in their lifetimes, that what they have been trained for might very well become obsolete. This does not refer just to mechanics and blue-collar workers but to white-collar workers and to managerial people as well. The ground that we occupy continues to shift. So it is with nations and national economies. Areas in which a nation have been strong all at once become obsolete. Its strengths become its weaknesses. There are tremendous economic shifts and changes.

I will not stand here and pretend that I have the blueprint and the solution. Nor will I suggest that the NDP has all the solutions and the blueprints. I do not think that any political Party or any ideology in this day and age can meet the challenges and the unpredictability of this age of change. However, some things are essential if societies are to remain viable to technological, economic and political changes. One of

the most important requirements is flexibility, the ability to be able to adapt.

Historically, we know that those species that were not able to adapt to change in climatic conditions became extinct. So it is with human institutions. Those human institutions which cannot adapt will become extinct. Their societies and their communities which depend upon them will be harmed. Unfortunately, when we look at the Budget presented to us last night we see that it does not display any flexibility. It is an ideological statement. It is full of the rigidity of a certain particular ideology, the ideology of the right, the new darling of the intellectuals. It is the new ideology of Ronnie Reagan and Margaret Thatcher—the new right. The notion is that if the state would just leave things alone, the natural order of things, especially the market-place, will create the jobs, the wealth and the distribution of that wealth and everything will be fine. The thought therefore is, "Let us just keep our hands off".

We see that notion expressed by the Government day in and day out. We see it in its moves to privatize, to deregulate and to help the corporate rich. It is the old trickle-down theory. I have used this remark in every Budget Speech that I have delivered since the Government came to office. It is the old trickle-down theory according to which if you give the horse a lot of oats, eventually the sparrow will get some. That is the philosophy of the Government. Let the rich enjoy their riches. Let the corporate sector increase its profits and eventually those riches and profits will be reinvested in new plants and equipment which will create new wealth and new jobs.

That is how the theory works, or at least how it is supposed to work. But it has not worked in that way. It has not worked in that way in the United States. Nor has it worked in that way in England. It is not working that way in Canada. The sparrow does not get the oats.

A great deal of the wealth that the Government has encouraged through its tax system and the special breaks that it has given the large corporations do not get invested in new plants and equipment. What happens is that a great deal of it is invested offshore, in major takeover bids south of the border. That is not creating jobs in Canada. A lot of it is used for corporate takeovers in Canada. That does not create new wealth or new jobs.

When we look at the figures for the last decade in respect of what has occurred in England, in the United States and now in Canada we see a tremendous concentration of economic wealth in fewer and fewer hands. Multibillion dollar empires and corporations are being formed. They gobble up their competitors and smaller corporations. They are being encouraged and fed by special tax considerations.

The trickle-down theory has not worked. All it has done is to create economic monoliths that are able to destroy the democratic and political will of elected Governments, so powerful have these economic giants become.

We see the results of their political power in the type of budgets and tax proposals that the Conservative Government has introduced. In this respect I refer you, Mr. Speaker, an article which appeared in the *Report on Business* of *The Globe and Mail* of January 8, 1988. The article is entitled, "StatsCan paper says income tax system biased toward corporate concentration". I quote:

> An analysis of about 20,000 corporate income tax returns for 1983 "seems to indicate a . . . fundamental and pervasive bias toward concentration," says the study by Michael Wolfson, director of the agency's social and economic studies division.
>
> That assessment likely won't be significantly modified by Finance Minister Michael Wilson's tax reforms, Mr. Wolfson indicated in an interview from Ottawa.

• (1640)

The statistics are there. We are seeing greater and greater economic concentration and wealth aided and abetted by tax policies of this Government. When the Minister of Finance stands up and claims that his tax reform proposals will create equity and fairness, one has to laugh and say to him, "Minister of Finance, what are you talking about? Even your own *Budget Papers* show that 60,000 very profitable corporations in the country will still not pay one cent of tax. Do not talk to us about fairness. Please do not try to peddle the big lie here".

It is obvious that the government policy is one of encouraging the rich and the powerful to become richer and more powerful in the mistaken belief or hope that somehow that wealth will trickle down and create jobs and prosperity for all. That has not occurred.

As the Budget is caught in its ideological stricture and bias, at the same time it fails to address the concerns of everyday Canadians; those Canadians who have to meet the mortgage payment and pay the food bills, those Canadians who are concerned about their jobs and their future, those Canadians who have teenage sons and daughters going through the educational system and who wonder what will happen to them and what type of jobs will be available to them as they get out of the school system, and those Canadians who live in an economic insecurity. There is nothing in the Budget for those Canadians, nothing at all.

As the world goes through economic changes, and as we in Canada attempt to plot our course for the next decades, we cannot but become aware of what is happening south of the border, particularly with the trade deal negotiated and signed by our Prime Minister (Mr. Mulroney) and the President of the United States. It will tie our economy even further into that of our neighbour, the giant south of the border. That giant has some very serious problems.

The United States has gone through some economic prosperity in the last number of years. But if one looks behind the scenes, one will see that it is a very fragile prosperity. It is a prosperity that is essentially based on the war machine. The United States has run up an accumulated deficit of well over $1 trillion. Total U.S. savings only meet 90 per cent of the

interest rate on its accumulated deficit. The United States must maintain a high interest policy and, therefore, a strong U.S. dollar in order to attract capital into the United States in order to service its debt.

That cannot be done for too long without running into problems. The Americans are now running into problems because they realize that the strong U.S. dollar has priced them out of the world market. The Americans are caught in a catch-22 situation. On the one hand they have to lower the value of the U.S. dollar, and lower their interest rate in order to become competitive again. While that is being done, the United States is not able to attract the capital in order to service that accumulated deficit and debt. At some stage, the United States will have to deal with that very serious problem, and it will run into some very serious adjustments. Those adjustments will be painful for it, and they will be painful for us.

Part of the solution must be a reduction in the arms race for both the Soviet Union and the United States. The useless expenditures on the death machine are economically destroying our economies. If it were not for the arms race and the expenditures on that, which are around the same level as though we were in a war period, interest rates could come down to where they historically should be, that is, 2 per cent or 3 per cent above the inflation rate. That is where the interest rate should be. It should be around 6 per cent, not the present 11 per cent and 12 per cent.

We pay for the arms race with every house or car that we buy. Every time we borrow money from the bank we are paying for the arms race. Perhaps the silver lining of the October crash was that the national economies are beginning to recognize that they have reached the financial limits of the arms race. They cannot continue to have a defence budget that grows and grows. Hopefully we have begun to reach the limits and nations will recognize that they have to bring down their expenditures on arms.

I note that the time allotted to my remarks has expired. In my remarks, I wished to give a bit of an overview of the world economy, as I see it, the role that Canada can play in that world economy, and also the failings and the shortcomings of the Government's Budget. I hope in the question and answer period, especially in answer to questions that government Members might have, I might be able to inform them of what I think a budget should be.

**Mr. Nickerson:** I will give the Hon. Member that opportunity, Mr. Speaker. He and other members of his Party have gone on at great length about all this poverty that is supposed to exist in Canada, and perhaps four years ago there was quite a bit of this.

The policies and the solutions of his Party and his colleagues in the Liberal Party seem to be to tax the people who are out there working for a living, tax them even more and get more money from all those people who are working hard and making $30,000, $40,000, or $50,000 a year, and then hand this money out via the state to other people in order to improve their lot. Whereas, what we have been doing is to make sure that jobs are available for people in order that they do not have to rely on the state. We have created more than one million new jobs since we took office in 1984.

I would like to ask the Hon. Member, does he not think that this is one tremendous accomplishment? Does he not see that that has significantly reduced the levels of poverty in Canada, and the levels of hardship in Canada? Does he not think that we are on the right track with those employment-creating policies?

**Mr. de Jong:** I thank the Hon. Member for his question. First, he is quite wrong when he suggests that we propose to increase taxes on those Canadians who earn $20,000, $30,000, $40,000, or $50,000 a year. In fact, far from it. We have objected to the fact that his Government has increased taxes on middle-income Canadians by around $1,000 per year since 1984 when the Government was first elected. We see the unfairness in the system, and we also see that there is definitely some possibility of raising some extra revenue from the large corporations.

For example, in 1983, the last year for which I have seen statistics or figures, none of the banks paid any taxes. A teller at the Royal Bank of Canada paid more dollars and cents in taxes than the Royal Bank of Canada. The Royal Bank of Canada made more than $360 million in profits, and it paid not one cent of tax. We feel that that is unfair, and that there are some sources of revenue that could reduce the deficit and at the same time help to create employment in this country.

• (1650)

As the Hon. Member pointed out, some one million jobs have been created. I welcome that. But we have to remember that the previous Liberal Government started to attack inflation and tighten up on interest rates. Indeed, inflation was wrestled to the ground, brought under control so to speak, but it was done at a tremendous social cost. Canada experienced more social hardship than any of the other OECD countries. Our unemployment rate shot off the ceiling. When some economic recovery started to occur, it was good to see that jobs were created and we were able to bring one million people back into the labour force. Surely the Hon. Member will not stand up in his place and suggest that 8.3 per cent or 8.4 per cent of unemployment in the workforce is an acceptable level. It has to be unacceptable, surely, and much more needs to be done to bring down the unemployment rate to a decent level. A stand-pat Budget will certainly not do that.

**Mr. Minaker:** Mr. Speaker, could the Hon. Member for Regina East (Mr. de Jong) clarify his suggestion that we were spending too much money on defence and that we should cut back on this type of expenditure? Is the Hon. Member stating the New Democratic Party's policy that Canada should

withdraw from NATO? Does he personally support the policy that Canada should withdraw from NATO?

**Mr. de Jong:** That is a very good question, Mr. Speaker. First, when I spoke about arms expenditure, I spoke about it in a global sense. I said that perhaps the silver lining in the October crash was that both superpowers began to realize that there are limits to arms expenditure. When you have a global arms expenditure annually of a trillion dollars—in other words you are taking one trillion dollars out of the world economy every year—you have to recognize that this puts a scarcity on available capital for all sorts of other projects. I was calling for an end to that global madness.

Let me now come to the other question about NATO. I think Canada's role has to be as a peace maker. That is the most important role. I am not all that hung-up on whether we are in or out of NATO. My major concern is how best we can fulfil our role as an international mediator and peacemaker. That is the bottom line. In the global sense, for the survival of the human race we have to get away from the insanity of the arms race before we destroy ourselves.

Canada has a unique role to play. Whether we are necessarily in or out of NATO is beside the point. The most important point is that we have an independent foreign policy, that we have the respect of both superpowers and in that position we can play an activist role, not a defensive role or a secondary role but an activist role in helping to achieve and get a process going of world peace and disarmament. Economically we have to be able to do it. In terms of sheer survival of the human race, we have to do it.

**Ms. McLaughlin:** Mr. Speaker, could the Hon. Member for Regina East (Mr. de Jong) comment a little further on the comment of the Hon. Member for the Western Arctic (Mr. Nickerson) that this Budget reduced poverty. I believe the statistics still indicate that one in five children in Canada are living in poverty and the gap between the rich and the poor is increasing. Could the Hon. Member from Regina comment on the observation of the Member from the Western Arctic about the Budget?

**Mr. de Jong:** Mr. Speaker, I could deliver a major speech if I had time just on the comments of the Conservative Member for the Western Arctic (Mr. Nickerson). His assertion that we would tax the middle class was very wrong. I am surprised that the Hon. Member for the Western Arctic would suggest that poverty has been eliminated in this country. I have seen poverty in the northern communities, particularly in the native communities. Poverty is not just in the North. I visit reserves in my riding and the housing conditions in which some people live are terrible. I cannot stand in this place and say there is no poverty in this country. There is shameful poverty in this country.

In terms of the Government's record, when you look at figures from 1984 to today, you begin to realize that 98 per cent of Canadian families are paying more in taxes and only 2 per cent of those earning $100,000, $150,000 and $200,000 a year have a net reduction in the taxes they are paying. It is the middle class and the lower income Canadians who are paying more taxes today than in 1984. The Government does not like to use the figures from 1984. It talks about tax reform and says that because of tax reform some 800,000 Canadians will not be paying tax. That is true compared to the times before. However, if you compare it to 1984 before the Tories got in, none of those people were paying tax back then. The Tories put them on the tax roll. With tax reform they have taken them off the tax roll, but because the Minister of Finance did not put back full indexation, those very same Canadians will eventually come back on the tax rolls again. The Conservative Government has put the poor in a revolving door. They are off the tax rolls. The Tories put them back on and then have taken them off. The fact that there is not full indexation means that those very same Canadians will be back on the tax rolls again. Perhaps at some future date, if this Government remains in power, which I doubt, they will be taken off and then put back on again. Stop jerking the poor around.

**Mr. Thomas Suluk (Nunatsiaq):** Mr. Speaker, I am glad to be able to participate in this debate regarding the Budget, especially because, as most Members here know, I represent a riding with a lot of poor people.

I have heard during this debate how the Government has not been assisting the people and the regions of the country that are poor. Let me add that I am not going to concentrate on specific economic policies but, rather, on specific areas in which the Government has provided assistance to the poorer regions. Assistance does not apply to the North only, but also to other regions such as Newfoundland, the Yukon and other remote areas of the provinces.

Perhaps I should start by pointing out some examples. We have the child tax credit. There have been housing deductions for people in remote areas. There has been assistance in the areas of income tax. Something which had not happened for many years is the revamping of the defence forces in northern Canada. The Government has made commitments regarding the building of ice-breakers and there is provision for air defence, the building of nuclear submarines to replace the outmoded diesel submarines. Some people still feel that the old diesel submarines are able to protect us from Russian submarines or other submarines with nuclear capabilities. But diesel submarines have to be recharged every so often.

• (1700)

First I will talk mostly about the child tax credit and how it applies to the people in the North and in other remote areas. People with incomes of from $15,000 to $23,000 per year will be eligible for the child tax credit. At least 50 per cent if not more of the people living in the Northwest Territories fall into that category, particularly those who live in the eastern half of the territory where there is not much employment because of the boycott on furs and seals and other animals on which the people used to rely for their incomes.

Because of the provisions that make these people eligible for the child tax credit, every spring and every fall many households will be able to look forward to being able to afford either a snowmobile or an all-terrain vehicle. Many people may feel that these are mostly recreational vehicles. In fact, the United States was trying to ban the import of Japanese-made all-terrain vehicles, considering them to be too dangerous. This machine has been adapted to the situation in the North and has become indispensable. It has been adapted for use in making a livelihood in the spring, the summer and the fall months. People look forward to receiving their child tax credits so that they may buy or at least be able to make a down-payment on something which might seem to people in the South to be a recreational vehicle.

Another thing which will be very beneficial for people living in remote areas is the ability to deduct housing costs. In the case of a family with one worker, that deduction would be $400 per month, and for the two-income families, which I should add are rare, it will be $225 per month per person. This will be helpful to many people.

In the past, I talked about how employees of both the federal and territorial Governments were able to go to the North to work. Of course, I understand that in many regions like Newfoundland, employment opportunities are not too great, but there is still a need to work. People who live in eastern parts of Canada have moved to the West to work. The same is true of the Northwest Territories and other remote areas where Governments have provided the majority of the highly paid jobs.

Before a deduction of this kind was introduced by this Government for people who live in remote and Arctic areas and northern regions, the people who worked for the two levels of Government were able to collect benefits such as subsidies for housing. However, those who lived in public housing, usually permanent residents, were not in a position to obtain any such money. Now those who work for the two levels of Government are complaining that they are being penalized as a result of this housing tax credit because even ordinary people will now be able to claim those deductions.

Perhaps while I am talking about housing, I should mention another very successful program initiated by the Government of the Northwest Territories, the Home Assistance Program. An individual who wishes to build a house, depending of course on certain qualifications like a regular job, a certain amount of income and the ability to prove that a home will be completed within a certain time period, is given materials to build his or her own house so that the pressure on public housing will be relieved. This program has become very successful. In fact, in my small home town community alone, a community with only about 1,200 or 1,300 people, there were 35 applicants. Already the community has at least 20 private homes that were built under this program. Under the program, people are expected to build homes at their own expense along with their relatives, their friends and whomever they can pay.

The housing tax credit has been encouraging this kind of self-sufficiency in many areas of the North. When I travel, I am sometimes surprised to see older Inuks who do not speak English building homes, sometimes alone. They are still able to put up their houses in a sufficient period of time. Many of these programs are helping the people in remote areas.

Another deduction which will be coming into effect this taxation year will be the holiday travel assistance. Prior to this year, only government employees who came mostly from southern areas of Canada were assisted in taking holidays. These people moved mostly to southern Canada because their families were in Toronto, Winnipeg or Vancouver or they went to Hawaii or other southern islands. They were the only ones who could receive holiday assistance. Many of the people who live permanently in the North who are now beginning to work for both the territorial and federal Governments do not go South for their holidays. Rather, they go around to other communities. Because travelling in the North is very expensive, assistance to northerners would have been welcomed. However, the way it started out was that assistance in travelling south from the N.W.T. was provided for, but travelling within the N.W.T. was going to be tax deductible. That was seen as unfair. However, this has now been rectified.

• (1710)

Perhaps another area in which the Government has provided assistance to people in the North especially has been controversial at times. I know that the Right Hon. Leader of the Opposition (Mr. Turner) and the Leader of the NDP (Mr. Broadbent) are not too happy with the defence initiatives of our Government, but many people who live in the North are happy that the Government is starting to recognize the importance of the Arctic to people living in the provinces. We are now living in a situation in which no place on earth can be considered remote or inaccessible, especially for nuclear missile-carrying submarines of various countries. Yet here we are still relying on diesel-powered submarines. Canada has one of the longest coast lines in the world, and for a major part of the year in the North there is a lot of ice between the Arctic Islands and in the North West Passage.

Even though I have been travelling through the northern areas of Canada for a good part of the last 10 years, when I travel now I still cannot really get used to the immense distances. Therefore, when I listened to the Right Hon. Leader of the Official Opposition saying he would scrap nuclear submarines if his Party got into power, I thought perhaps they had been bought by the Soviets. We know it is about time that Canada recognized the importance of longer range submarines, especially since the Government indicated that the only thing nuclear about our submarines will be the propulsion system. We would still be using conventional weapons and it would be mostly for the protection and enforcement of our sovereignty in the Arctic.

There are a lot of islands and a lot of ice in the Arctic, and some areas never become free of ice. I am sure anyone with

enough intelligence should realize that there may very well be enemy submarines going around that area. That is why I was very disappointed in hearing last weekend that the Right Hon. Leader of the Opposition, and now the NDP, do not want our country to acquire longer range modern submarines. The money is not going to be spent in the North but in the southern provinces.

The same applies to the ice-breaker. It is not going to benefit specifically any northern workers other than exercising Canada's sovereignty in the North. The majority of jobs are going to people living in the South so taxpayers will not be giving a disproportionate share of the money to the North. All the North will see is the finished product. Therefore I do not see why the two opposition Parties would be against Canada acquiring nuclear submarines.

Finally, while I do not have the time to talk specifically about the North Warning System and the upgrading of our radar in the Arctic, perhaps I should indicate that about two weeks ago both the American and Canadian Armed Forces were able to intercept some Soviet bombers. I know that all they are doing is testing the system, but the fact that our countries were able to intercept those bombers is an indication of the importance of Canada remaining committed to the defence of and sovereignty over the Arctic.

**Mr. Deputy Speaker:** Questions and comments.

**Mr. Nystrom:** Mr. Speaker, I want to commend the Hon. Member from the Arctic for his comments about people in his constituency and the sensitivity of some of their problems. I would like to ask him a very general question about the Budget before the House today.

I think the Hon. Member realizes there is still a lot of poverty in his riding, as there is in mine, despite what has happened. It seems to me one way of getting rid of a lot of that poverty is to impose taxes on some of the corporations who do not pay taxes today. Records show that some 60,000 corporations at a minimum are not paying any taxes whatsoever. That is a lot of companies. A lot of them are making a lot of profits. It seems to me at least some of them should be paying tax. I would like to know whether he would agree with the idea we are advocating of a minimum corporate tax.

I remember the election campaign where his leader, following the lead of our great leader from Oshawa, suggested there should be a minimum tax on individuals. The leader of the Conservative Party said: "Well, Ed, that's a pretty good idea and I support that". So he took the lead from the Hon. Member for Oshawa (Mr. Broadbent) and introduced a minimum tax on individuals. Not as tough as I would like, not as effective as I would like, but after all he is a Conservative and he thinks he should leave some money for his wealthy friends. However, we at least have a minimum tax on individuals.

I wonder if my friend would agree that we should apply the same principle to corporations and use the money to help some of the poor people who live in his riding, my riding, indeed all the ridings across this country. Would he agree with that great principle and suggest to his Minister of Finance (Mr. Wilson) a minimum corporate tax?

**Mr. Suluk:** Mr. Speaker, I think all Members of the House would agree that taxes must be spread evenly and fairly among everyone. I would like to indicate to my hon. friend that I can say with sincerity that I do not have any rich corporate friends, therefore I do not feel obligated to be either for or against giant corporations. I would just like to indicate in general terms, that, compared to the very abject poverty that people in remote areas experienced over the last 20 or 30 years especially, there really cannot be any comparison. After all, compared to people living in Third World countries our poor are rich. I am not saying that we have no poor people. We have a lot of poor people. I represent people who live mostly on tea, biscuits, bannock, and maybe occasionally frozen meat. Of course we love frozen meat and I am not saying that we lack heat and so on. However, compared to the past 30 or 40 years, I do not think that the poverty in native areas would be as great as that in other countries.

• (1720)

**Mr. Nystrom:** Mr. Speaker, just to follow up on that, would the Member comment on whether or not he favours a minimum corporate tax? I understand that he does not have any wealthy corporate friends. He is not like his friend from Western Arctic who, of course, is a very wealthy man and has a lot of very wealthy corporate friends. A lot of big money goes into his campaign and he is, therefore, against a minimum corporate tax. I can understand why because he represents big, wealthy friends, not only in his riding but in other ridings of the country.

However, I know that the Member from the Eastern Arctic is much more a man of the people and understands the people much better than does his friend from Western Arctic. I know that he does not have wealthy friends and that his voice, as one who really represents Inuit people, would be very effective if he were to stand in the House now and say that he wants a minimum tax on corporations.

I know that wealthy oil men like my friend from Calgary North, who is sitting there reading his paper, are against a minimum corporate tax. He, too, is an extremely wealthy man with all kinds of friends in the corporations and he would be campaigning against that.

However, I wonder if my friend across the way who represents ordinary people, a lot of poor people, would not get up in the House and say that we need a minimum tax on corporations so that the rich will pay their fair share and that we can use that money to help ordinary folk. I know that will put him in direct opposition to the Member for Western Arctic (Mr. Nickerson) who stands in the House and defends his wealthy corporate buddies, but surely the Member does not do that.

**Mr. Suluk:** Mr. Speaker, because I come from the North I believe that at times I can be different. There are a lot of things which I would like to get from the Government and do not get. I do not think that for me to agree to having a minimum corporate tax would cause a major controversy within my Party. Without any shame or other negative feelings I can say that I do agree with the Member.

**Mr. Nickerson:** Mr. Speaker, speaking as the Member from the wealthy West, I would like to ask my colleague from the not-quite-so-wealthy East what have been the results of the economic policies of the Government as far as he can see in his area over the last three and a half years. Has he noticed a significant change in the level of economic activity in that area? Would he conclude that people there may be better off than they were in the times of the Liberal Government three and a half or more years ago?

**Mr. Suluk:** Mr. Speaker, I thank my hon. friend from Western Arctic for his question. I believe that there have been many improvements over the past three and a half years. The deregulation of the airline industry, for example, has been beneficial to the North even though it is not 100 per cent deregulation and is supposed to apply mostly south of 60. However, part of the principle has been applied in the North and First Air has expanded its routes across the central Arctic from east to west. That has provided a few more jobs. You must understand that any job increase, whether it be 3, 10, or 50, is major.

In addition, there have been encouragements in the defence area. For example, it has been announced that there will be increased activity by the Armed Forces in Nanisivik near Arctic Bay which is near the Northwest Passage. I am sure that many of the people living in that area who would have become unemployed due to the closure of the mine will now be able to stay longer and look forward to more jobs.

In addition, there has been some mining activity in the southern Keewatin area north of Manitoba. They are looking forward to a lot more activity this coming summer. There is less aversion to participation in non-renewable resource jobs. These are only three or four examples which I provide for my hon. friend.

**Mr. Kaplan:** Mr. Speaker, I have listened with a lot of interest to the Hon. Member and to the questions which he was asked. I am wondering how a Tory Member can defend the net effect of all the budget changes which the Government has introduced, some of which are called tax reform, over the last four years. How can the Member account to his constituents, who, as he has indicated, are ordinary Canadians and a lot of whom are living close to the bottom, whose taxes over the four years have been increased very substantially?

I grant that in the last Budget there was a little bit of a dip, but that dip does not restore people to the tax levels that they were paying when his Government came to office. What does the Member tell people in that situation?

**Mr. Suluk:** Mr. Speaker, I am glad to say that I do not have much difficulty with that because people in my riding see that they are now receiving a lot more benefits. The income that many of us receive is fairly large, at least to me, and I do not mind paying my larger share of taxes. I believe that people who are fortunate enough to earn higher incomes should not complain about paying their just share.

With regard to the one-cent-per-litre increase on gasoline, people in my riding are used to larger increases in the cost of living. This is small potatoes as far as many people are concerned.

There is no point in exaggerating situations in Canada. The people in my riding are more practical in that if they have food on the table they know they are a lot better off than people living in Third World countries.

[*Translation*]

**Mr. Deputy Speaker:** Resuming debate with the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

• (1730)

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, I am pleased to rise in this debate on the Budget tabled by the Hon. Minister. I must say I will not speak only to what has been announced by the Minister since it was a phoney and ludicrous performance on his part; one wonders why he bothered to advise the Canadian public that he would table his fourth budget. With the coming election, Canadians were entitled to much more information and corrective action to do away with the unfairness brought about by the latest budgets of this Government. But unfortunately, we have been played a genuine masquerade and had that budget been tabled on April 1, it would have been the biggest April fool's trick ever played on Quebecers and Canadians by this Conservative Government.

The only thing new in the Minister's speech last night might as well have been announced to some Chamber of Commerce in St-Elsewhere since in doing so, the Minister would have saved us one cent on gas taxes. He could have spared us the trouble of monopolizing the entire Parliament and the huge amount of money accounted for by these budget documents which, as everyone knows, will meet with the same fate as those background papers on free trade, that is to be used as toilet paper, since there was nothing worth mentionning in the Minister's announcement yesterday.

Let us see now the other side of the picture. The Minister has used one of the Prime minister's favorite tactics last night, which is to tell half-truths and refrain from making any kind of assessment of four years of Conservative Government.

On the one hand, we should keep in mind that the first budget speech of this Government was delivered on November 8, 1984. That budget was then followed by the famous one of May 23, 1985. Then there was another budget on February 26, 1986. On February 18, 1987, there was a speech in the form of

a budget, but not a budget for fiscal reform. On June 18, 1987, there was another one and, yesterday, February 10, 1988, still another one. That makes in all four budgets, two budget speeches. All that paperwork! What has the Government done? First, it has started with its budgetary statement of November 8, 1984, hitting the people hard with a sales tax increase. It started right away to break the promises made during the electoral campaign and, in its usual concealing manner, it started to increase or create new contributions, and people needed passports and so on. It started in a concealing manner with a statement, but it started indirectly and surreptitiously to tax the people.

Everybody remembers that, during the election campaign, the Prime Minister had promised, with one hand on his heart and the other on the Bible, with the full support of all Tory candidates, that he would hold the universality of social programs as a sacred trust. As soon as he came to power, he made every effort to forget about it. Right away, he changed his mind—the Minister of Finance. Later on, under pressure, the Government backed down. But then, on the 23rd . . . Before that, the Government had said: "Listen, we are going to carry out a reform of the social programs. The Minister of National Health and Welfare—with his angelface, he looks like a monk—tabled his Blue Paper and announced a reform of our social programs. Senior citizens should not worry, for we are not going to touch them for lack of time. Canadian families should be assured that all the changes are not meant to reduce the deficit. Everybody said: We are again going to believe him, and so on.

On May the 23rd, 1985, we were hit hard. Like with a sledgehammer. What happened? In spite of all his promises, the Prime Minister was going ahead with a partial deindexation of Old Age Security pensions, a desindexation of personal income tax, and a deindexation of family allowances. His promises were long forgotten! Now it is different! What is the Government doing, because it is directly attacking the population as a whole? At the same time, the Government decided to exempt the most affluent from paying income tax on as little as half a million, to the delight of Government members.

The Government felt that it had to change the colours of uniforms and he paid about $60 million to add a little blue here and there. Just $60 million, and unfortunately it had to get rid of these uniforms because they stank. The material was no good. Just $60 million wasted. At the same time, it decided to reduce the family allowances paid to Canadian families.

At the same time, there were the banks . . . Reichman . . . Gulf, that was not serious, but what really mattered was to cut the deficit by reducing social programs. The older people in Canada were receiving so much money, it was terrible! They had to give some back.

Now I remember, at the time the Conservative Members supported the Minister of Finance who was saying that all elderly Canadians agreed with him.

But then these people walked on Parliament Hill and Mrs. Denis was heard to say: Whoa, Charlie Brown, you lied to us! The Prime Minister (Mr. Mulroney) stepped back. He had to step back. He was forced to admit that he was mistaken and that he had misled the people. The Government backtracked on that one as a result of the work done by senior citizens and by the Official Opposition.

But that was not all he did at the time, he had begun by boosting prices, he went in for indirect taxes in a big way. He really stepped hard on people, no holds barred. He began by saying: Indirect taxes, you see—so right off the bat the Government came up with 26 tax increases or new taxes.

• (1740)

And another time the sales tax went up 1 per cent. They did not waste any time. Now talk about gasoline, a real catastrophe that one. Most people have to buy gas. Good, up 2 cents a litre. Apparently we had the champion defender who was supposed to get a hammer lock on Petro-Canada, but the Hon. Member for Duvernay (Mr. Della Noce) is nowhere to be seen these days. It became quite clear that he did not carry much weight with this Government, another 2-cent increase right then and there.

So the Government said: Alcoholic beverages, people drink them, let us tax that too! But let us spare the rich with capital gains tax exemptions, we have to protect the interests of the Prime Minister's chums.

All of a sudden the Minister of Finance (Mr. Wilson) discovers that kids like candies, the only ones he seems to have missed. I went after older people, I went after family mothers, but children cost money, it does not make sense, they are getting to be a drain on rich people.

Can you imagine, Canadian children are a financial drain on wealthy people! Well, we will see to that. Let us slap a tax on candies, chocolates, soft drinks. Then he suddenly realized there are pets in Canada. Now, what have we here? Pet food is not taxed? Let us do just that, tax it. People suffer from impaired vision, it does not matter, we tax them all!

And then again he said: But what about lumber, thermal insulation, stoves, building materials? Fair is fair, let us tax everything! This is ridiculous, we simply cannot let rich Canadians go belly up!

And our "little darling Brian" was nervous. Then he realizes that the sick, those who have a cold, at a time like this, do not pay any tax to have a cold. Well, he is going to tax drugs. And he does it in a big way, he takes the list of drugs and puts a 10 percent tax on it.

He realizes that all the instruments for dental surgery . . . here again people who have a tooth pulled do not pay a tax. This is nonsense, this cannot be. Wealthy people will lose ground. Let us put a tax on that.

Mr. Speaker, we are not talking about aspirins or syrup but medications for people with cardio-vascular illnesses, or diabetes; for them it was a matter of survival. Diabetics need that to eat. And now there is a tax on that, Mr. Speaker.

Once again, we had to lobby as we did for old age pensions, to put pressure on the Minister, and then he got scared, he was afraid to see another Mrs. Denis come here. Before the House resumed in August, he announced that he was backing down on four measures.

But it still remains that today, when you buy aspirin, you have to pay the Brian Mulroney tax. It is everywhere the same, and we already have a dozen of taxes.

Don't worry, Mr. Speaker, it was only in May 1985 and we really got the shaft. As I will tell you later, the Prime Minister deindexed family allowances and the child tax credit, and he decreased the ceiling for families. The Minister suddenly decided that families with a $15,000 income were rich and had to pay taxes. But what about those with an income of $100,000, those poor rich people? The Minister had only given them an exemption of half a million dollars. These people have to plan their retirement. Can you imagine? People were not entitled to invest more than between $3,500 and $5,000 in a tax deductible RRSP. That is not enough for the rich. No, sir!

Ordinary workers were on the same footing as company presidents. That is unthinkable. The Minister therefore decided to raise the limit to $15,000.

But, Mr. Speaker, the taxpayers have to foot the bill for this tax deduction of up to $15,000, and it is certainly not someone who earns $15,000 a year who can save that much money. It cannot be done! This tax deduction was not for my own friends, but for those of the Minister of Finance and the Prime Minister.

The Minister then said: We shall raise the limit to $15,000. Do not worry, my wealthy friends, you will be safe not only today, but also in the future; you are going to have a good life. With a basic income of $25,000 and a ceiling of 18 per cent, you can put aside $4,500 tax deductible for your retirement. However, someone with an income of $100,000 is entitled to put aside $15,500 to save on taxes, and the workers and the poor have to pay more taxes to make up the difference. This is why we end up with people who earn $100,000 a year and who succeed in not paying any taxes thanks to all those tax shelters, and if they have a child, they can even claim the child tax credit.

Now, our dear Minister of Finance and the Prime Minister can be happy! On February 26, I was going to say that he was still charging up the ice, to use a hockey metaphor, because he was not going to stop there. He was already riled at having had to back down on old age security pensions and medication for the chronically ill. Then he came in with a new budget, and he was off again: Another increase in the sales tax, another tax increase on tobacco and alcohol. Then there was air transport, and let us not forget gasoline!

When the company president drives to work, his employee might tell him: You can afford to pay one cent more a litre for gasoline, because this only means $55 a year. However, it means $55 for both the company president and the employee who sweeps the floor at the plant. But a company president can put it on his expense account, and it does not reflect too much on his income; since he already got a capital gain tax exemption, he will not protest. As for the poor worker, this tax increase is not noticeable; he is deluded into believing that his tax schedule has been lowered by $10 and might be happy about it, except that the Minister is taking $40 or $50 from him in a stealthy way, and he is the one truly happy.

He wants to keep changing up the ice and hopes for a big score. But in the meantime we learned of a few scandals. At that time, the Prime Minister, because he was riding high in the polls, was doing fine and feeling like king and master, and because we were only 40 here in the Official Opposition, he thought he could do anything. But he learned that some people can stand up to him, and our bush league Prime Minister had to back down.

But on February 18, the Minister of Finance was not about to change attitude. So he took another look at the list to see if there was anything left that was tax free. Well, he found out that kids were enjoying snacks like chips, pop corn, cheese products and pretzel without paying tax. That could not go on. He went at it with a sledge hammer and smacked a 11 per 100 tax on those items. The same with ice cream and what have you. He did not miss any: pop corn and salted nuts . . . Could you believe it, the unsalted nuts were taxed, but not the salted ones. He thought people were cheating him. And he still wondered whether or not a few other things had been left untouched. Once you start taxing, you might as well go all the way. So he slaps another cent a litre on gasoline. Another wham: whether unleaded or leaded, gasoline is taxed, everything is to be taxed. What about cigarettes? Another 4 cents tax. If we are going to do it, let's go—people smoke, 4 cents there. Turning to air transportation, let's go—everything is taxed.

And each time, the Government goes on, and what we are losing is fiscal havens. We remember that there was the right for young couples to provide for their future, put money aside and get a tax deduction—those were young couples without too much money—in order to buy a home. That's for the young? Well, let us take that away, no problem! Now what are we going to do next? Cut down on job-creation programs—let's go! Student challenges, Katimavik, our Saint-Benoît? well, Katimavik, this is something good for the young, let's take that away! The same goes for job-development programs, sections 38 and others. Again the Government made cuts there because it involves the people.

But we must remember that when those two Western banks failed, to get that $1 billion no demonstrations were needed, no survival committee. One phone call to the PM's office, and the whole billion was there. Even for those who had one or two

million. But when real people are involved, things become more difficult.

People tell themselves: They will change some, at some point. Normally, a Government is a bit greedy, and during the two first mandates it says: I am going to take everything, and later I will let go some.

So there they come with a Budget, not a tax reform Budget because that will come on June 18. At that point we expect there will be something else. But no, they realize there are some items they forgot to tax. Think wallpaper was not taxed, so "full spin" as the saying goes. And it is taxed. Suddenly they discover telephones, telexes, something that makes no sense. And they slap a tax on that. Then there is the cable. Why do people have the cable? Listen now. Average people watch that. If someone is rich, he has a large antenna. So people who use the cable are taxed another 10 per cent. Five to eight, that is a shame in Canada. That produces $1 billion in revenues, then $1 or $2 billion, that is something. And they know that the fellow earning the minimum wage will never see $1 or $2 billion in his whole life, so it goes down well. But week after week, the poor who earn the minimum wage get poorer, while the rich get richer.

There is more. It came to light in that reform there was no tax on baloney. There was no tax on bread. So he said: What are we waiting for, let us tax bread, milk and butter! It was fortunate the Liberals went on another crusade, had petitions signed and organized a movement everywhere. Then, all Conservatives said: Indeed, that makes sense. We succeeded in making him back up on that. Imagine another case, that of an older factory worker. The company closed down and the worker, at the same time he was receiving his pension payments, was eligible for unemployment insurance. Back to Saint-Benoît-du-Lac. That did not make sense to him and with our national Flora, he decided: As of now, we will not allow that. You, older workers, will be cut off. You will not be allowed to get unemployment benefits. You will go look for a job because you are protected, you contributed on your salary to a pension fund to which your employer contributed also. If you invest that money in a RRSP, you fall into a different category. You are my chums. You can withdraw the same amount from a RRSP. That is different. You are then entitled to full benefits.

There again, we had to fight, fall behind our lieutenant, then our leader gave the signal: Let us go! We were on our way. We succeeded, after fighting for 17 months with the help of the people of Quebec City, Sainte-Marie, Montreal, Sorel, to force the Government to give the money back to 46,000 workers who made their decision. They had lost their jobs at a time the old regulations applied, but then secretly, during the holidays, on January 6, the Government had changed the rules and told them they were no longer entitled to the benefits.

We have won half the battle, but even now, I look at the people in Sorel who will lose their jobs because of the decisions of the Conservative Government, at the Vickers and CIP workers, at all those older workers throughout Canada whose company is closing and who are not entitled to full unemployment insurance benefits. This does not bother the Prime Minister of Canada (Mr. Mulroney). They are not his friends. They are not part of the capital gains tax exemption gang. Therefore, nothing is done about them.

All of this happened at the same time. There was another group covered by the early retirement program implemented by the Liberal Government to cope with technological change. I am talking about the textile and footwear industry. In that case, the Minister of Labour said: Let us get rid of that program and do something else. The Minister of Finance said: Let us have a new program. The old program was financed in full by the federal Government through the Unemployment Insurance Fund, but the Minister of Finance said: I am putting a stop to that. Then, he went to the provinces and told them: We shall give people a little less because they are getting too much. You know, this is the equivalent of unemployment insurance. It is not the same as welfare. We are giving people too much, and we should not be that generous. We shall give them less, but you will have to pay 50 per cent.

However, the negotiations are not going well. Not a single province is willing to accept that. On the other hand, at this very moment, 600 people, 60 per cent of them in Quebec, would be eligible for benefits, but the Government has cancelled the previous program though the new one has still not been implemented.

Mr. Speaker, my time is nearly expired, which is unfortunate as I have a lot to say. I am nearly through. I then thought: This is it; he has hit just about everyone. People were thinking: Now he will do something; he will correct the injustice, because during the first three years, they just put money in their own pockets. Then, I thought: They are all rich, they will leave something for the poor. Well, no, he had forgotten something. He said: Let us tax gasoline. As I said earlier, Mr. Speaker, a tax of one cent a litre on gasoline means $55 more. This means $55 more out of the pockets of the workers and even of people on welfare. As for those who take the bus, the tax on gasoline means that the price of public transport has to go up. The Government has been able, in a roundabout way, to take for itself 23 cents a gallon in under four years. Just imagine!

I hope there will be no other Budget, because otherwise people will get scared. In less than four years: 23 cents a galon; it will cost a worker as much as $255 per year to get to work! The people on social welfare, the senior citizens all pay through indirect taxes. The Minister of Finance (Mr. Wilson) is delighted with the results of a poll published today. He said: when we started in 1984, we ranked very low, and now we rank very high among seven nations of the world. He forgot to mention one thing: we are not working for the other countries of the world. Canada ranked very high in 1984, but now he is ranking third, which is low. That is what will happen when election time comes. Then, Mr. Speaker, it will be the other side of the coin. The other side of the coin is that he has

imposed indirect taxes: 26 new taxes or tax increases! Be careful, Mr. Speaker, if ever he finds a way to tax sex, he is going to do it. It's about the only thing he has overlooked so far and I should not be suprised if he had someone working on this.

Mr. Speaker, there are the indirect taxes which people are paying on gasoline and other things, and there is the Government's record on Quebec. Its record in Quebec is a lack of action, the conservative legacy and the language Bill.

Mr. Speaker, I had hope some Tory Members would be here to ask me questions. If they want me to quote figures and tell them on what page . . . This is not a figment of my imagination, these are documents signed by Michael Wilson. That's the Minister of Finance, he is still here. Having said that, I should be delighted to answer questions.

• (1750)

[*English*]

**Mr. Belsher:** Mr. Speaker, I have listened with interest to the Hon. Member from Montreal—Sainte-Marie (Mr. Malépart). There were a few words in his speech which caused me to prick up my ears. I want to make sure that we get an idea as to how accurate many of his statements were as he went along on his long tirade.

When I heard the word baloney I thought, "Here is a descriptive word we can use—

**Mr. Nunziata:** He said, "Mulroney".

**Mr. Belsher:** I wondered if he was speaking about the fullness of himself. Or can I describe his speech as being full of baloney?

Nonetheless, the Hon. Member talked about the bailing out of a couple of banks. These were two banks that we were all saddened to see were in serious difficulties back a few months ago in Alberta. He talked as if the banks were still there, as if we had taken them over and they were still functioning. Nothing could be further from the truth. The money that was spent on these two bank failures went to the depositors. The Hon. Member has distorted the truth. The money went to the credit unions and to other depositors. It was the small people who were being protected. There were certainly some who had deposits of over $60,000, but nonetheless the money went to the depositors and not to the banks.

It is a sad day when Members stand in their places and give out information as it were to sell their own line and treat it not as truthfully as they might. I would like the Hon. Member to explain what he means when he says that the paying out of the depositors was really a bailing out of the banks.

[*Translation*]

**Mr. Malépart:** Mr. Speaker, this is really too bad. I realize the Hon. Member was trying to insult me, but whenever the Prime Minister does that, it means I was right and he has to eat crow, as they say.

I would like to answer the question about the banks. First of all, the Bank Act was about helping depositors with more than $60,000 in their accounts. I don't know many people in Sainte-Marie with more than $60,000 who don't know that if they put it in the bank, their money is not insured. So people who did, like municipal authorities, should have had their knuckles rapped because they did a poor job for their ratepayers. But why didn't the Government publish the list? I don't care if the union . . . I'm not under contract to the Conservatives. You guys defend the rich whether they are right or wrong. As far as I'm concerned, if the union is wrong, I'll come out and say so. We are here to defend everyone, and we don't go according to how fat their billfold is. We believe in being fair to everybody. And why didn't your Government publish the list, if it had nothing to hide? Since you seem to think you know the truth, why this game of hide and seek? You said I was wrong, but I have the documentation right here, and what I said is true. Why are you on the defensive? You don't even know what you are talking about. You said I was wrong when I said it was the wealthy who were . . . You don't even know who was on the list of people who were reimbursed. So why don't you rise in your seat and ask your own Government about this, before approving $1 billion in taxpayers money, money paid by senior citizens. Why don't you ask where the money is going before handing over $1 billion?

That is why today . . . I know that even if it happened to be the union that put over $60,000 in a bank without making proper enquiries, it should be penalized for poor management. The City of Montreal had the money in the bank. When the authorities saw what was happening, they withdrew the deposits. Which means that we had some good administrators in Montreal at the time. And who was responsible for that mistake? The Conservative Government, because it should have told the truth when we had the initial debate on the bail-out.

**Mr. Lopez:** Mr. Speaker, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has been known for quite sometime as a two-bit comedian, but he has demonstrated today that he is also a no-good lowdown demagogue. Yet, perhaps I should congratulate him on his excellent memory. He has just made the same speech he made in 1979, to the extent of quoting the same series of taxes, gas prices and so on. The House will remember that in 1979, members of the opposition managed to defeat the Conservative Government on a proposed gas price increase of 18c. a gallon. The House will also remember that a few months later, as the Government, they had managed to increase the price of gas, not by 18 cents a gallon, but by as much as $1.50 a gallon. I am wondering today if he is not trying to play the same trick on us, demonstrating the same hypocrisy and the same untruth. They claim that they are trying to defend the poor and the orphans, when in fact they are trying to use the same strategy to fool Canadians by saying that the price of gas is too high. I believe that during the 1984 election campaign, Canadians were paying for gasoline more than they are paying today.

I still have in my file the bills I had collected for my election expenses, and Heaven knows I did not spend much. But I still have them, in case someone would want to find out just how high the price of a gallon of gas was compared to what it is today. It was much higher than today. In spite of inflation, in spite of all the administrative mistakes they seem to blame on us, the Conservative Party, in spite of the fact that the economy has improved, the number of jobs has increased by I do not know how much for it is quite a lot, compared with the record of the Liberal Party, which was not much because it was negative. I just cannot figure out by how much, because there were fewer and fewer jobs, and with us, it is always more and more jobs.

Mr. Speaker, I should like to ask the Hon. Member for Montreal—Sainte-Marie if his Party is again trying to pull the same trick?

**Mr. Malépart:** Mr. Speaker, my answer is that we cannot resort to the same strategy used in 1979. It is true that the strategy is to blame the Government about the tax on gasoline, but the one thing I must say about the Government of Joe Clark at the time and about Mr. Crosbie is that at least they had come to the defence of elderly Canadians. They did not deindex family allowances. They did not deindex old age security pensions. What I said earlier are not falsehoods, it is right there in the Budget. If you go to the trouble of reading the details you will see that the 26 taxes were levied by your Minister, by your Government. This has to be the worst Government ever in our history, worse than Diefenbaker's, worse than Joe Clark's. I think I am speaking the truth.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### ENVIRONMENTAL AFFAIRS—NIAGARA AREA STUDY—REQUEST FOR RELEASE

**Mr. Joe Reid (St. Catharines):** Mr. Speaker, on November 30 of last year I asked the Minister of the Environment (Mr. McMillan) about the release of a report commissioned by Environment Canada, which report indicated that in the Niagara Region, the cancer mortality rate was 3 per cent to 5 per cent higher than in other regions of Ontario. Further, it stated that birth defects in the Niagara region were similarly over and above the Ontario average.

• (1800)

At the same time, since the report was said to have called for major initiatives, I asked what corrective or remedial action would be formulated, or what is being planned to put into place a program of action to finally clean up the Niagara River and the Great Lakes water basin with its untold number of pollutants? No one really knows how dirty or deadly the water is in the Niagara which flows through our beautiful portion of the country.

The report that was released is a 105 page report prepared by Environment Canada researchers, Tom Mair and Anne Sudar. It is a compilation of approximately 300 previous reports or studies on this same matter of toxic wastes and pollutants.

The Minister responded that the report synthesizes much of the existing information on the effects of toxic chemicals in the Great Lakes. He went on to criticize the report for lacking scientific rigour. Nevertheless, one of the authors of the report is said to stand by his indicators and the findings that he states are true, that in the Niagara region, human cancer rates are higher than the provincial average.

It might be of some use to my colleagues in the House for me to outline some of the pertinent aspects of this report, and illustrate why this is of such great concern to the Niagara region, and to the four million people who live around the Great Lakes and use that source for their water drinking supply.

The authors have taken findings from numerous studies showing the Niagara River as one of the most polluted areas in the Great Lakes region and, linking this to Health and Welfare statistics, they indicate that the Niagara cancer rate is 5 per cent higher for men, and 3 per cent higher for females than elsewhere in the Province of Ontario.

What makes it more difficult is that Environment Canada now wants more proof that toxic chemicals affect human welfare and health, and so Environment Canada is prepared to contemplate still another study with a view to nailing down scientific evidence which relates chemical contamination to human health.

In addition, the Niagara region's own health unit released a study a year ago showing that rates of cancer within the Niagara Peninsula are on a par with other parts of the Province of Ontario, except for the numbers of breast cancer among women. This creates a confusion that needs remedying.

I recognize that the relationship between toxic contamination and human health issues is a very complex one. However, there is a time for study and a time for action. Studies carried out for years have only confirmed what local residents have believed for some number of years. Every summer there are notices on our beaches banning swimming and warning those who use the beaches of health hazards should they enter the water. The message is clear. We know that the problem exists, we want solutions and remedies.

Countless environmental agencies, governmental and private, have studied these toxic wastes for years. There is no doubt that much more can be learned, but we are already sufficiently aware that humans are part of the environmental structure and are negatively affected by the toxins in our

waters. The residents of the Niagara region have believed for years that the pollutants pose a genuine threat to their health and welfare. They look to us, not only for an assessment of the problems, but for the remedial solutions.

• (1805)

The Great Lakes Water Quality Board, a panel of environment experts, warned that pollution in the Great Lakes is so severe that it seems to defy not only resolution but definition. At least 362 worrisome synthetic substances have been identified in the Great Lakes, including pesticides, industrial chemicals, heavy metals and radioactive substances. Our Canadian Government has a record of acting against pollutants or hazardous materials before all cause and effect findings have been determined and catalogued. Surely enough research has been done in these hundreds of studies to establish the next step in the clean-up of the Niagara, the next step on the road to improving health, not only for the residents of Niagara but for all residents living in contaminated areas.

By reason of a local press comment to the effect that we in Ontario are now losing the pollutant battle, that press release went on to say that we have in the past blamed the State of New York for a large amount of the pollution discharged into the Niagara River, but Ontario's share has increased in the last two years from 11 per cent to 22 per cent. This is enough to give us some cause for concern and recognize the need for immediate action.

I call upon the Minister of the Environment to initiate programs, not studies, and urge him to fight with some determination to make Canada a healthier place in which to live and the Niagara a cleaner place for those who therein dwell.

**Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I welcome the opportunity to respond to the Hon. Member for St. Catharines (Mr. Reid) on behalf of the Minister of the Environment (Mr. McMillan).

I wish to compliment the Member from St. Catharines, a distinguished Member of the House of Commons, who has indeed pursued an outstanding career in representing the constituents of St. Catharines.

Concerning the Member's question which relates to the region represented by the Hon. Member, the Niagara-St. Catharines region, the report *Toxic Chemicals in the Great Lakes Basin Ecosystem: Some Observations*, was released on November 30, 1987 and is available upon request to the two authors.

Our Government shares the concerns of the Hon. Member, who I know is very interested in this issue about toxic contamination of the Great Lakes ecosystem. Indeed, much of our work within Environment Canada is devoted to finding solutions for the complex problems that we face. At the same time, it is crucial that any information the public receives is based on scientific investigation. This is particularly true concerning the complex relationship between pollution and human health. I can assure the House that the Government of Canada is striving to meet this need, although that link is difficult to make on scientific evidence currently available.

The report to which the Hon. Member refers is a compendium of information selected from available literature in a wide range of scientific fields. It was subjected to a thorough review by a number of scientific experts within the Government who concluded that many aspects of the paper were not defensible on scientific grounds. Environment Canada has accepted the recommendation that based on scientific inadequacies, the report should not be endorsed by the federal Government. However, due to public interest in the report and the fact that the information it contains is available publicly, it was agreed that the authors may make the manuscript available upon request.

While the Government could not endorse this report, I recognize that the authors clearly pointed out a gap in our scientific knowledge of toxic chemical contamination in the Great Lakes ecosystem. That gap is in our knowledge of the effects of toxic chemicals and is most evident when we attempt to address the impact on the health of Canadians living around the Great Lakes basin.

• (1810)

I would like to assure the Hon. Member that the Minister of the Environment in co-operation with the Minister of National Health and Welfare (Mr. Epp), is rectifying this situation immediately. In January of 1988, just last month, the Department of the Environment began to produce a report tentatively entitled *Chemical Pollution of the Great Lakes*, which will review what is currently known about the presence of chemicals in the Great Lakes aquatic ecosystem. This work is being undertaken by a team of senior scientists from the National Water Research Institution in Burlington and will result in a report to be produced in March of 1989.

Work on a second report to summarize the effects of toxic chemicals in the Great Lakes ecosystem has also begun. Environment Canada, Health and Welfare and Fisheries and Oceans have formed a task force and are currently formulating terms of reference. The report should be available in June of next year. This study will review what is known about the effects of toxic chemicals on Great Lakes aquatic biota, terrestrial wildlife and humans along the Great Lakes basin.

Canadians must have access to a full and accurate scientific evaluation of the impact of toxic chemical contamination on their environment and their health. These studies will help us answer, with more scientific rigour and clarity, the relationship between toxic chemicals and the natural environment. Even more important, they will push our knowledge even further to make the links between a degraded natural environment and human health.

*Adjournment Debate*

TRADE—FREE TRADE—ELIMINATION OF MARINE TRANSPORT SECTOR—GOVERNMENT POSITION/SITUATION OF SHIPPING INDUSTRY

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, I have listened to a very important statement, but you will allow me my seven minutes, I trust.

On December 9, I asked questions in the House about the treatment of the shipping industry of Canada in the trade agreement being arrived at with the United States. I asked the Prime Minister (Mr. Mulroney) to explain to the House and to the Canadian people why the Government had agreed to eliminate maritime shipping from its trade agreement. The Minister for International Trade (Miss Carney) gave an absolutely non-committal response to that, but only days later, *Canadian Sailings*, which provides a very useful service to people in the industry, was telling us what had been rumoured for some time to be the case, which was that the maritime section had been struck out.

The maritime provisions the Government was trying to negotiate with the U.S. extended only a limited distance into that enormous system of protection which the shipping industry in the U.S. has established over the years. It would have allowed Canadian vessel operators the same treatment as U.S. operators should any changes be made in the future in U.S. shipping laws. The Jones Act, the term we give to that whole system of protection, would have been allowed to continue, but the strength of the American industry against Canadian hopes was evidenced by the fact that even that possibility of change for the future was struck out. The Canadian shipbuilding and shipping industries were understandably disappointed and shocked, and expressed their opposition to the trade deal with the U.S. as a result.

I also asked the Government about rumours that the agreement would require the import into Canada of Alaskan oil in American vessels, although the copy of *Hansard* at which I was just looking has me saying Canadian vessels, and I want to correct that. The free trade agreement has provided for the import into Canada of up to 50,000 barrels a day of Alaska crude oil, but from the lower 48 states, which means that that oil will have to get to the lower 48 states from Alaska in American vessels and then be shipped into Canada. That is just one piece of evidence of what protectionism can do to us. I presume the Parliamentary Secretary will be happy to address that.

This is an indication of the difficulties Canada faced in negotiating with the United States. It is an indication of the protectionist system which the Government is attempting to deal with, but the end result of that action is what I want to comment on in the minutes left to me.

I note that earlier in the fall, the Vice President for Marketing and Planning of Canada Steamship Lines commented on the situation of the Canadian shipbuilding industry and particularly of his own company, a leader in the industry. Here was an argument for free trade in transportation and in shipping specifically. He declares:

> There is a compelling argument for free trade in shipping from the shipper's point of view. The most immediate beneficiaries of free trade in shipping would be U.S. shippers and receivers who would realize lower rates and Canadian shippers who would be serviced by a stronger shipping industry that eventually would result in lower rates and more jobs.

• (1815)

He went on to provide several reasons for the strength of the Canadian industry, not least of all the fact that Canadian shipping lines have had a general trade in which they have not been tied to any one company. They have had to go scouting for work in the Canadian grain trade and other business. As a result, the Canadian industry is far stronger than the American industry. The strength of the industry was revealed in his suggestion that we should have a North American shipping Act. This would achieve, I dare say, a kind of continentalism in Canadian and American shipping. That assertion is really quite far-reaching and very much in keeping with what many American industries and interests wanted to obtain, though not the American shipping industry.

I think it is worth having that suggestion before us as we realize what happened in the trade agreement is the triumph of just that sort of continentalism in other areas and in ways detrimental to Canadian industry and the Canadian economy. If Canada Steam Ship Lines thought it would do well in that kind of context, it seems pretty clear to us that for many other industries in Canada that is not going to be the case.

In contemplating what happened, we recognized that when the Government sought secure access to the American market, which was its ultimate goal, it failed to get it but did make enormous concessions on the way. I say quite advisedly that many authorities have looked at it and are convinced that the dispute settlement mechanism, of which the Government tries to make so much, will do all too little to protect us against the depredations of American trade law. The first industry that experiences that under the new regime, if the agreement is passed, will know that our Government failed.

The concessions made were so far-reaching that you will appreciate why I and my colleagues are particularly opposed to the deal. Take foreign investment. Mr. Hall, of the Dominion Marine Association, actually called for control on foreign investment in the Canadian shipping industry in order to ensure that Americans do not buy control. He wants amendments to the Canada Shipping Act to achieve that. In the deal negotiated with the U.S. there are checks on what the Canadian Government can do in the way of controlling foreign investment. That is one area of our concern. The way in which the Foreign Investment Review Agency was gutted by the Government when it took over in 1984 was part and parcel of that sell-out to the U.S.

With respect to energy, it is clear that the Americans had the ultimate goal of getting a continental energy market, access to Canadian resources, and control over the pricing.

That resource is one more piece of evidence of the success the Americans had and the way in which we sold out.

On point after point—culture, the limits we face on film distribution companies, the checks to Canadian sovereignty, economic and social policy—it can be seen why we oppose it. However, in its own peculiar way the shipping industry demonstrated how the Canadian Government had failed in its dealings with the Reagan administration.

**Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I wish I had half an hour or even seven minutes because I could go through my friend's speech and counter his arguments point by point and show him that he is just simply wrong. The free trade agreement is going to let Canadians, in a North American context, create wealth so that our children and grandchildren will have the same kind of access to post-secondary education, sound health programs and good basic education that we had as a result of tariff reductions since the 1940s.

• (1820)

However, this gives me the opportunity to ponder out loud on how remarkable I find it that a member of the NDP would be complaining that an industry has been left out of the agreement which the NDP does not want to get into in the first place. That is an incredible irony. They simply cannot have it both ways.

As we all know, the transportation sectors were excluded from the free trade agreement. That exclusion was simply a consequence of the U.S. administration not being able to get beyond the very powerful maritime lobby which has worked to the disadvantage of American competition around the world. Not getting into this agreement hurts the Americans far more than if they did get into it.

As the Member will know, the negotiators were successful in obtaining U.S. agreement to eliminate tariffs over a period of 10 years. Those tariffs to be eliminated include the U.S. 50 per cent tariff against repairs being made to American ships in Canadian shipyards. The elimination of this tariff means that U.S. ships can in future be repaired in Canadian yards and offers more work and jobs to shipyards from Versatile on the West Coast to the Newfoundland dry docks. I might add that a number of these shipyards have already indicated their satisfaction with this initiative and the potential it holds for them in the future.

Next, let me point out that during the negotiations Canada reserved the right to replace its own 25 per cent tariff against U.S.-built ships entering our coasting trade with another measure—a quantitative import restriction against U.S.-built ships—for as long as the U.S. Jones Act keeps Canadian ships out of U.S. waters.

We are making changes in Bill C-52 to keep the pressure on the Americans to reduce and get rid of the Jones Act because it would be in their own best interest. However, that very narrow but powerful interest group in the United States is keeping the administration from doing something which is for the national good. The national interest in the United States is being perverted by this very narrow but powerful lobby group from the northeast.

In conclusion, the Government has done more for the shipping industry in the last three and a half years than has ever been done in any comparable period before. With the recently announced $2.7 billion contract for six more naval patrol frigates we will see 14,000 person-years of work over nine years in this important Canadian industry.

Around the globe nations are cutting back on their ship-building industry by 40, 50, and 60 per cent. Canada is doing that to a far lesser extent and we are doing it in a much more civilized way.

## TRADE/IMPORT CONTROLS ON U.S. DAIRY PRODUCTS/ CANADIAN POSITION

**Mr. Maurice Foster (Algoma):** Mr. Speaker, on February 9 I asked a question of the Minister of Agriculture (Mr. Wise) with regard to whether or not the import controls which have been placed on dairy commodities such as yoghurt and ice cream would effectively cut out American imports of these commodities from the Canadian market. This has been a matter of great concern to Canadian dairy producers with the removal of tariffs because there were no import controls.

The Minister said, in effect, that they would be able to keep the levels of imports under control but he did not indicate exactly what that level would be. It is my understanding that about $1 million worth of dairy imports from the fluid milk stream such as yoghurt, ice cream, and other milk constituents have been imported into Canada in the past. There is great concern that with the removal of Canadian tariffs under the trade deal there will be a flood of cheap American produce into Canada. Under our supply management system our producers are paid some $48 a hectolitre while I understand the American price is approximately $30. There is a great disparity.

• (1825)

My concern was heightened during the Minister's answer when he said that the Government will put these dairy commodities on the import control list and will now have to negotiate the level of imports.

In a letter written on February 5 by Lloyd Bentsen, chairman of the Senate Finance Committee who will be overseeing the free trade agreement, he made it clear that the U.S. Senate is extremely upset with the Canadian Government putting these import controls into place. He said that the free trade agreement has been violated by this and that it breaks the spirit of the agreement..

He threatens that Canada will not be exempt from the omnibus trade Bill if these restrictions on imports are in effect. There is real concern about whether or not there will be any

controls put in place. Clearly, there will be a permit system, but I doubt that there will be effective controls in light of the threat of the U.S. Senate Finance Committee.

The Minister also talked about putting in place Section 710 in the free trade agreement, which allows for supply management and so on. He did not mention that Section 710 of the agreement is subject to Section 703 which provides, as Senator Bentsen states, for the freest possible removal of all tariff and quota barriers between the countries.

It is clear that when a company like Labatt buys out two of the largest dairy operations in New Jersey and New York State, as it did last fall, it is expecting the market to be wide open and a whole Canadian supply management system to be destroyed.

This was reinforced when, in the last couple of months, Peter Pocklington, who supported the Prime Minister (Mr. Mulroney) in the leadership race of 1983, bought out Palm Dairies which operates throughout western Canada. It is clear that he expects the borders to be wide open for dairy commodities and that supply management and marketing boards will be eliminated so that prices will be much lower.

When those two large companies move toward acquisition of the entire dairy industry and operate in the United States, as Labatt is planning to do, they obviously foresee the marketing boards being eliminated. That will be a tragic day for Canada.

Our marketing boards and supply management system has given our producers an excellent source of income. It has provided a controlled situation where consumers receive a good product at a fair price and our dairy industry is given a sound basis on which to operate. That does not exist in the United States, which has a terrible system. There is overproduction to the point where over one million head of cattle had to be killed in the last two or three years in order to reduce production.

I hope the Government will change its mind, will control imports and maintain the supply management system that has been so beneficial to our entire dairy industry throughout Canada for many years.

• (1830)

**Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, first, let me thank my colleague, the Hon. Member for Algoma (Mr. Foster), for giving the Government, for the third time this week alone, the opportunity to offset the falsehoods and fear being promoted by some of those opposed to the free trade agreement.

I am pleased to assure the House that an Order in Council has indeed been passed to add several dairy products to the import control list. The items include ice cream, ice cream novelties, ice milk, ice cream and milk mixes and yoghurt. As the Minister of Agriculture (Mr. Wise) has already stated, there are a number of steps we must follow to meet our obligations under the GATT before the import control measures can take effect. The Order in Council is the first step and we are in the process of following the other necessary procedures. These include notifying our trading partners of the items we have placed on the import control list. We are also required to consult the major suppliers, in this case the United States and the European community, regarding the import levels to which they will be restricted.

I reiterate that the Government of Canada is following all the procedures required under international trade agreements to ensure that, to use the words of the Hon. Member for Algoma, "a flood of cheap surplus dairy commodities" will not enter Canada.

I can further assure the House that the markets for the dairy products in question will continue to be supplied almost entirely by Canadian dairy producers.

Imports of these products, both now and in the future, represent less than 1 per cent of the Canadian market for dairy products. That means that more than 99 per cent of these dairy products consumed in Canada are, and will continue to be, produced by our own Canadian dairy industry.

**Mr. Deputy Speaker:** The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow morning at 10 o'clock.

The House adjourned at 6.32 p.m.

# HOUSE OF COMMONS

**Friday, February 12, 1988**

The House met at 10 a.m.

*Prayers*

## GOVERNMENT ORDERS

[*Translation*]

### BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

**Hon. Doug Lewis (for the Minister of Finance)** moved that Bill C-109, an Act to provide borrowing authority, be read the second time and referred to a Legislative Committee.

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, as Hon. Members are aware, the Financial Administration Act requires that statutory borrowing authority must be obtained from Parliament in order for the government to increase its outstanding debt. Specifically, Part IV, Section 36 of that Act requires that "no money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament". This refers to new money only rather than the refinancing of existing debt since Section 38 of the Act provides continuing authority to borrow funds to repay maturing debt. Thus, statutory borrowing authority must be obtained from Parliament to permit the government to implement a regular debt program to meet its financial requirements.

Section 39 of the FAA, however, provides for the Governor in Council to authorize the borrowing of money if it appears that funds will not be sufficient to meet disbursements from the Consolidated Revenue Fund. This action is designed for short-term, temporary use only as the term of the borrowing may not exceed six months and each such borrowing requires approval by the Governor in Council.

Mr. Speaker, I would like to outline for the House the terms of the borrowing bill. The bill is structured to establish the principle that borrowing authority each fiscal year will be equal to the financial requirements plus a non-lapsing reserve. Given the uncertainty over the exact timing of the passage of the bill, it is also structured to ensure that the amount of authority available is always equal to this amount, regardless of when the Bill is passed. I will go over each clause in the Bill now.

Paragraph 2(1) of the Bill requests borrowing authority in the amount of $25.3 billion for fiscal 1988-89. This amount is equal to the $22.3 billion in financial requirements forecast in the budget plus a $3 billion non-lapsing reserve to cover contingencies such as a further build-up in official international reserves during fiscal 1988-89. Indeed, Mr. Speaker, you will see that The Fiscal Plan tabled this week is very clear in that respect.

Paragraph 2(2) states that all unused borrowing authority granted by the Borrowing Authority Act 1988-89, to the extent that the unused authority exceeds $3 billion, will be cancelled on March 31, 1989. This paragraph preserves the government's non-lapsing reserve to be carried forward into the next fiscal year and also ensures that $3 billion is the maximum amount to be carried forward.

Paragraph 3 states that any borrowing authority granted last year by the Borrowing Authority Act 1987-88 will be cancelled on March 31, 1988 or on the date that the new bill comes into force, whichever is later. Thus, this paragraph prevents the non-lapsing reserve granted for earlier years from accumulating but ensures that cancellation takes place at a time that is not disruptive to the implementation of the regular debt program.

Paragraph 4 ensures that if the new Bill is passed after March 31, 1988 and part of the non-lapsing reserve granted for 1987-88 is used, this amount will be deducted from the authority granted for 1988-89 and thus the total amount of borrowing authority available for the new fiscal year is not increased.

The borrowing Bill for 1988-89 is basically the same as the one for last year. As I said earlier, the amount requested is equal to the financial requirements plus a $3 billion non-lapsing reserve, once again, the same as last year. The new clauses, which I outlined above, simply ensure that these are the amounts available, regardless of when the bill is passed.

For the information of Hon. Members, Mr. Speaker, I would now like to review how the borrowing authority granted for the current 1987-88 fiscal year had been used to the end of January. For 1987-88 a total of $25.8 billion was granted, made up of $21.3 billion, an amount equal to the financial requirements forecast in February 1987, a $3 billion reserve and $1.5 billion provided a separate supplementary borrowing authority Bill for 1986-87. This latter amount was carried forward to enable $600 million of Treasury bills issued pursuant to Section 39 of the FAA in the 1986-87 fiscal year to be rolled over in the current fiscal year and to cover the

delivery of $900 million of Canada bonds delivered in April, 1987 but sold in March, 1987 pursuant to Orders in Council granted in March, 1987, charging the issue of these bonds to borrowing authority granted for 1986-87.

To the end of January, domestic and foreign borrowing programs had used about $14.8 billion of the authority granted for 1987-88. Of this amount, about $7.8 billion was charged to the marketable bond program and $9.7 billion to the issue of Canada Savings Bonds. Over the same period the amount of Treasury bills outstanding was reduced by about $2.5 billion and about $0.2 billion of outstanding foreign debt, on balance, was redeemed. The reduction in the amount of outstanding Treasury bills to the end of January was the result of the large CSB sales last fall and the consequent need to reduce cash balances to more normal levels. Over the remainder of the fiscal year, net Treasury bills sales are expected to pick up substantially to finance the government's borrowing requirements. Over the fiscal year as a whole, the amount of borrowing authority remaining at the end of March, 1988 is expected to be somewhat less than $3 billion. Thus, foreign exchange transactions, which to the end of January had increased official foreign exchange reserves from the beginning of the fiscal year, and had to be financed through the sale of Canadian dollars, are expected to have used a portion of the reserve granted for 1987-88.

However, as Hon. Members know, these foreign exchange transactions have been large and volatile in the past and the situation could change considerably before the end of the fiscal year.

In closing, Mr. Speaker, I would like to remind Hon. Members that it is most important that the government be in a position to maintain an orderly ongoing debt program and to minimize uncertainty in the capital markets. Expeditious passage of this Bill will help to achieve these objectives.

• (1010)

[*English*]

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, we are here today to debate borrowing authority Bill C-109 after the presentation of a quite extraordinary so-called Budget which in fact was 95 per cent electioneering and self-congratulation on the part of the Government, with remarkably little content. The Government is asking us to give it authority to borrow over $25 billion but the Estimates will not be coming forward until about 10 days from now, so that we are being asked to approve a blank cheque with no idea of how this money will be spent. Certainly the Budget we saw yesterday gives us very little idea of how the money will be spent. Therefore, when the Parliamentary Secretary asks for such an important Bill to be passed quickly, he is asking for something that is totally unrealistic. The Official Opposition will be responsible. We certainly will not hold up the Bill unduly but we want to see the Estimates and we will want to have some careful examination of Government spending plans.

A well-known journalist wrote the other day that the trouble with the Budget, which is a paean of praise to the ruling Party, is that it strains credulity to the limit. Wrapped around one simple fiscal measure, a gas tax increase, the Minister of Finance (Mr. Wilson) has managed to work a whole Tory election manifesto. Its message, repeated endlessly in numbing detail, is that those we elected in 1984 have been better financial managers than those before them.

**Mr. Nickerson:** They have!

**Miss Nicholson (Trinity):** He continues that if the Government of the day is going to produce a Budget that is 95 per cent electioneering guff and 5 per cent serious content, it is setting itself up for a few querulous voices to be raised in dissent. I think most of us would agree except we would say that it is not only querulous voices that will be raised in dissent but voices of reason which will be asking for the facts that were not in the Budget produced the other day.

The Government is asking for authority to borrow $25.3 billion, too much for a Government which has not delivered on its promises to Canadians not to raise taxes and to lower the deficit. The Minister of Finance, in his budget speech, said the deficit had been reduced to $29.3 billion. However, this is the result of a lot of smoke and mirrors. Some very creative accounting has been used to create the illusion that the public debt has been lowered when in fact it is higher.

The second point I want to repeat is that the Main Estimates will not be tabled until February 23, 1988, so we are being asked to vote on this Bill on faith. This Budget does not inspire confidence. In fact, the Budget brought down Wednesday, as my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau) pointed out, is not even a proper Budget. A Budget usually sets out a Government's philosophy, policy and plans, but the Government wasted time and energy to produce a package of self-serving, self-congratulatory, repetitious rhetoric on what the Government is alleged to have done for Canadians since 1984.

Not one of Canada's economic problems has been solved. This budget puffery and self-congratulation is an insult to poorer Canadians, older workers, senior citizens, the unemployed and the homeless. The Government has left those people out of the Budget and misled those Canadians it hoped to reassure with its puffed-up rhetoric.

I want to return to the illusory $29.3 billion deficit which in fact is probably closer to $32 billion or $33 billion. One of the accounting tricks used is that of accelerated remittances. Canadian employers who must deduct income tax, unemployment insurance premiums and Canada Pension Plan contributions from their employees and remit those deductions to the Government have been steadily required to do it more often. Starting January, 1987, instead of remitting the deductions once a month they became obliged to remit them twice a month. That gives the Government a once-only increase in cash flow of $1.6 billion. The figures look better at the end of

the financial year because the Government has one additional fortnightly payment, but that is not a real saving.

• (1020)

Subsequently the Government moved to require employers to remit weekly, a further one-time increase in their cash flow, but not a real reduction in expenditures in any way. The Government has also postponed certain expenses such as spending on defence. In addition, the Government has given itself a six-month interest free loan in that although certain income taxes have been reduced as of January of this year the payroll deductions do not in fact take effect at the new rate until July. Therefore, employers are still remitting to the Government at the old unreduced rate. That gives the Government, in effect, an interest-free loan for this year of something in the order of $1 billion.

No less an authority than the Bank of Montreal said in one of its recent publications that if you take away all this creative accounting the public debt should be about $4 billion higher than the figure quoted by the Minister of Finance of $29.3 billion.

The Government has raised taxes at a rate higher than that of any Government since Confederation.

**Mr. Turner (Ottawa Carleton):** Who caused the debt?

**Miss Nicholson:** Many of these taxes were built into the system and will continue in a hidden way year after year. For example, the deindexation of benefits and the deindexation—

**Mr. Turner (Ottawa Carleton):** That's old news.

**Miss Nicholson:** Mr. Speaker, the Hon. Member opposite is apparently rather impatient to get into this debate. Perhaps you would be kind enough to reassure him and tell him when he is scheduled to speak, although he does not usually make speeches other than when he is sitting down.

**Mr. Turner (Ottawa Carleton):** Who listens.

**Miss Nicholson:** As I was saying, the Government has raised taxes more than any Government before it since Confederation. It continues the process. The Budget we heard on Wednesday had one additional tax measure which showed. I will return to the hidden ones, but the one that showed was another one cent a litre increase in gasoline tax effective April 1, 1988. In all, that makes an increase of 23 cents a gallon since 1984.

We also heard the announcement about the new rules for calculating federal sales tax, another band-aid mechanism that will not end the problem of disparity in tax rates across industries and the bias against exports.

The Minister has been holding forth about manufacturers sales tax for a long time. He has described it as a killer of jobs. Nevertheless, he keeps increasing the base and the rates. He tells us that at some date in the future he will replace the manufacturers sales tax with a new consumption sales tax. Meanwhile, as he inveighs against it, he increases its use.

I want to describe briefly some of the increases in taxes which we have seen since the Government came in. Some of them are built in so that they increase year after year. The most important one, of course, was the deindexation of the tax system. This continues year after year. At the same time as the Government reduces the payments for family allowances, child deductions, and spousal allowances—tax measures that are particularly useful to young families with young children—the personal exemption on income taxes has had indexation removed from it. This means that there is built-in forever and ever a steady increase in the tax system. This year alone it is worth $750 million to the Government although all the self-congratulation in the Budget speech did not mention that.

The Minister criticizes the manufacturers' sales tax so much, but look at the way he has used it since he came to power. On October 1, 1984, it was increased from 9 to 10 per cent. On January 1, 1986, it was increased from 10 to 11 per cent. On April 1, 1986, it was increased from 11 to 12 per cent. The impact on tax revenues was a $3 billion gain to the Government as a result of those.

On July 1, 1985, we saw the sales tax extended to candy and soft drinks. On July 1, 1987, we saw the sales tax extended to fast food and snacks. Those two measures netted the Government $460 million. On January 1, 1988, we saw sales tax increased from 8 to 12 per cent on paint, wallpaper, and toys. That measure gets the Government $60 million a year. The increase in gasoline excise tax of 2 cents a litre on September 3, 1985, brought the Government $900 million a year. The one cent a litre increase on January 1, 1987, and the one cent a litre increase on February 9, 1987, each brought the Government $450 million a year. That is before yesterday's increase.

We have seen progressive increases in air transportation taxes since May 1, 1986, which have netted the Government $55 million. There have been increases in duty on alcohol and tobacco; the first May, 1985, the second February, 1986, and another in January, 1988.

The Government continues to increase taxes while not lowering the public debt. On January 1, 1988, we had a 10 per cent tax on long distance telephone calls and cable television services. That will bring the Government $945 million a year. We saw the elimination of the Registered Home Ownership Savings Plan in May, 1985. The Government gained $105 million from that. We saw a permanent 3 per cent surtax on all taxpayers applied on July 1, 1986, and that continues. Many people think that it ceased at the same time as the 5 and 10 per cent surtax on high income earners ceased in December, 1986, but not so. That surtax is still in place. The Government has taxed Canadians to the hilt but is not reducing spending.

Let us look at some examples of what the Government spends its money on. We saw the bail-out of the Canadian Commercial Bank and Northland Bank, and the cost of the

Estey Commission set up to examine the Government's poor decision, $1.6 billion and climbing.

• (1030)

The cost of the Stevens inquiry was $2.3 million. New uniforms for the Armed Forces amounted to $2.7 million, which is not an expense anyone would grudge if they were good quality, but we hear complaints that the uniforms smell.

The salaries and office expense of Canadian trade negotiator, Simon Reisman is $10 million over three years. However, in order to promote this deal there is a $12 million campaign to persuade Canadians of the value of something which is quite questionable.

The budget for Cabinet Ministers' staff doubled under the Government. The new cost is $15.1 billion a year.

The Shamrock Summit in Quebec cost $2.6 million. While I am sure the Prime Minister (Mr. Mulroney) sang nicely, I question whether it did anything else for Canada.

Office renovations for Conservative Ministers have come to $107,500 since they first took power. Redecoration of certain Ministers' offices amounts to $425,201.

We then come to the Prime Minister's travels. A trip to Asia in May, 1986, cost $1 million, including $3,500 for the butler and maid, and $150,000 for the sound and video equipment. The Prime Minister's trip to New York cost $62,225, including $13,000 for motor vehicle rentals. The Prime Minister's trip to Paris for the francophone summit cost $492,000—-

**Mr. Wilson (Etobicoke Centre):** Who paid for that?

**Miss Nicholson:** The French Government paid for the PM's hotel Bill of $28,000, in answer to the Member opposite.

**Mr. Wilson (Etobicoke Centre):** The French Government paid for it.

**Miss Nicholson:** There is $492,000 minus $28,000 that still must be accounted for.

There was a shadow aircraft flying alongside the Prime Minister's airplane to Baie Comeau in July and to Toronto in August, which cost $1,900 an hour. Executive jet bills run up by the Conservative Government in the first 45 days in office amounted to $345,000. I could go on and on with the list. The fact is that the Government's behaviour in office does not inspire confidence and certainly does not justify it coming in without the Estimates, asking to have its borrowing Bill passed on faith.

Since the forecast for the 1987-88 fiscal year was last given in the June, 1987 White Paper, budgetary expenditures have grown by $1.1 billion, in spite of the fact that almost $1 billion less than anticipated was paid out in unemployment insurance benefits. There is $2 billion in increased public debt charges from a government that undertook to reduce the public debt.

Both the Minister of Finance and the Prime Minister (Mr. Mulroney) said before and after they came to office that taxes would not be increased, yet taxes and spending have increased at an almost unbelievable rate.

The Minister congratulated himself generously in his Budget Papers for the fact that some aspects of the economy are better than expected. These congratulations do not belong to the Government. The improved state of our economy in some respects is due to the fact that we are in the sixth year of recovery from a cruel and almost unbelievably harsh world-wide economy. Of course, the Government inherited certain sound building blocks from the previous government which had managed an extraordinarily difficult recession in a way designed to reduce, as much as possible, the hardship on Canadians. Furthermore, the Government has benefited from a change in Canadian habits. Canadians used to be great savers but are now consuming more. The Government and the economy have certainly benefited from increased consumer activity.

In summary of my criticisms of the Budget and the Government's performance to date, I suggest that we have a Government that has taxed and spent. Taxes are increased and the public debt is increased. It is a Government that has not shown much concern for low and middle income Canadians. It has been particularly hard on young families with children, who are bearing the brunt of most of the Government's policies.

Since 1984 individuals have seen both their personal and sales taxes increased by $29.3 billion, or 68 per cent. Corporations have had their taxes increased by 28 per cent, or $2.6 billion. Even after so-called tax reform, 60,000 profitable corporations still pay no tax. Yet what does this mean to the average family? A family of four with a single earner and an income of $32,000 has faced a total tax increase since 1984 of $1,200 per year. There is very little for the average income family to correct the inequities of previous Budgets and the White Paper exercise in tax reform.

The Government has taken some steps to increase the lot of the very poorest, those with incomes of under $20,000 a year, but those with incomes between $20,000 and $40,000, especially if they have children and there is a spouse who is not working outside the home, are carrying the main brunt of the Government's policies.

With all those conditions, I think it is absolutely ridiculous for the Government to come in with a request to borrow over $25 million with no Estimates and ask us to vote for that Bill today on faith. When we see the Estimates on February 23 and have some idea of exactly how the Government proposes to spend the money that Canadian taxpayers have had extracted from them, we will be in a better position to decide on this Bill.

• (1040)

The Government continues to boast about the job creation figures. Those figures have, of course, improved, as they should have in the sixth year of recession. We still have over a

million Canadians unemployed and the Government appears to have abdicated its responsibility to them. Programs for job creation are steadily being cut. We are told that the economy is so good people should be able to find jobs without any assistance from the Government. That is true in certain regions. It is certainly not true in all parts of Canada and it is certainly not true for the young, whose unemployment rate continues to be twice the national average, and for people over 50 who are displaced for any reason and who find great difficulty getting into retraining programs.

We have a Budget before us that addresses the future in an entirely inadequate way in at least two respects, first, in its treatment of the deficit, which has been less than honest and, second, in its forecast for the Canadian economy, which is all smoke and mirrors.

In the tone of incredible self-congratulation which runs through these Budget books, we find the Minister is even comparing himself with the Olympic athletes. He invites all Canadians to emulate the Olympic athletes gathered in Calgary. He stated their commitment and quest for excellence must be what we as a nation bring to the task of building our economy. That is a fine sentiment. Is the Minister prepared to put some action behind that sentiment?

Two years ago we had a budget that told us that the deficit would come down in stages, to $27.9 billion in the fiscal year 1989-90, $25.8 billion in 1990-91 and $23.5 billion in 1991-92. That was what the Minister said. It was in his papers. He is now showing a $28.6 billion deficit for 1989-90 and, as I said, that also depends on creative accounting. The real figure is probably nearer $32 billion.

The Minister of Finance in his Budget papers also included one thick document entitled *The Fiscal Plan*, but it gives no detailed figures after the next two years. What kind of planning is that? We used to have a five-year plan. In fact, we were led to understand there would be a five-year forecast. This document tells us, without giving us any detail, that by 1992-93 the deficit will have shrunk to $19.5 billion. It does not tell us how this will be achieved. It is another statement of faith.

Furthermore, the Minister talks about an improving employment situation but traditionally we have needed to see 3 per cent growth in the economy just to stand still in terms of job creation. The Minister anticipates 3 per cent growth or better from now until 1993, but other economic forecasters see lower growth, more around 2.5 per cent. So it goes, on and on.

Unfortunately, the Department of Finance projections appear so rosy that one has to take them with some skepticism. There are very few solid figures in any case. There is a great deal of puffery. We have five documents, in all about 18 inches thick, to announce one tax measure, an increase of a penny a litre on gasoline and one cut of $300 million in Government services somewhere—we are not told where. We have to wait for a Treasury Board announcement to see when, where and how. For those two announcements we received about 10 pounds of paper, essentially of a self-gratulatory description—less than accurate—of the Government's term in office. This Budget is an electioneering document prepared at the expense of the taxpayers. It is less than honest.

On the basis of that, and no Estimates, we are being asked to give the Government borrowing authority of $25.3 billion today. I am sure you can see, Mr. Speaker, that while the Government has to be able to transact its business—even if we think it is transacting it less than efficiently, as a responsible Official Opposition we will certainly not hold up the borrowing authority indefinitely—we do want to see the Estimates. We want to scrutinize the expenditures. We want a little more time to examine the tables which were published with the Budget papers, such as they were. The information was limited. Some of it is contradictory. My Party will have other speakers today on this Bill, but we will not be holding up the Bill unduly. However, we certainly would want to see the Estimates before it is passed.

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I am pleased today to speak on Bill C-109, an Act to provide borrowing authority. As the previous speaker said, we do not have the official Estimates so we do not have the details of exactly how this money will be spent and exactly where the cuts will be in the non-statutory programs as outlined in the Minister's Budget this week. Therefore, it is very difficult to comment on the $25.3 billion which is being sought under this borrowing authority Bill. We are aware that it is necessary for the business of the Government to carry on, but the only indicaters we have from the Government of where it is intending to go with this was in the Budget speech this week.

I would like to make a few references to the Budget and to look at a few areas where, perhaps if there had been more targeted spending, more efficient spending, the need for authority to borrow so much would not be required.

My Party along with many Canadians, waited with great excitement and anticipation for the Budget which came out this week. We expected strong measures to attack many of the issues of the day, such as regional disparities and cutting the deficit. This borrowing Bill certainly indicates that we need to continue to pay our debts and that the debts are not going to go down by very much.

Some of us had hoped that this Budget would take a strong stand, that we would be able to reduce our deficit by realigning some priorities the Government has outlined in previous papers, for example, by rejecting huge expenditures of billions of dollars for such large ticket items as nuclear submarines, which are of dubious value. Perhaps we could look at something more realistic and more in line with what is really needed for the protection of our sovereignty and the defence of Canada.

• (1050)

We had hoped to see some innovative measures which would have increased tax revenues thereby reducing the need for such

a large amount of borrowing. Increasing the number of taxpayers increases the amount of revenue. We had hoped to see very strong measures to attack regional unemployment which would have put the over 1 million unemployed back to work, thereby increasing the number of taxpayers.

We have not seen the Estimates so we do not know exactly how all of these funds will be allocated. What we saw instead in the Budget is lost opportunities. It fails to raise tax revenue from corporations and it fails to get people back to work. In the Budget we see that the Government has decided to hold its course.

At first, when we looked at the Budget many of us thought it was a sort of ho-hum, couch potato type of Budget. There was nothing in it worth getting up off the couch to turn off the TV and watch. When one considers the amount of money that the country is having to borrow under this Bill, we know that we are in very serious trouble. The biggest problem will be the legacy left for the next Government after this obvious pre-election Budget. Of course, Members of the NDP are pretty worried about, that given that it is most likely that we will form the next Government.

As you know, Mr. Speaker, the New Democratic Party has raised some very serious concerns about the trade agreement and economic union with the United States that this trade agreement causes. When we look at the Budget we can see what we are losing in revenues, which relates to the amount of money we have to borrow. Lost revenues obviously necessitate the borrowing of more money. In looking at the Budget we see that the Government has estimated it will lose $55 million in revenue owing to the bilateral agreement in 1988-89. On top of that we will lose $460 million in 1989-90 because of this bilateral trade agreement.

Jane Taber of *The Ottawa Citizen* in an article yesterday estimated that these losses will continue to increase as a result of the trade agreement. She estimates that they will increase to about $2.5 billion by 1999 when the deal will be fully implemented.

Under the seemingly benign heading of "Changes due to economic and other factors" the Government also projects a loss in revenue from unemployment contributions by $15 million in 1988-89 to a whopping $440 million in 1989-90. I might be pretty new to the House but it seems to me that what that says is just what Members of the New Democratic Party have been saying all along, that is, that the Government anticipates a significant decrease in employment in the next two years.

In this respect we have to consider again the trade agreement and the economic union with the United States. If this were not the case then why would contributions to unemployment insurance decrease? They can only decrease because people are not working or because they are making lower wages.

If one looks carefully at this one part of the Bill, one will see that we are projecting very high losses in revenue from the bilateral agreement and that obviously the Government is anticipating significant decreases in employment up until 1990. This causes us to observe that the trade agreement with the United States looks less free each day. This borrowing Bill confirms that it is not so free, which leads me to my next point.

The Budget fails to meaningfully address regional disparity. If the Government had come up with proposals to attack some of the problems connected with regional disparities, there may have been less of a need for such a high amount of borrowing. In this respect I want to give some concrete examples with respect to the number of people unemployed.

I am talking here about the 19.6 per cent of the people of Newfoundland who are unemployed, the 11.4 per cent of the people of British Columbia who are unemployed and the 9.7 per cent of the people of Quebec who are not working. I am talking about the 13.7 per cent of the people of New Brunswick who are not working. These people are not paying any taxes. This is why I say that the Government has lost the opportunity to bring forward some innovative measures to raise revenue.

Despite the Government's self-congratulatory comments on how many jobs it has created, that is of little comfort to the almost 20 per cent of Newfoundlanders who are unemployed. There was an important statistic left out of the Government's self-congratulatory message. According to Statistics Canada, there were more bankruptcies in Canada in 1987 than in any year since 1984. In 1987 the largest number of people and businesses went bankrupt, any they were not paying any taxes. The number in this respect was 24,348. Can you imagine, Mr. Speaker, the effect on families and individuals of those bankruptcies? We only see the statistics. We do not see what is really happening to the families and to those people the statistics represent.

There was an opportunity to really attack regional disparities, to ensure that people everywhere would be working, and working meaningfully. One of the best ways to bring this about would have been to ensure that the economic development programs that exist for the regions were included in this measure. We have to raise a question about that. In its regional policy, as outlined by the Minister, the Government mentions three things; the Western Diversification Fund, the Atlantic Opportunities Fund and the Northern Ontario Fund. So far those are nothing but names. We do not see what they will be doing. These programs do not address the needs of northerners, or the needs of many others in the northern parts of other provinces who are often in equally disadvantageous positions. Southern Ontario seems to be presented as a place that is really making it, where everyone is doing well. Even in southern Ontario in some places, such as Windsor, the unemployment rate is 14 per cent.

I see that my time is up for the moment, Mr. Speaker. I would like to continue my remarks later if I may.

• (1100)

**Mr. Speaker:** It being eleven o'clock, pursuant to Standing Order 19(4) the House will now proceed to Statements by Members pursuant to Standing Order 21.

## STATEMENTS PURSUANT TO S. O. 21

[*English*]

### IMMIGRATION

PRESENCE OF CONVICTED AIRCRAFT HIJACKER IN CANADA

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, this week in Montreal the Government is sponsoring a conference on airport terrorism. This follows a very good initiative launched many years ago by Pierre Trudeau. Ironically, at the same time there is a terrorist present in Canada who got here through a series of bungles. While the Government is attempting to deport him, or stating that it is, it is not following the most expeditious means at its disposal to do so. I have asked questions about this matter and received pretty unsatisfactory answers.

I am wondering why the Attorney General of Canada (Mr. Hnatyshyn) has not taken the initiative of charging this individual, under Section 6 of the Criminal Code, with the offence of hijacking. This is a relatively new section of the Act. Because that individual has been charged and convicted in another country, he has not been dealt with within the meaning of the treaty because he did not serve his full sentence. I would hope that the Attorney General would consider that recourse.

* * *

[*Translation*]

### CANADIAN NATIONAL RAILWAYS

NEED TO RETAIN CN IN ABITIBI

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, on March 19, 1975, journalist Armand Beaudoin wrote an article in l'*Echo Abitibien* under the heading: CN's lousy service—Merchants up in arms, in which he said: "At CN, the whole attitude has become so negative that nobody knows what is happening. We think the people responsible for this situation are in Montreal."

Things are the same today, Mr. Speaker. We are all fighting to keep CN in Abitibi. CN could increase its market share by 28 per cent. CN is viable in Abitibi-Témiscamingue.

Mr. Speaker, I want to ask the President of CN, Mr. Lawless, to appoint immediately a permanent district manager in Senneterre. We also want to see Mr. Lawless in Senneterre a few weeks from now, to meet with Mayor Denis Sawyer and members of the Senneterre town council, a meeting that will be attended by the federal and provincial Members for Abitibi East, Rouyn-Noranda, Abitibi West and Ungava, and by the Abitibi—Témiscamingue regional development committee for railway transportation.

* * *

[*English*]

### CANADIAN BROADCASTING CORPORATION

ANNOUNCED SHUTDOWN OF PRINCE RUPERT STATION CFPR

**Mr. Jim Fulton (Skeena):** Mr. Speaker, while the Minister of Communications (Miss MacDonald) undertakes the extraordinary step of having Cabinet review Allarcom's all-news channel bid, and Canmet's entry into the telephone market, CBC Radio is shutting down its award winning station CFPR-Prince Rupert and the Minister refuses to do anything.

According to the recent Task Force on Broadcasting Policy, the per capita cost of providing local news coverage to all under-serviced areas in Canada amounts to a mere 10 cents per year. The Mulroney Government has hacked and slashed the CBC budget to the point where, in order for the good people of the British Columbia interior to receive improvements in CBC Radio, another region of British Columbia, the northwest, must suffer.

The Broadcasting Act of Canada states that CBC must serve "the special needs of geographic regions". Surely closing CFPR in Prince Rupert, and reducing local northwest B.C. reporting to ad hoc broadcasts through Prince George, violate the intent of the Act and the intent of Parliament.

The B.C. northwest and the B.C. northeast are distinct geographic regions. They can both be served more effectively by CBC, and while I will be putting pressure on the corporation to stop plans to shut down CFPR, I also call upon the Minister of Communications to display a commitment to extending public broadcasting. If resources are to be slashed to the CBC it in turn cannot meet its legislated responsibility to the people of B.C.

I urge the Minister of Communications to wake up and realize what her Government's continued attacks upon public broadcasting mean to the people who live in the regions of Canada.

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### EMPLOYMENT

DIFFICULTY IN ATTRACTING SKILLED MINING PERSONNEL

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, mining narrow veins calls for a high degree of skill and judgment on the part of the individual miner. Until the recent

gold boom Canada had concentrated on large scale mining so now we have a shortage of conventional miners. Recently Cornish miners have had to be imported into Nova Scotia. In my riding, mine managers tell me of their great difficulty in attracting skilled personnel.

High wages are now being offered in the mines, and I would encourage young people to look to a career in this industry.

The Minister of Employment and Immigration (Mr. Bouchard), recognizing the problem, has designated "hard rock miner" as a "shortage occupation" and, as such, eligible for training assistance under the Skills Shortages Program. This will certainly help.

* * *

[*Translation*]

## AEROSPACE

MONTREAL

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, they say the best speech is a short speech. Bearing that in mind, I think the time has come for the Government of Canada to declare that Montreal is "spatial". Enough of this shilly-shallying and procrastination. Montreal is not special but spatial.

[*English*]

Montreal is not special but "spatial".

**An Hon. Member:** Bravo!

**Mr. Prud'homme:** A Conservative says "Bravo"!

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## BANKS AND BANKING

CHARTERED BANKS—FUNDING OF FOREIGN LOAN LOSSES—INVESTIGATION SUGGESTED

**Mr. W. Paul McCrossan (York-Scarborough):** Mr. Speaker, preliminary analysis of the 1987 profits in Canada of major banks and trust companies indicates that the profit per hundred dollars of Canadian assets administered reached all-time highs, some 35 per cent greater than the previous record.

All Canadians know that our chartered banks experienced massive losses on foreign loans in 1987. However, none cut dividends, unlike in the United States where the big money centre banks still face strong regional competition.

The finance committee and the Minister of Consumer and Corporate Affairs (Mr. Andre) should consider an investigation under the Competition Act to see whether large Canadian banks are acting together to fund their foreign loan losses on the backs of Canadian consumers.

[*Translation*]

## WINTER OLYMPIC GAMES

OPENING OF GAMES IN CALGARY—GOOD WISHES TO ATHLETES—GRATITUDE TO ORGANIZERS

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, we have reason to be proud today, because tomorrow the Winter Olympics open in Calgary. After months of careful preparation, the big day has come at last. The world's best athletes are now in Alberta, and we wish them all the best of luck.

To all those in Calgary who worked so hard to organize this international event, we say: Thank you!

[*English*]

I want to take a few moments to mention the many thousands of other ordinary people who rarely get recognized at a time like this, and whose dedication has allowed these athletes to excel. I refer to the coaches who labour long and hard, often early in the morning or late at night, especially the minor league coaches who help to teach the basic skills and transform our children into future champions; to the parents who sacrifice so much, and who underwrite so much of the cost of developing the skills our athletes need to challenge the world; and to the thousands of others who organize the leagues, run the track meets, and provide the infrastructure we all need.

All of those people have contributed to the Olympic Games. They are their games, and they should be truly proud of them. Once again, best wishes to our athletes who, we know, will represent us and themselves to the best of their abilities. They are truly champions in our hearts.

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## DISASTERS

SINKING OF *OCEAN RANGER* OIL DRILLING RIG—ROYAL COMMISSION'S RECOMMENDATIONS

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, Monday, February 15, 1988 will mark the sixth anniversary of the sinking of the *Ocean Ranger* in the wintry Atlantic off the east coast of Newfoundland. On that evening 84 men lost their lives.

The Royal Commission into this tragedy noted that "the loss of the *Ocean Ranger* was caused by a chain of events which resulted from a coincidence of severe storm conditions, design inadequacy and lack of knowledgeable human intervention". The Royal Commission produced 136 recommendations aimed at preventing a similar tragedy. The federal Government and oil companies have quickly acted on quite a number of those recommendations, but many remain ignored to this point.

Today, six years after the sinking of the *Ocean Ranger*, individuals who work on drilling rigs off eastern Canada are

still at terrible risk if they must abandon the rigs and take to the sea in storm conditions.

John Parsons, an engineer hired by the Newfoundland Government to examine safety in offshore drilling, has stated that the existing lifeboat escape systems remain appallingly inadequate. Mr. Parsons has suggested that an independent safety division be created with wide powers of enforcement within the Canada-Newfoundland Offshore Petroleum Board to minimize conflicts between the drive for energy self-sufficiency and the need for safety for people working on the rigs.

As bad as the *Ocean Ranger* disaster was some six years ago with the loss of 84 lives, what would be worse is if we failed to heed the advice and the lessons that we should have learned six years ago at the cost of 84 lives, and at a cost of $15 million for a Royal Commission to make recommendations to ensure that those who work in the harsh wintry conditions of the Atlantic, and elsewhere in offshore rigs, are safe, and that we have done everything humanly possible to protect them.

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[*Translation*]

## THE ECONOMY

### GOVERNMENT'S PERFORMANCE

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, the Canadian Chamber of Commerce, a credible organization, has published the results of a poll of 904 members, 60 per cent of whom have fewer than 100 employees. What do its members think of the present economic climate? Eighty-seven per cent: Very good. About the impact of our policies announced in Spring 1985? Seventy-seven per cent: Very good. The political impact of our Government? Sixty-three per cent: Very good. Degree of satisfaction with federal policies? Seventy-one per cent: Very good. The Chamber of Commerce says that the most important factor for business development is first of all, fiscal stability. We have delivered on fiscal stability. Second, continuity and a fair corporate income tax system. We have delivered. Third, keeping interest rates under control, and we delivered on that as well. Fourth, reasonable labour costs, and our policy of letting the laws of the market place prevail has given Canadians reasonable labour costs. That is our economic message, Mr. Speaker!

• (1110)

[*English*]

## ETHNIC AFFAIRS

### BLACK HISTORY MONTH—TRIBUTE TO OUTSTANDING ACHIEVERS

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, February is Black History Month, a worth-while time to reflect upon the magnificent contribution to our nation of Canadians descended from the nations of Africa.

Great black Canadians of the past include Matthew da Costa, who arrived in Canada with Champlain in 1605; William Hall of Nova Scotia who was the first Canadian to win the Victoria Cross; Mary Ann Shadd, lawyer, teacher, fiery editor, and abolitionist in 19th Century Upper Canada; Portia White, the great opera singer; and Delos Davis, the first black King's Counsel in the British Empire.

These giants paved the way for those who excel today: Lieutenant-Governor of Ontario and former Member of Parliament Lincoln Alexander, author Austin Clarke, jazz pianist Oscar Peterson, Order of Canada recipients Carrie Best, William P. Oliver, and Alton Parker; Juno Award winners Dan Hill, Lillian Allen, and Billy Newton-Davis; the fastest man alive, Ben Johnson; one of the fastest women alive, Angela Issajenko; and such leaders as provincial ombudsmen Daniel Hill, Gordon Earle, former Nova Scotia Human Rights Commissioner George McCurdy, and former British Columbia MLA Rosemary Brown.

The list of achievers is endless and bears witness to the historic mission of black Canadians to strive for the attainment of the highest democratic ideals—liberty, justice, and equality—despite the obstacles of discrimination and bigotry that sadly exist. Yet, this month reminds us that, no matter how long the struggle, they have overcome.

Of course I want to add to the list the Hon. Member for Windsor—Walkerville (Mr. McCurdy).

**Some Hon. Members:** Hear, hear!

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## AIRPORTS

### HAMILTON INTERNATIONAL AIRPORT—INTRODUCTION OF DAILY FLIGHTS TO JOHN F. KENNEDY AIRPORT

**Mr. Geoff Scott (Hamilton—Wentworth):** Mr. Speaker, I am delighted to report that, after months of working and waiting, Air Crosby Control has given us a final clearance and Hamilton's International Airport is about to take off.

The approval of the Minister of Transport (Mr. Crosbie) today for Pan Am Express to operate three flights a day to John F. Kennedy Airport from Hamilton potentially makes our airport one of the great airports in the country.

It is a major and welcome initiative by the Mulroney Government to help relieve the congestion at Toronto International Airport.

I am delighted to have received the assistance of political representatives from four levels of government and all three Parties in our area in convincing Transport Canada to give this much needed vote of confidence to Hamilton's airport. The Hon. Members for Niagara Falls, Hamilton West, St. Catharines, Brant, Haldimand-Norfolk, Erie, Welland, Lincoln, Burlington, Halton and even Hamilton Mountain and Hamilton East, and many others helped.

I know, Mr. Speaker, that we are not supposed to mention Members by name, but I will say: "Bless you, John Crosbie; thank you, Prime Minister Brian Mulroney".

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## THE BUDGET

A POET'S WORDS

**Mr. David Berger (Laurier):** Mr. Speaker, I am glad to see that the Minister of Finance (Mr. Wilson) is here, because as we reflect upon the effects of the Mulroney-Wilson Budget and tax reform package, I would like to remember the words of Frank Scott who once wrote:

> Low income individuals and families pay a higher proportion of their incomes in all kinds of taxes than those with higher incomes.

The poem was entitled *Cent ans d'injustice* and was written in 1967. Some 21 years later we can only add:

[*Translation*]

The more it changes, the more it is the same.

* * *

[*English*]

## PROVINCIAL AFFAIRS

ONTARIO GOVERNMENT—SUNDAY SHOPPING—ABDICATION OF RESPONSIBILITY

**Mr. Barry Turner (Ottawa—Carleton):** Mr. Speaker, the Liberal Government of Ontario and its so-called saviour has abdicated a major responsibility to the municipalities—Sunday shopping. What a cowardly, shameful decision on behalf of the people of Ontario.

The Supreme Court of Canada has said that Ontario has the authority to legislate Sunday closings, and Ontario has refused. That is not leadership. That is a cop-out.

Church leaders, business leaders, politicians, and ordinary Ontarians are banding together to form the Coalition Against Opening Sunday Shopping. The Ottawa-Carleton Board of Trade Chairman, Tim Whitehead, and its President, Lisa Hopkins, have sent a clear message of opposition to Queen's Park. They have all got my vote. This is an outrageous decision.

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## NATIONAL DEFENCE

WHITE PAPER—REQUEST FOR WITHDRAWAL

**Mr. Dan Heap (Spadina):** Mr. Speaker, the National Action Committee on the Status of Women has recently written to the Prime Minister (Mr. Mulroney) saying that in light of the new spirit of co-operation between the U.S.S.R. and the U.S.A., it is asking him to withdraw the Department of Defence White Paper. It says:

> Instead of re-affirming our differences with the Soviet Union, escalating further the very dangerous arms race, and increasing our economic military burden, we are asking you to adopt a more rational, humane, and effective policy.
>
> Already, we can see a decline in government services as people live on the streets and line up for food. As the accompanying chart shows, far more jobs are created in responding to human needs in Canada and around the world than in military production. We also do not believe that more weapons make us more secure. We prefer non-provocative defence and nuclear free areas, particularly a nuclear free Arctic verified by all the Arctic nations.
>
> The deployment of expensive nuclear-powered submarines we believe endangers the fragile ecosystem and violates the spirit if not the letter of the Non-Proliferation Treaty. The cost of one submarine could radically improve life for the one million Canadian children who live below the poverty line.

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## THE ECONOMY

RESPONSIBLE MANAGEMENT OF GOVERNMENT FINANCES—REDUCTION OF DEFICIT

**Mr. David Daubney (Ottawa West):** Mr. Speaker, nothing is more basic to a strong framework for private sector growth and job creation than responsible management of government finances.

In 1984 the federal deficit and national debt were almost out of control. The Government's first priority had to be to get government spending under control. We have done so.

This week's Budget maintains the course of consistent adherence to fiscal principles first set out in November, 1984. We are achieving the fiscal targets we set ourselves. We are achieving steady year to year declines in the deficit. The reduction projected for 1988-89 will be the first time in the post-war period that the deficit has declined four years in a row.

Canada's strong economic growth, coupled with the Government's fiscal program, has created the capacity to carry forward the Government's commitment to priority programs.

The Government is committed to ensuring an economic future that provides challenging opportunities for our children and economic security for all Canadians.

## ORAL QUESTION PERIOD

[*Translation*]

### FINANCE

EFFECT OF INTEREST RATE POLICY

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, the Minister of Finance is probably aware that, while his high interest rate policy might suit Central Canada, it is extremely harmful for the remote regions, where the major problem is not inflation, but unemployment. Yesterday, the chief economist of the research firm Data Resources joined the Canadian Chamber of Commerce and the Canadian Manufacturers' Association in asking for lower interest rates.

Here is what I want to ask the Minister of Finance: Does he intend to resume his discussions with the Governor of the Bank of Canada to try to convince him that the current interest rate policy is not necessary and that it affects mostly the remote regions of Canada and is especially harmful to the unemployed in those regions?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think I have responded on a number of occasions to that particular question. What I should say to the Hon. Member is that interest rates are down 3 percentage points from what they were when we came into office. They are down about one and a quarter to one and a half per cent from what they were in October of last year. The bank rate came down an eighth of 1 per cent yesterday.

In response to the Hon. Member's concerns about the regions of the country, let me say to him that we must have one monetary policy for the whole of the country, but fiscal policy can be addressed directly to particular regions.

Let me just read what we have done for Newfoundland, to pick one province. The transportation and highways ERDA agreement, $112 million; the pulp and paper ERDA agreement, $38 million; forestry resource development, $33 million; Channel of Port aux Basques water supply, $6.5 million; Newfoundland offshore development fund, $225 million; Goose Bay airport redevelopment, $93 million; the FBI equity injection of $77 million; Terra Transport and other transportation—I could go on and on, Mr. Speaker.

• (1120)

**Mr. Speaker:** The Hon. Minister of Finance says that he could go on and on. I have no doubt that he would have.

**Some Hon. Members:** Oh, oh!



**Mr. Speaker:** The Hon. Member for Laval-des-Rapides.

INCREASED GASOLINE TAXES

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, probably 75 per cent of the things the Minister just mentioned were signed by the previous Government. It is a very hard fact that the Newfoundland rate of unemployment is three times higher than the Ontario rate of unemployment.

Not only does the high interest rate policy of this Government hurt the regions but the new excise tax on gasoline will increase transportation costs for all Canadians, particularly for industries established in remote areas, and will hit low-income Canadians very hard. The new sales and excise taxes both will have increased the price of a gallon of gasoline by 27 cents. Why is the Minister doing that to the poor regions of Canada?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member threw a few little zingers into his preamble. First, the vast majority of the things I read out were things that were signed by this Government with the Province of Newfoundland. A very limited number which were signed by the previous Government have been improved upon by this Government.

As I have indicated with the list of initiatives taken by the Government, we have demonstrated by our actions that we are concerned about the high level of unemployment in the regions of the country. The Prime Minister himself has met with the Premiers of the provinces involved and they have, between themselves, generated a number of initiatives. The Atlantic Canada Opportunities Agency is clearly directed at improving the regional disparities in Atlantic Canada. The Western Diversification Fund is another example of this.

The last point the Hon. Member made is beyond me. How can he have the gall to stand up in the House and talk about gasoline prices when the previous Government, which he supported, was responsible for a doubling of gasoline prices during the years 1980 to 1984? That Hon. Member should be sitting in his chair with his head hanging in shame.

**Mr. Garneau:** Mr. Speaker, 27 cents per gallon in three and a half years is quite an achievement, and the Minister will get the gold medal in Calgary for that for sure.

[*Translation*]

HIGH UNEMPLOYMENT RATE IN CERTAIN REGIONS—GOVERNMENT STRATEGY TO HELP WORKERS

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, after six years of economic recovery, as the Minister of Finance himself stated in his Budget speech, which recovery began before he was appointed Minister of Finance, the rate of unemployment in the regions is even higher than before the economic crisis of 1981-82.

Mr. Speaker, the policies of this Government are creating two Canadas, and I would like to ask the Minister of Finance what strategy he will propose, as it is quite clear, in spite of

what he said, that unemployment in Newfoundland is still three times as high as in Central Canada. The same is true in the Gaspé and several other regions. Our colleague said yesterday that the unemployment rate in Cape Breton is now 22 per cent. What new strategy will the Minister of Finance propose to help the workers and businesses of those regions?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, if the Hon. Member had not prepared that question before the House sat, he probably would not have asked it because I answered that question as part of my responses to his first and second questions.

I should point out to the Hon. Member that the unemployment rate is down in every province of the country compared to the rate this time last year. That is very real progress. It is down in every province of Canada, with the exception of Prince Edward Island where it is marginally up since we came into office in September of 1984.

Again, there has been very clear progress. As I have indicated to the Hon. Member on many occasions in the past, we have generated an over-all economic policy which has resulted in Canada being first in economic growth, first in employment growth and first in productivity performance of the major industrialized countries. Because we have that growth and that economic performance, we have been able to provide the resources through the Atlantic Opportunities Agency, the equalization programs, the Atlantic enterprise purchasing program, the Newfoundland Development Accord and the various highways agreements. That is the clear message that people in other parts of the country are understanding, contrary to the understanding of the Hon. Member.

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## TRADE

### CANADA-UNITED STATES FREE TRADE AGREEMENT—COMPLIANCE BY MANITOBA PROVINCE

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, I have a question for the Deputy Prime Minister. On Wednesday I asked the Prime Minister a question concerning the U.S. administration's threat to demand compensation or redress if there was not full compliance by the provinces with the continental trade program. Today we have word that the Province of Manitoba will now introduce legislation that will void parts of the agreement, and the Province of Ontario is prepared to do the same.

The Government cannot duck the question any longer. The Government has put itself in a constitutional box between the provinces and the U.S. administration. It is heading toward a constitutional crisis. The Government must take a position on this matter and Parliament deserves an answer.

What is the Government going to do? How is it going to respond to the U.S. administration's demand that it pay compensation if provinces do not comply, because those provinces have no intention of complying?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I think the Prime Minister dealt with that question quite fully. As far as the current issue he has raised is concerned, I want to remind the Hon. Member, as he knows, that never before in the history of an international treaty has there been so much consultation and dialogue between the two levels of government. Right from the very beginning this issue was the subject of numerous First Ministers' Conferences and bilateral meetings. Generally speaking, the provinces were indeed involved in this in every respect.

I think the Hon. Member should know very well that since the free trade arrangement will be good for all regions of the country and good for all the provinces, rather than joining forces with the provinces which are expressing reluctance with certain elements of it, he should show some leadership at the national level and should encourage all provinces to become party to this agreement. He should do that rather than getting on the bandwagon trying to destroy what is a good agreement for all Canadians and a good agreement for every region of the country.

### THE CONSTITUTION—GOVERNMENT POSITION

**Hon. Lloyd Axworthy (Winnipeg—Fort Garry):** Mr. Speaker, that kind of answer simply will not wash any more. The fact is that the Government has put this country in a position of being subject to major intimidation by the United States administration which is demanding compensation or redress. In other words, the Americans will up the ante on the agreement. Several provinces say that they cannot go along with this and, while there may have been consultations, there was no approval.

When will the Government clearly spell out how it intends to deal with the dilemma it finds itself in with the constitutional crisis we are heading for and the major revisions of the agreement that will be required by the Americans under the circumstances if there is no provincial compliance? That is a very serious question and it deserves a proper answer, not the kind of ducking and weaving we have had so far.

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, there is no ducking and weaving. The Minister of Justice and the Prime Minister have indicated very fully that Parliament has the authority to exercise its power and it will do so consistent with tradition and convention.

I find it rather strange that the Hon. Member always tends to sidle up to the provincial Government of Manitoba. I suppose that puts him in favour of the increased insurance

premiums, the payroll tax, the income tax and all those other unpopular measures the NDP Government of Manitoba is engaged in. If you're with them, join them!

* * *

## TAX REFORM

REQUEST THAT MINIMUM CORPORATE TAX BE INTRODUCED

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I have a question for the Minister of Finance about fairness in taxation. The Minister has acknowledged that some 60,000 profitable Canadian corporations will pay no federal tax this year after his tax reform.

• (1130)

Is he aware that in 1986 companies like Hees International with profits of $170 million, Brascan with profits of $187 million, and Alcan Aluminum with profits of $220 million, paid no corporate tax? Is he aware that in 1987 companies like Cadillac-Fairview with profits of $95 million and Bramalea with profits of $51 million paid no federal corporate tax?

Why will companies like this continue to get a free ride after 1988? Why will the Minister not bring a minimum corporate tax into force?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member is on the finance committee, and he is well aware that corporate tax reform addresses many of these problems which resulted in profitable companies not paying income tax. That is being dealt with in stage one of tax reform and I know the Hon. Member is going to give us his full support to get that tax reform provision through. The result will be that $5 billion in additional taxes will be paid by corporations over the next five years.

[*Translation*]

CORPORATIONS—IMPOSITION OF MINIMUM TAX—GOVERNMENT POSITION

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, my supplementary is directed to the same Minister.

The Minister says his tax reform will increase corporate tax revenue. Does he realize that in the United States, tax reform has resulted in an increase in corporate tax revenue which, in relative terms, is twice the increase we will see in Canada, and that this is largely due to the fact that the United States has a minimum corporate tax?

Why is the Government reluctant to introduce a minimum corporate tax in Canada, which would introduce additional revenue that could be used in new measures to create jobs and eliminate regional disparity in Canada?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me give the Hon. Member some examples of the type of company that would be caught by the type of minimum tax he is proposing.

First would be a medium-sized research and development firm, say in Manitoba, that gets tax credits for investing in research and development to help improve its competitive position. Second, is a start-up business in Cape Breton that takes advantage of the Cape Breton investment tax credit in an area of the country that the Hon. Member is quite aware suffers from high levels of unemployment. A third example would be a resource-based company in northern Ontario which receives tax advantages for further developing its resource base and enhancing growth, again in a region of the country suffering from higher unemployment. The fourth example I would give him is that of a small manufacturer in British Columbia which has reduced its taxes, say in 1986, because actual, real losses incurred in previous years.

If the Hon. Member follows his thinking through he will put many of those companies out of business, costing many jobs in regions of the country which, out of the other side of his mouth, he says he is in favour of supporting.

**Mr. Cassidy:** Mr. Speaker, I listened carefully to the Minister but I do not recognize in his list companies like Hudson's Bay, Cadillac-Fairview, Seco-Camp, Repap Enterprises, Wardair, or Total Petroleum. Those are not companies in the categories the Minister has talked about because they are making hundreds of millions of dollars in profits and not paying any tax at all.

STATISTICS CANADA REPORT—EFFECTIVE RATE OF CORPORATE TAX

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, is the Minister aware that just last fall Statistics Canada produced a report which indicated that major profitable corporations in Canada had an effective tax rate of only 11.5 per cent, half the rate paid by average Canadians in their personal income tax? Average Canadians pay tax every year and these corporations get a free ride. StatsCan judged these large corporations would see only a "modest" change through the White Paper.

Why will the Minister not take advantage of the revenues which the American tax system collects by having a minimum tax on corporate profits so that they pay every year?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I listened carefully to the companies that he referred to and I think that we have dealt with each case, either in tax reform or through other measures which we have taken to close loopholes in the tax system that allowed this to happen, whether it was real estate companies, tax loss trading through limited partnerships, or investment tax credits that companies were able to take advantage of in the past. In each of these we have dealt with the cause of the problem, not just applied a band-

aid solution as he is proposing. We have caused a change in the nature of the corporate tax system that will deal with it in a fundamental way. That is surely the right way to deal with the matter.

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## THE ADMINISTRATION

CONFLICT OF INTEREST CODE—STATEMENT ISSUED BY ASSISTANT DEPUTY REGISTRAR GENERAL

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, it is now five days since the Assistant Deputy Registrar General, Jean-Pierre Kingsley, without any explanation whatsoever, issued a statement exempting political loans or advances from provisions of the conflict of interest guidelines. Mr. Kingsley, who is ultimately accountable to the Prime Minister and not Parliament, has refused to give either the public or Parliament any rationale, based on a reading of the conflict code, for Monday's, to put it politely, amazing statement.

Why is it that Elections Canada officials, in the case of the Minister of Energy, are being threatened with dismissal by the Hon. Member for Durham—Northumberland unless more information is forthcoming, yet in the case of the Prime Minister and Mr. Kingsley, the Government is perfectly content to leave Monday's statement totally unexplained? Can the Deputy Prime Minister explain that double standard?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member persists in engaging in a witch-hunt. Those questions have been answered fully by the Prime Minister on a number of occasions and I have nothing further to add.

REQUEST THAT OFFICIAL BE DIRECTED TO PROVIDE EXPLANATION

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, the Hon. Member for Durham—Northumberland spoke to the press yesterday, it is well publicized, threatening officials of Elections Canada with dismissal, saying they will be looking for jobs unless more information is forthcoming on the decision they took. Surely it is reasonable for Members of Parliament to expect that same information with respect to a decision affecting the Prime Minister.

Mr. Kingsley so far has refused me personally, reporters and others, any additional information. Because he is a civil servant accountable to the Prime Minister, not an independent officer of the House, surely the Prime Minister would direct Mr. Kingsley to provide a rationale, based on a reading of the conflict code, for the statement he made on Monday.

Will the Deputy Prime Minister acknowledge that fact, realize this issue will not go away, and take action this afternoon so that all of us may know why such an extraordinary flip-flop occurred from Friday to Monday, and which sections of the code we can refer to in order to understand the amazing statement read on Monday by the Prime Minister?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if the Hon. Member wants to take issue with something the Hon. Member for Durham—Northumberland may or may not have said, he can certainly do so. He knows the proper course of action he can follow.

PRIME MINISTER'S POSITION

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, on the same matter, Section 38 of the code reads: "Where a public office holder does not comply with the code the office holder is subject to such appropriate measures as may be determined by the designated authority, including, where applicable, discharge or termination of the appointment".

Is it not a fact that the designated authority in this case is the Prime Minister himself? Therefore, can the Deputy Prime Minister explain to us how the Prime Minister gets out of this conflict where in fact he is the judge and jury on his alleged violation of his own code?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, Hon. Members opposite want to prolong this issue. It has been debated inside and outside the House for some time. The statement by Jean-Pierre Kingsley, Assistant Deputy Registrar General, concerning the Prime Minister's arrangement with the PC Canada Fund, clearly speaks for itself. I ask the Hon. Member to reread it. He has made a full explanation. It is here and can be tabled in the House, and I would be very glad to table it. I am not sure what more they want.

• (1140)

**Mr. Waddell:** Mr. Speaker, the Deputy Prime Minister knows full well that that official is under control of the Prime Minister.

PROFESSOR'S SUGGESTION THAT PRIME MINISTER RESIGN

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, writing in *The Globe and Mail* today Professor Ian Greene, who specializes in constitutional law and public administration, suggested that the Prime Minister should resign and that there should be an independent investigation, perhaps by a judge. It is very serious.

Has the Government considered the possibility of having an independent investigation with regard to the Prime Minister's loan as opposed to the loan of the former Minister of Supply and Services?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I am not going

to comment on any hypothetical conclusion that may be arrived at by an instant expert. I do not know what his qualifications are. Perhaps he does not know the difference between a service club and a political Party. If that is the case, I am not surprised at some of the conclusions he has arrived at.

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## PUBLIC SERVICE

BENEFITS ACCORDED PUBLIC SERVANTS BY AIRLINES

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, my question is addressed to the President of Treasury Board. Frequent flier plans offered by competitive airlines give out free tickets and even hard cash. In the case of public servants travelling at taxpayers' expense benefits should accrue not to the individual but to the Crown. What is the Government's policy on this matter? What system has been put in place to ensure compliance?

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, yes indeed there is a policy in existence. Employees have been made aware that they may not accept benefits arising from the performance of their duties which are offered by third parties. When employees are offered benefits in the form of cash, equivalent vouchers, or discount coupons as a reward for patronage of a particular carrier or hotel, these vouchers shall be remitted to the Department with the employees' travel claims.

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[*Translation*]

## PORTS

DEVELOPMENT OF MONTREAL PORT—GOVERNMENT POSITION

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, in the absence of the Minister of State (Transport) and the Minister of Transport, my question is directed to the Deputy Prime Minister.

The executive of the Port of Montreal is about to announce a program for the expansion of the Port of Montreal, and we in the Liberal Party fully support this program. However, a number of socio-economic groups in Greater Montreal would like to have more information and more openness with respect to this expansion project, not only on the financial side, but also on environmental issues.

Could the Deputy Prime Minister give the House the assurance that all socio-economic groups in Greater Montreal will have access to all the documents used to prepare this proposal? Furthermore, when the announcement is made in the next few weeks, could the people be consulted before the decision is finalized, to ensure that the program provides sufficient safeguards for the people of Montreal?

[*English*]

**Mr. Blaine A. Thacker (Lethbridge—Foothills):** Mr. Speaker, I would be happy to refer this question to the Minister because I am not up to the moment on it. Had the Member given me some prior advice I would have been happy to have dug out the information for him. I will bring it to the attention of the Minister and we will get back to the Member as quickly as possible.

[*Translation*]

OLD PORT OF MONTREAL—QUERY WHY PROVISION OF FUNDS DELAYED

**Mr. Jean-Claude Malépart (Montreal—Sainte-Marie):** Mr. Speaker, my supplementary is directed to the Minister responsible for Supply and Services or to the Minister for the Treasury Board, and concerns another important project for Greater Montreal. I am referring to the Vieux-Port. I think the Minister is here today, and as we all know, Quebec City received funds to develop its Vieux-Port. We saw that in the case of Mr. Côté! We know that Toronto and other regions received funds to develop their harbour front areas. Could the Minister inform the House, and this is what the Vice-Chairman of Montreal's Executive Committee would like to know, could the Minister inform the House why the City of Montreal has yet to obtain the sum of $130 million for the expansion and development of the Vieux-Port? Why the delay, when all other cities in Canada have received the necessary funding?

[*English*]

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, the Old Port of Montreal has been involved in a consultative process for the past two years with regard to questions relative to the environment and long-range planning for it. There are three levels of government involved; the provincial and the municipal as well as the federal. Discussions are ongoing in this regard and hopefully some conclusion will follow reasonably soon.

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## THE BUDGET

CHILD CARE—EFFECT OF PROVISIONS

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Minister of Finance and is with regard to what the Budget is not doing for child care. The regressive Budget doubles the child care expense deduction for higher income working parents but does nothing for lower income parents, students, and single moms who pay no taxes at all and need child care desperately.

Is the Minister's idea of tax fairness to discriminate against the lower income parents who can least afford child care with its very high fees? Would it not have been much fairer to take

the $210 million that he is losing this year on tax revenues in the child care sector and allocate it for direct funding to good quality child care services so that all parents can benefit and fees will be brought down?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member's question illustrates a difference in philosophy between herself and the Government which has provided, through the increase in the refundable child tax credit, for low income families which have children under the age of six. We have provided, through the increase in funding, for the development of 200,000 additional quality care spaces.

**Ms. Mitchell:** You have not.

**Mr. Wilson (Etobicoke Centre):** That will come in legislation to be presented to this House shortly following discussions with the provinces.

I believe that the program put forward on behalf of the Government by the Minister of National Health and Welfare is a much more balanced program and provides a much broader response to the needs of Canadian working women and other women than would the more narrow approach which the Hon. Member would follow.

REQUEST FOR ADDITIONAL FUNDING

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, this shows how little the Minister and the Government know about child care. One hundred dollars to a parent in the home is not generous and there is no way he can think it is.

We need funds for child care. There is nothing in this Budget which responds to the three-year-old promise of the Prime Minister that the Government would help expand quality affordable child care services. Why is there nothing in the Budget for direct services?

I might also mention that the 200,000 new spaces that are supposed to be provided over seven years is only the amount of increase that would have happened had they done nothing.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, that may be the Hon. Member's opinion.

**Ms. Mitchell:** It's research.

**Mr. Wilson (Etobicoke Centre):** It is not the opinion of a number of other people in the child care field.

We have put forward a child care program which amounts to $5.5 billion—

**Ms. Mitchell:** Amounts to peanuts.

**Mr. Wilson (Etobicoke Centre):** —over a seven-year period. This illustrates again a fundamental difference between the New Democratic Party and the Conservative Government.

**Ms. Mitchell:** It certainly does.

**Mr. Wilson (Etobicoke Centre):** We have said that this is a child care policy which the country can afford. The Hon. Member said that $5.5 billion is peanuts. We on this side of the House do not believe that $5.5 billion is peanuts.

That demonstrates that the Hon. Member would have the deficit go right up through the roof and pay no attention to the impact which that would have on interest rates, and therefore on jobs and on the ability of the same working women about whom she is so concerned to gain a job. That is the difference between New Democratic Party members, who are spendthrifts and have no interest at all in controlling spending, and us.

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## CANADIAN BROADCASTING CORPORATION

PROPOSED NEW TORONTO CENTRE

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, in the absence of the Minister responsible for the Canadian Broadcasting Corporation I would like to direct a question to the Minister of Public Works. He knows, or should know, how seriously the Canadian Broadcasting Corporation needs the new broadcasting centre in the city of Toronto. This is a project which was launched by the former Government and relaunched by this Government. There are now rumours that the project may not be proceeding.

Would the Minister assure us that the project on Wellington Street in Toronto, which was relaunched by the Government, is proceeding and will proceed?

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I would like to assure the Hon. Member that this matter is receiving all the attention it deserves. This is a very substantial undertaking and it deserves the full consideration which is now being given to it.

REQUEST THAT PROJECT BE CONTINUED

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, that is not very reassuring from a Government which has socked it to Toronto and socked it to the CBC in a number of ways. I would appreciate it if, rather than some vague statement, the Minister would say that the project, which the Government has been supporting until recently, will continue and will proceed.

**Hon. Stewart McInnes (Minister of Public Works):** Mr. Speaker, I do not know what the Hon. Member refers to. There has been no indication of any change in the attitude of the Government.

• (1150)

## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—POWERS OF PROVINCE TO PASS LAWS

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, my question is directed to the Deputy Prime Minister. I want to return to what we consider a serious confrontation coming between the provinces and the federal Government over this trade deal. Despite the pressure from the U.S. spokesmen this week, will the Deputy Prime Minister confirm that Manitoba has the right to pass laws in its jurisdiction with respect to areas such as recreational land and others until such time as the trade deal is in effect in 1989?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, the Hon. Member is a bit behind the times when he talks about confrontation between the federal Government and the provinces. That was an era of the past, during the days of the Liberal administration when they spent more time fighting with the provinces than working and co-operating with them as this Government has done.

The Hon. Member knows that there is nothing in the free trade agreement that takes away authority from the provincial Government to pass legislation dealing with property and civil rights.

**Mr. Langdon:** I hope that actually says to the Province of Manitoba that it is quite right for it to proceed as it wishes.

PROVINCIAL JURISDICTION

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, instead of dealing with generalities, will the Deputy Prime Minister stand in the House and make it very clear that the points that Manitoba wishes to put forward to protect its people are perfectly proper and within its jurisdiction?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, if it is the position of the provincial Government of Manitoba to turn away investment dollars that bring in jobs, if it wants to increase taxes, impose payroll taxes, and increase automobile insurance and all those things that deter investment and business activity, it is within its God given right to do so.

[*Translation*]

## THE BUDGET

REQUEST FOR CLARIFICATION OF GOVERNMENT'S POSITION REGARDING OPPOSITION'S ALLEGATIONS

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, my question is directed to the Minister of Finance and has to do with the excellent economic message he conveyed to Canadians for the fourth time last Wednesday. He confirmed in his message that nine out of ten elderly Canadians will no longer pay taxes. He confirmed in his message that our Government will continue to assume its financial responsibilities with respect to senior citizens. Mr. Speaker, I should like to know how he can reconcile our firm commitments with the Opposition's demagogic allegations, particularly those of the Hon. Member for Laval-des-Rapides.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think it is very important for Canadians to understand that the tax reform will mean lower taxes for nine out of ten individuals aged 65 or more. For example, a single person with an income of $25,000 will pay $435 less in taxes. For a couple aged 65 or more and with an income of $25,000 the tax reduction will amount to $665.

In addition, Mr. Speaker, another policy of the Canadian Government will have a major impact, and I am referring to pension plans. The Canada Pension Plan, RRSPs and the old age security regulations have been improved so that Canadians will be better prepared for retirement.

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## THE BUDGET

RESEARCH AND DEVELOPMENT—REQUEST FOR MORE ASSISTANCE

**Mr. David Berger (Laurier):** Mr. Speaker, my question is also directed to the Minister of Finance. The Minister will know that, speaking in front of the Montreal Chamber of Commerce, in 1984, the Prime Minister promised to double the national scientific effort within his first term. Now, figures from Statistics Canada are not showing any increase but rather a slackening in research and development. My question to the Minister is this: Why has he not taken advantage of his recent budget to stimulate research and development in the private sector and to repair the harm his efforts have caused up to now?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me make a few comments about that. First, in January the Prime Minister announced $1.3 billion in additional spending for research and development in order to encourage the development of excellence throughout Canada, with additional moneys being spent on science and technology.

Second, I make specific reference to that, as well as to the fact that Canadian companies have the best tax regime of the major industrialized countries. That is very clear. I think the Hon. Member is well aware of that.

Third, the Government has increased its funding for research and development. I believe the current level is in the order of $4.2 billion of direct spending on research and development. We are committed to research and development and we have put our money where our mouth is.

**Mr. Berger:** Those are hollow words from the Minister of Finance.

LEVEL OF SPENDING ON RESEARCH AND DEVELOPMENT

**Mr. David Berger (Laurier):** Mr. Speaker, I suggest to the Minister that if research and development spending had gone up to 2 per cent of Gross National Product, for instance, it would have appeared in red letters in his Budget and we would have heard wild applause from the Tory backbenches.

Research and development spending has not gone up, but declined as a percentage of GNP. Does the Minister not think that the decline in R and D spending is a matter of concern to this country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Government has indicated where its priorities lie by increasing the amount of funding—

**Mr. Berger:** The bottom line.

**Mr. Wilson (Etobicoke Centre):** The Member is waving some papers at me. I do not know what are on those papers—

**Mr. Berger:** The bottom line.

**Mr. Wilson (Etobicoke Centre):** Let me say that it takes two to tango. It is important for the private sector to respond, and one of the primary objectives of the conference on research and development which the Prime Minister chaired in January in Toronto was to encourage a change in attitude on the part of Canadians in general and on the part of Canadian companies.

The Hon. Member referred to hollow words. They were facts, which I will give to him again. This Government has increased total spending on science and technology by 6 per cent. The granting council budget will be $1 billion higher than the previously approved levels. As I indicated to him, the tax regime in Canada is better than any of the other major industrialized countries.

We are clearly indicating through our actions, through our words, and through the leadership that the Prime Minister is providing, that science and technology are a very important part of the future of our country.

• (1200)

PROVISION OF MONEYS TO GRANTING COUNCILS

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, my question is also addressed to the Minister of Finance. The fact is that the rate of expenditure on science as a percentage of GNP has fallen and real expenditures by the Government have fallen. The words of the Government are never clear. We had the Prime Minister and the Budget indicating a $1.3 billion increase in R and D expenditures over the next five years, much of which, in the Prime Minister's words and in the Budget, were specified for centres of excellence and merit scholarships.

The Minister of State for Science and Technology now says that some portion of that will go for the granting councils. Will the Minister of Finance tell us if money is to go from that $1.3 billion to the granting councils? And will it go to the basic budget? Or will $400 million of it go into the overruns for the space program?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the answer to those questions will come in the fullness of time. We have indicated the $1.3 billion of additional spending that will be dedicated to science and technology. I will not go through the litany of other indications of the commitment of this Government to science and technology, but when the decisions have been taken for the specific recipients of the $1.3 billion, the Hon. Member will be the first to know if he is in the House when an announcement is made.

LORTIE REPORT RECOMMENDATIONS

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, that litany will be very short if we left out fora, general discussions and rhetoric. The scientific community is waiting for an answer from the Government. Will the Government respond to the Lortie Report and fulfil the promise of the Minister of State for Science and Technology and put money into the granting councils as the Prime Minister's own advisory council demands that it do?

**Hon. Michael Wilson (Minister of Finance):** Well, Mr. Speaker, I indicated just a few minutes ago with respect to the granting councils that the budget will be $1 billion higher—

**Mr. McCurdy:** That's not an answer.

**Mr. Wilson (Etobicoke Centre):** —than over the previously approved levels. Clearly that indicates what this Government has done and what it intends to do with the commitment it has made to science and technology.

**Mr. Berger:** What is the bottom line?

**Mr. Wilson (Etobicoke Centre):** There is no question that with the Prime Minister's leadership as the chairman of the National Advisory Board on Science and Technology, with his chairmanship of the conference in Toronto last month, we are

clearly getting leadership that was totally lacking from the previous Government—

**Mr. Berger:** What is the bottom line?

**Mr. Wilson (Etobicoke Centre):** —and was indicated by where the Liberal Party stood—

**Mr. McCurdy:** Where is the money?

**Mr. Wilson (Etobicoke Centre):** —as well as the New Democratic Party—

**Mr. McCurdy:** Where is the money?

**Mr. Wilson (Etobicoke Centre):** —on thwarting a major initiative to encourage science and technology in the pharmaceutical Bill. Both Parties voted against that. Both Parties voted against 4,500 jobs for science and technology. Both Parties voted against the $1.3 billion in additional funding from the private sector.

**Mr. Deputy Speaker:** There will be one question from the Hon. Member for Algoma and one question from the Hon. Member for Yorkton—Melville.

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## FINANCE

### REQUEST FOR REINTRODUCTION OF EARNED DEPLETION ALLOWANCE FOR MINING INDUSTRY

**Mr. Maurice Foster (Algoma):** Mr. Speaker, my question is directed to the Minister of Finance as well. The Minister knows his Budget contains no new assistance for regional development even though those regions of our country, without exception, the resource regions, have higher unemployment today than they did in 1981 after six years of growth in the country generally.

Will the Minister reinstate the earned depletion allowance for mining that has provided hundreds of millions of dollars for mineral exploration and development, as well as thousands of jobs, in those resource rich areas of our country which are still suffering from high unemployment? Will the Minister reconsider, change, and bring back that incentive for mineral exploration and development?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I cannot let go by some of the totally misleading statements made by the Hon. Member in his preamble. This Government has increased its funding on research and development from $490 million when we came into office in 1984-85—

**Mr. Foster:** Exploration and development in the mining areas.

**Mr. Wilson (Etobicoke Centre):** The Hon. Member is not going to get away with his interjections. He talked about regional development in total.

We have increased the budget from $490 million to something over $800 million, and that is before the Atlantic Canada Opportunities Program, the Western Diversification Program, the Northern Ontario program and the Quebec program, take hold. In addition, in 1988-89 the Member will see in the Estimates that are coming up in the next couple of weeks that there is a further commitment to research and development there.

As it relates to the flow-through shares, we have responded and improved the provisions for flow-through shares from what had been announced in the June tax reform statement, when I made my statement on the position of the Government on tax reform in December. We have improved the regime for flow-through shares. I have indicated to my colleague, the Hon. Member for Timiskaming, that I am prepared to meet with people from the industry, and arrangements are being made for that right now.

I do want to caution the Hon. Member that one of the key reasons for the concerns of people who have been recipients of the benefits of flow-through shares is the state of the securities markets today. There has been a major drop in equity financing. That has affected flow-through shares as well as all other forms of equity financing.

**Mr. Deputy Speaker:** The last question, the Hon. Member for Yorkton—Melville.

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## EXTERNAL AFFAIRS

### VICTIMS OF CIA FUNDED BRAINWASHING EXPERIMENTS— CONTRIBUTION TO MEET LEGAL EXPENSES

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, my question is directed to the Deputy Prime Minister. I am sure he is aware that yesterday the Secretary of State for External Affairs announced that some $20,000 would go out to each of the nine victims of a CIA-funded brainwashing experiment that took place in the Allan Memorial Institute in Montreal in the late 1950s and 1960s.

In light of the fact that in May, 1986, a report by Mr. Cooper, who is a former Conservative Member of Parliament, recommended that the federal Government make an *ex gratia* payment of $100,000 to each of the victims, why did the federal Government send out only $20,000 to each of those people?

I am sure the $20,000 is appreciated. However, in light of the fact that $100,000 was recommended by the Minister's own report, why is $20,000 being sent out instead of $100,000? Or do we consider the $20,000 as only the first installment?

*Motions*

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, this assistance is being provided to help these individuals defray their expensive legal costs. I find it rather strange that the New Democratic Party would take issue with this—

**Mr. Nystrom:** No, no!

**Mr. Mazankowski:** —when it was its own Leader that asked that a financial contribution to defray the huge legal costs be made. He certainly did not ask for an exorbitant amount but simply asked that consideration be given. The Leader of the New Democratic Party himself asked for precisely the kind of assistance we are now offering. I find it rather strange that the Hon. Member would take issue with it. This was done with the full knowledge that this is a very difficult situation. We hope it will help in some way to assist these individuals in defraying their huge legal expenses.

## ROUTINE PROCEEDINGS

[*Translation*]

### PETITIONS

GOVERNMENT RESPONSE

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-3703 to 332-3708 inclusive, 332-3721 to 332-3728 inclusive, 332-3754 to 332-3761 inclusive, 332-3783 to 332-3786 inclusive and 332-3800.

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[*English*]

### THE CABINET

TABLING OF INFORMATION ON GOVERNMENT CONTRACTS

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, last week I undertook to provide information to the House pertinent to the federal Government's contracts involving companies associated with Mr. Laberge. I am today prepared to table the preliminary analysis of the information which has been gathered to date, in both official languages.

### CANADIAN INTERNATIONAL TRADE TRIBUNAL ACT

MEASURE TO ENACT

**Hon. Stewart McInnes (for the Minister of State (Finance))** moved that Bill C-110, an Act to establish the Canadian International Trade Tribunal and to amend or repeal other Acts in consequence thereof, be now read the first time and be printed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

### NATIONAL HOUSING ACT AND CMHC ACT

MEASURE TO AMEND

**Hon. Stewart McInnes (Minister of Public Works)** moved that Bill C-111, an Act to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act and to repeal certain enactments in consequence thereof, be now read the first time and be printed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

• (1210)

### CANADA GRAIN ACT

MEASURE TO AMEND

**Hon. Charles Mayer (Minister of State (Grains and Oilseeds))** moved for leave to introduce Bill C-112, an Act to amend the Canada Grain Act and other Acts in consequence thereof.

**Mr. Deputy Speaker:** Shall the Hon. Minister have leave to introduce the Bill?

**Some Hon. Members:** Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

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### COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS—AUTHORITY TO TRAVEL

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, there have been discussions among the Parties and I think Your Honour would find that there would be unanimous consent for the following motions. I

will deal with them one at a time. They are to be placed immediately and to be voted on.

The first motion is as follows. I move:

That the Standing Committee on Fisheries and Oceans be authorized to travel to British Columbia from February 22 to 26, 1988 inclusive for the purpose of their ongoing study of the condition of aquaculture in Canada, and that the necessary staff accompany the committee.

[*Translation*]

**Mr. Deputy Speaker:** Does the Hon. Minister of State and Minister of State (Treasury Board) (Mr. Lewis) have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.

[*English*]

JUSTICE AND SOLICITOR GENERAL—AUTHORITY TO TRAVEL

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I have also had consultation with the Parties with respect to the second motion. I move:

That the Standing Committee on Justice and Solicitor General, and necessary staff, be authorized to travel within Canada for the purpose of continuing their ongoing study of sentencing, parole and correctional facilities, and visiting correctional facilities and holding public hearings in the following regions and during the following weeks:

(i) British Columbia—week of February 28, 1988

(ii) Toronto - week of March 20, 1988

(iii) Prairie Provinces—week of April 17, 1988

(iv) Québec—week of May 1, 1988

(v) Atlantic Provinces—week of June 5, 1988

[*Translation*]

**Mr. Deputy Speaker:** Does the Hon. Minister of State and Minister of State (Treasury Board) (Mr. Lewis) have the unanimous consent of the House to move the motion?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

Motion agreed to.



[*English*]

## PETITIONS

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I have the honour and duty under Standing Order 106 to present petitions signed by 150 residents of Eskimo Point, Rankin Inlet, Spence Bay, and Fort Simpson, Northwest Territories.

The petitioners are concerned about the possible detrimental environmental effects and the contribution to nuclear proliferation that might be occasioned by flying plutonium over northern Canadian territory as is proposed in the U.S.-Japan agreement.

Therefore, the petitioners pray and call upon the Parliament of Canada to recognize the dangers of such flights and to say no to the transport of plutonium over northern Canadian territory.

PROPOSED FREE TRADE

**Mr. Jim Manly (Cowichan—Malahat—The Islands):** Mr. Speaker, it is my privilege and responsibility to present a petition duly certified.

It is from a number of Canadians who point out that the very fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal, that the Government has no mandate to negotiate a deal, such as this with the United States, that the Mulroney-Reagan trade deal would reduce Canada's ability to plan the economic, social and cultural programs that we need, and that the deal would integrate Canada further into the North American defence industrial base.

Therefore, they ask the House of Commons to ensure that a national debate take place on the trade deal and that this debate results in a national general election before the agreement is finalized.

**Mr. Dan Heap (Spadina):** I have a petition duly certified by the Clerk of Petitions. It is from Canadians living in Toronto and in Halifax.

They are concerned with the trade deal negotiated by the Prime Minister (Mr. Mulroney) with the President of the United States because the Prime Minister had no mandate for that deal. In fact, he even promised that Canadian sovereignty would not be compromised. Yet he has signed a deal that weakens the economic and political sovereignty of Canada by removing the power of the Canadian Government effectively to control foreign ownership, or to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities between regions. It also fails to secure for Canadians access to the U.S. market which was the key objective in the stated negotiations.

Therefore these people call upon Parliament to dissolve, to allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

PORNOGRAPHY—SUPPORT FOR BILL C-54

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have the honour to present a number of petitions on two different topics. The first relates to Bill C-54, the anti-pornography legislation. It is from a number of residents of Robsart, Consul and Swift Current, Saskatchewan.

The second petition is from a number of residents of Swift Current, Saskatchewan.

They express their concern that pressures exerted by various permissive minority groups may cause Government to waterdown and weaken this legislation. The petitioners support the Bill which will make it illegal to manufacture, import, sell or rent pornographic material as defined in the Bill.

They call upon Government to pass Bill C-54 without dilution in the belief that the Bill gives recognition to the inherent dignity of individuals, particularly women and young people.

BLOCK AVERAGING OF INCOME

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have a further petition from a number of residents of Eastend, Saskatchewan. They note that farmers and fishermen for many years have enjoyed the right to block average their income and that the Minister of Finance on December 16, 1987 indicated his intention to eliminate block averaging.

Therefore, the petitioners humbly pray and call upon Parliament to take the necessary steps to retain block averaging for farmers and fishermen as recommended by the Standing Committee on Finance and Economic Affairs in its report on the White Paper on Tax Reform, Stage I.

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## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):** Mr. Speaker, I ask that all the questions on the Order Paper be allowed to stand.

**Mr. Deputy Speaker:** Shall all questions be allowed to stand?

**Some Hon. Members:** Agreed.

# GOVERNMENT ORDERS

[*English*]

## BORROWING AUTHORITY ACT, 1988-89

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-109, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

**Mr. Deputy Speaker:** The Hon. Member for Yukon (Ms. McLaughlin) has the floor.

**Ms. Audrey McLaughlin (Yukon):** Mr. Speaker, I am pleased to continue my comments on Bill C-109. Before Question Period I was discussing the idea that the necessity for such a large borrowing Bill would not have arisen if there were some indication in the Minister's Budget that there would be innovative measures to deal with regional disparity. For example, the Minister did not mention in his Budget speech that the Government has cut back $3 billion in regional development since 1984.

Looking at the current Budget from the perspective of regional development, which I am interested in because of the area I represent, it indicates that there will be $3 million cut in non-statutory programs. It is not defined in the Budget just exactly what these non-statutory programs will be. The non-statutory programs deal with the operation costs of federal Government subsidies to industry, payments to Crown corporations, capital spending, grants and contributions. This leaves the field wide open as to where the Government might decide to make these cuts.

My concern is that because we do not have the Estimates and we do not have any specifics about where these cuts will be, certain areas of the country, in particular the regions to the east, the north and the west which are most vulnerable, could be seriously affected by these cuts in non-statutory programs. Vulnerable is defined as those with the least votes in this instance.

As an example I mention a particular program in the Yukon and the Northwest Territories that has led to increased economic activity there. I refer to the economic development agreement with such sub-agreements as the one that deals with tourism. This has helped the small lodge owner to increase and to develop their businesses. It has enabled them to do some advertising to bring in the tourist dollars. This is but one example of the economic development agreement. These are non-statutory programs and it is therefore of great concern to us that these not be programs from which the Government will choose to cut. I refer to programs which stimulate investment in development in the more isolated regions of the country. These are vulnerable programs and give us great concern. They are the ones easiest to cut because of the fewer number of voters.

• (1220)

I would also point to programs oriented to the aboriginal people, the Native Economic Development Program and the special ERDA which have helped people in those aboriginal communities to develop small business and become self-sufficient, which should be an objective of all of us. We will be looking closely to see if the cuts in the non-statutory programs do in fact increase regional disparity, which is a very important issue for all of us across Canada.

I mentioned earlier in my remarks that it is my view and my Party's view that in presenting this Budget there were places where the Government could have looked to raise revenues. We have heard much about the increase in the corporate tax, and the corporations that do not pay taxes. One area where the Government systematically looks to raise revenues is from the pocket of the ordinary taxpayer. The Government has projected that this will be done again with the one cent increase on gasoline. This seems to be a repetitive theme, and that is part of the problem with this Budget and why under this borrowing Bill we are asked to approve such a large sum. All of the ideas of the Government are repetitive; there is nothing innovative or new.

For example, there was an increase in the tax on fuel in November, 1984 which amounted to almost 10 cents a gallon at the pumps. In the May, 1985 Budget there was an increase of two cents per litre or nine cents per gallon at the pumps. On June 27, 1985 there was another increase of one cent per litre on gasoline. In February, 1987 there was another one cent per litre increase, and in February, 1988 another one cent per litre. It seems to me that the Government is in a rut, and there must be other ways that I will suggest where that money could be raised.

I wish to say a few words about how this one cent per litre on gasoline affects the more isolated regions, regions like my own, the Yukon, the Northwest Territories, northern parts of the provinces, and the Atlantic provinces. That is where this type of tax hurts.

For example, in the far north our costs are very high. Our cost of living is anywhere from 30 to 50 per cent above that of Edmonton. An increase in fuel prices, even excluding diesel fuel, which I understand is excluded, really affects small business, or the person who has to make deliveries around the territory, where he or she may travel 1,000 miles to make a delivery. It is a serious problem for us. Every increase like this to the cost of living for the northerner is an exponential increase compared to that for people who live south of 60. It is still tough on them, but for us it is doubly tough.

Another aspect of the fuel tax is the thinking behind which the Government decides to raise revenue. Perhaps, as much as anything, this sums up the philosophy of the Government, and it is something that Canadians taxpayers will want to take note of. This one cent per litre tax will apply to aviation gasoline for propeller aircraft, for example, the Twin Otter, and the small aircraft used by bush pilots and charter companies, not only in the North, but in many small areas throughout Canada. However, the tax will not apply to jet fuel. Everyone knows that the revenues that could have been raised from jet fuel would be far in excess of those raised from taxing the small one or two person business or the small airline. This is an example of how the Government once again wants to hit the little guy, but it is hands off the jet set.

Northerners and those who live in more isolated areas are much more severely affected by these measures. for example, a simple thing in one sense like one cent on a litre of gasoline, will have very serious affects for a number of families and small businesses.

Another example of how the Government might have looked at some innovative measures that would reduce the need for the $23.5 billion that we are asked to approve on this borrowing Bill is to look at its priorities and its development.

In the Yukon the Alaska Highway is our one vital and key link for transportation, investment, and development. If that highway is not in a reasonable condition, and we are not asking for a four lane highway but a reasonable highway that can be travelled, our tourism and our ability to attract investment are significantly impacted. What is this Government's priority? It is to cut the budget by 50 per cent for this highway, our one link to the outside.

We heard the Minister of Indian Affairs and Northern Development (Mr. McKnight) say, "If you want to develop constitutionally, become self-sufficient". We are being told to become self-sufficient at the same time as funds are being cut which would have helped us to increase our self-sufficiency. It does not make sense, and that seems to be the thrust of much of this Budget.

The other area I wish to mention is what I referred to as the peekaboo sales tax philosophy of the Government. In the Budget report the Government talks about future reforms of sales tax. Anyone can read between the lines on that one. Between the lines it says, After the election, we will tell you what will happen. We have already felt the effects of the 10 per cent increase in the telecommunications tax. That again hits the isolated regions and the people who have to maintain contact with southern Canada for professional, business and family reasons, particularly in the riding that I represent. How does this help development? How does this help to raise revenues in order that we do not have to borrow as much as we do at this time?

I do not want to appear ungrateful, because I did note in the Budget that there was a removal of duties on model glider kits and burial shrouds. That will benefit northerners as well as other Canadians, and we are certainly pleased that this innovative measure has been taken at this time.

The introduction of the northern allowance was another way that the Government could have redressed some of the disparities that I have mentioned.

If the Government had made this a tax credit rather than a tax allowance, lower income and lower middle income people would have benefited to the same degree as higher income people. Certainly, it is a good measure, and I am not criticizing the measure, but it is a half measure. If it could have been made a deduction more people would have benefited, more people who now pay very high housing costs would benefit. But again it is only directed to those with higher incomes. The people with lower incomes have the toughest time raising their families in the North.

What about the other innovative measures that we have seen from the Government on raising revenues? Since the Government took office in 1984 personal income taxes have gone up a whopping 38 per cent, while the tax paid by corporations has increased only by 28 per cent. This leads me to one of the glaring inequities of the Government's philosophy of raising revenues.

We know that there are 60,000 profit making companies which still pay no tax. Last year there were more than 500 Canadians listed as making more than $200,000 a year who paid no tax. This is not very much comfort to the single parent who is raising two children, for example, on earnings at about the poverty line, somewhere slightly under $20,000, and has found her taxes going up each year from 1985 to 1987. Total taxes dropped from about $1,800 in 1987 to $1,355 in 1988 thanks to tax reform. However, the 1988 amount is still higher than the tax bill paid by that same single parent of $1,200 in 1984. It will be very difficult to explain to that person how the Budget will help her and that there is sound rationale for the amount of borrowing we must do at this time.

• (1230)

As we have said before, a minimum corporate tax would certainly have served to address some of these issues and to raise revenues in a fair manner and consistent with what we in the New Democratic Party feel, that is, that the burden of taxation should be spread across society, not just applied to the average person who is trying to raise his or her family. Each time a new Budget comes out, we see that that is who has been hit.

I should like to refer to one comment in *The Budget Speech* of the Minister which I think is quite important. It reflects on the amount of money that he is seeking approval to borrow. The revenues projected in the Minister's Budget are based on a very optimistic and rosy view of the economy. The Government says that in 1989 the rate of economic growth is expected to rebound with consumer expenditures buoyed by refunds from tax reform. I have just mentioned the situation of a single parent. It may be that the shareholders of companies that do not pay taxes will be out buying a bit more. It is a very hopeful scenario and, as a Canadian, I hope it comes true. However, we must look at what is realistic. It appears from the Government's figures, as I mentioned earlier, that there will be reductions in unemployment insurance contributions. We can expect more unemployment and reduced incomes. If they are making and contributing less, how can they possibly consume more?

The Canadian Manufacturers' Association and other investment counsellors have a less optimistic outlook for 1989. We hope that they are wrong, but perhaps they are looking at the Government's own figures and predicting more unemployment than the Government wishes to predict. Obviously many hopes and dreams are built into the Budget, and we will see what will happen.

I want to support my Party's point about minimum tax for corporations. What the Budget shows is that we must look at how to realign our spending priorities and our revenue raising priorities. There is a possibility to do that. It is not something that is pie in the sky; it can be done. We have certainly made a number of suggestions in that regard.

In summary, I want to refer to what is in the Budget for different groups, for example, women and families. There are increased travel costs. We see that money has been put into regressive tax measures which do not help average families who need child care. We do not see increased child care spaces so that those members of families who want to work know that while they are working their families are in safe, quality child care, and that the children of the future receive the break they need. We do not see anything in the Budget for these people.

I would also like to refer to what is not in the Budget for aboriginal people. We know that the first nations have many problems such as poor housing. They have a need for economic development, a need to receive assistance to establish a good economic base, and a need for social programs. We do not see any recognizable, targeted measures for aboriginal peoples.

What about the North? The North is only mentioned once in the Budget in reference to the northern allowance being excluded from the tax preferences which are subject to minimum tax. Certainly that measure is consistent with the principle of recognizing the extra financial burden of living in the North, but in fact it will only affect those with incomes of over $50,000. It will not affect the average northerner or the average single parent who is trying to pay for child care. Some men and women are looking for and want jobs. They do not want part-time or temporary ones. They want full-time jobs that are meaningful so that they can contribute to Canadian society, which will raise tax revenues and help decrease the amount of money it would be necessary to borrow.

Surely the deficit is of concern to every Canadian. However, I am suggesting that a rethinking of priorities is needed. We must all work toward reducing the deficit, but corporations and taxpayers alike should share the burden. At the moment individual taxpayers are carrying an unfair share of the burden. All the Budget does is underscore that with a one cent tax on fuel and a decrease in certain programs.

Do we really need to spend billions of dollars on nuclear submarines? It seems to me that that is a very good question. Often child care people and defence people are fighting it out

for the money. Spending on nuclear submarines, which fortunately the Government has said it will not use for any offensive purpose, is a very skewed priority and does not contribute in a meaningful way to our economy, to the North where many of these submarines would be located, or to reducing the deficit about which we are all worried.

Perhaps the Budget was designed to do nothing. In some ways it meets that criterion. Some people have called it a pre-election Budget. I guess it was a pre-election tranquilizer so that we would not notice some of the more serious ramifications of the philosophy behind the Budget. Once again they will make sure that the little guy pays. They are not going to tax jet fuel. No, they will not touch the jet setters, but they will touch the small guy or the small business. On reflection, the Minister has not really presented us with a "do-nothing" Budget, in that it is an indication of the Government's philosophy and priorities with which my Party and I have great difficulty agreeing. We do not feel that it addresses the major outstanding issues in Canada today.

On that note I should like to conclude by saying that Bill C-109 under discussion today is simply a reflection of the state we are in, the necessity to approve the borrowing of a large amount of money without knowing—we do not have the Estimates—exactly to what it is said to be directed and without knowing who will be vulnerable to the proposed cuts in the Budget.

The Government must take a serious look at its priorities. I can assure its Members that in the next election Canadians will be watching very carefully.

[*Translation*]

**Mr. Deputy Speaker:** Resuming debate. The Hon. Member for Laval-des-Rapides (Mr. Garneau).

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, I would like to take a few minutes to comment on Bill C-109, legislation that, if passed, will allow the Government to increase the national debt by $25.3 billion during the financial year starting April 1.

Mr. Speaker, the charge on a loan of $25.3 billion, if calculated according to the medium and long-term interest rates in effect today, will cost over the next financial year, and I am referring to 1989-90, a total of $2.5 billion. If interest rates continue to rise, this may well entail additional expenditures that will spread to future budgets.

Mr. Speaker, at the end of this financial year, Canada's national debt will have reached nearly $300 billion. Nobody has ever had that much money in his bank account, let alone his billfold. This is a lot of money, a little over $12,000 per Canadian man, woman and child. This money is largely owed to other Canadians, but nevertheless, the federal Government has to pay a certain amount of money annually just to pay the interest on the national debt, and these annual expenditures are now as high as $30 billion per year. This means that every Canadian man, woman and child would have to pay an average of a little over $1,000 per year in taxes just to pay the interest on the national debt. Obviously, when we realize that children, for instance, and some people who may or may not be in the labour force do not pay income tax, this is an enormous burden.

Mr. Speaker, on the Government side there is a tendency to say that the deficit and the debt we have today were created by the previous Government.

I would like to take a few moments to argue this point. The Conservatives are saying: "When you Liberals were in power, you had deficits, and now we are trying to deal with them". I may remind the Conservative Government that although we had quite substantial deficits in 1981, 1982, and 1983, it was because the world economy, so not just Canada but the entire Western world, was in an economic recession. It was the worst recession since the Great Depression in the thirties.

I hear businessmen, merchants say: "Deficits are always bad". Here is my usual question to those business people: What would you have done in 1982, 1983, 1984, when the recession caused high unemployment, what would you have done had the Government decided, in order to avoid any deficit, to cut most social programs, unemployment insurance, etc? Clearly, the first victims would have been people in need, but the second victims would have been merchants, businessmen, industries producing the goods that were bought by people who, even though they were depending on unemployment insurance or welfare thanks to that State intervention, had the financial resources to buy some consumer goods, which allowed a hurting economy to go through that period. Now, and this is what I am blaming the Conservatives for, if it is acceptable to accumulate deficits in times of economic depression and large unemployment in order to help unemployed workers survive a difficult period, this had practically no justification any more once economic renewal ensured that the rate of growth of the economy had gone up, and especially when after six years of economic growth, we found ourselves in a situation that is just as bad and even a lot worse than the 1981, 1982 and early 1983 recession.

Mr. Speaker, looking at the figures, we see that this Conservative Government promised wonders but did not deliver. Let me recall that during the elections, the Conservative Party made a lot of promises. Maybe two or three people referred to the deficit, but one of them, the Leader of the Liberal Party of Canada, Mr. Turner, raised the problem during the election because he knew the depression was improving, renewal had started since the middle of 1983 and this concern had to be addressed if we were to get out of the depression. But the Conservatives promised wonders. What did they promise for instance?

I shall now read what the Conservatives had promised. I have quoted this a number of times, but as the Minister of Finance (Mr. Wilson) seems to indicate that I am quoting out of context, I went back to *Hansard*, and instead of reading only one sentence, I shall now read an entire paragraph to

show that the Conservative Party had made very firm commitments to the Canadian people when in Opposition.

The population believed the promise made by the present Minister of Finance, who was then a member of the Opposition representing the Etobicoke Centre riding. On March 6, 1984, the Hon. Member for Etobicoke Centre stated what follows in this very House, and he may even have been sitting in the seat I now occupy myself.

I shall quote him in English, as the text I have before me is in English.

• (1240)

[*English*]

When the Minister of Finance (Mr. Wilson) was in Opposition and made a speech about the Budget, he asked himself questions and answered his own questions. He said:

> Then the question is: How would you cut; would you cut by raising taxes or by cutting government spending? Again the answer is very clear. We would cut spending. We would not raise taxes. Tax levels in Canada are already too high. Spending cuts are important for another reason. If we raise taxes, we provide more funds for politicians and bureaucrats to spend.

Can you imagine that, Mr. Speaker? When the Minister of Finance was in Opposition, not only did he say that a Tory Government would not increase taxes but he said that the reason for that was that the taxes were too high. I think I agree with him about that. He also said that raising taxes would give more money for politicians and civil servants to spend.

After three and a half years of this Tory Government, can we say that the Minister of Finance and all the Tory backbenchers who repeated his words during the election campaign lived up to their promises? Certainly not.

I have said on other occasions and will repeat once again, because it is so important in this debate, that this is a question of credibility. Can we trust this Government? Can we trust this Minister of Finance? He said in 1984, a few months before the election, that he would not raise taxes and that he would cut expenses. That was a commitment he made on behalf of his Party. Probably many Canadians thought that his Party was serious.

After three and a half years of administration by a Party which said it would not increase taxes, here is the list, not an exhaustive list but just a few examples, of the broken promises. Those broken promises go to the heart of the question of credibility. Can we trust this Party if it now says that it will not increase taxes in the future? Can we believe it? Are we prepared to vote for this Party? When this Party says it will cut the deficit completely or will reduce it to the level of $20 billion, can we trust it now? It lied to us in the past. I believe that when it does that once, it can do it again.

Here is the list of the new taxes imposed by this Government which said that it would never increase taxes to cut the deficit. Soon after it was elected, on October 1, it increased the federal sales tax by 1 per cent, from 9 per cent to 10 per cent. On January 1, 1986 it increased the manufacturers' sales tax by another percentage point to 11 per cent. On April 1, 1986, there was another increase of 1 per cent to 12 per cent. That is three increases in less than two years in the manufacturers' sales tax.

This Government which said it would never increase taxes increased the manufacturers' sales tax by 3 per cent and now more companies have to pay sales taxes, thus increasing prices to the consumers. The first extension to it was on July 1, 1985, and the second on July 1, 1987, for an additional half a billion dollars.

The sales tax increased from 8 per cent to 12 per cent on paint, wallpaper and toys on January 1, 1988. There was an increase in the gasoline tax, and the Minister deserves the gold medal for the gasoline tax.

• (1250)

The Tories say that when the Liberals were in power they increased taxes on gasoline. I ask the Tories, do they know why? It was part of a policy to Canadianize companies in the oil and gas industry, to make sure Canadians owned the resource, not foreigners. It was to make sure Canadians manage their own economy and to be both *les locataires et les propriétaires*. We had a policy to make sure Canadians own their resources but the Government cancelled that policy and retained the tax on gasoline. Not only that, it increased the tax to an almost unbearable level.

On September 3, 1985, that Government and that Minister put in place a two cent per litre tax on gasoline and diesel fuel. They added another cent on January 1, 1987. Another cent in February, 1987. Can you imagine, 4 cents in a very short period of time. A few days ago they added another cent to reach 5 cents per litre. Translate that into a gallon. A lot of Canadians are more aware of the Imperial system than the metric system. People my age understand the gallon but have difficulty with the litre. My children have no problem but I am getting old and I have a problem; that is why I want to translate it into gallons. Five cents per litre is 23 cents per gallon. When we take into consideration the 3 per cent increase in sales taxes, it adds up to 27 cents per gallon.

Can you imagine, in three and a half years that Party which said publicly it would help the resource industry, help the gas and oil producer, has increased the price of gasoline by 27 cents a gallon. I was not a Member of this Parliament in 1979 when the Hon. Member for St. John's West (Mr. Crosbie) tabled a Budget on behalf of the Tory Government which included a tax increase of 18 cents a gallon tax. The Government was defeated on that increase. If a Tory Government was defeated over an 18-cent tax increase, can you imagine what will happen with 27 cents?

That is not the end of the broken promises. That Minister, who said on March 6, 1984 that he would not increase taxes, has increased taxes on tobacco on four different occasions; the

first was on May 24, 1985, for $340 million, the second was on February 27, 1986, for $150 million, the third was on February 19, 1986, for $75 million, and the fourth was on January 1, 1988, for $175 million. For a Minister who said he would not increase taxes, that is quite a record.

That is only on the consumer side, though there are a few others. After having increased sales taxes, enlarged the base of the sales tax, after taxing gasoline, tobacco and alcohol, he had to look for something else. He decided Canadians were making too many long-distance calls and added a 10 per cent tax on those starting January 1, 1988. When you live in Toronto or Montreal you can reach two or three million people without making long-distance calls. The population is large and for your monthly fee you can reach millions of people. However, if you have the luck to live in remote areas like the Gaspé or the Northwest Territories you have to call long-distance much more than when you live in Toronto or Montreal. This 10 per cent tax on long-distance calls has a big effect on people living in the regions. The Government will raise close to $1 billion through that tax every year.

As well, on the consumer side, the Government has decided to shift the sales tax to the wholesale level and the same rate of 12 per cent will raise a lot more money than the 12 per cent at the manufacturing level. So much for consumption taxes.

[*Translation*]

Mr. Speaker, apart from consumption taxes, there have been income tax increases as a result of discounting the first 3 per cent of inflation. Without saying a word about it, without passing any legislation, without referring to it in his Budget speech, the Minister of Finance will take this year just under $750 million from Canadian taxpayers. This was not mentioned in the Budget speech. It is not without reason that I stated in my comments that the Minister of Finance had not kept his promise. Not only did he fail to do so by adding new taxes in each successive Budget, but he has also failed in his promise in a roundabout way, through the back door, by partially deindexing income tax tables, which is bringing the Government $750 million a year without a single word being said about it!

Mr. Speaker, there have been a whole series of measures: The partial deindexation of family allowances, the partial deindexation of the child tax credit, lowering the ceiling for the child tax credit, and so on. Mr. Speaker, I would like the Minister to explain something to me. When you add up all those measures, you get something like $22 billion in tax increases. Why is it, after having increased taxes by $22 billion and after the six years of economic recovery mentioned by the Minister, that he still needs to borrow $25.3 billion for the coming fiscal year?

If I were involved in a boxing match, Mr. Speaker, I would tell the referee to keep his eyes open, that someone is hitting me hard, for this Minister has increased the taxes. He claims that he has cut Government expenditures and that he has to seek $25.3 billion in borrowing authority. Yet, Mr. Speaker, we do not have the estimates, only total figures. We do not know just how much will go to this or that department or agency. We have nothing of that.

Mr. Speaker, we are certainly not going to let the House adopt Bill C-109 unless we get at least some information about the manner in which this Tory Government intends to spend not only the money it is now borrowing, but also all the old and new taxes which the Government is collecting every year. That is why we will certainly continue this debate as long as possible, because we believe that a Bill authorizing the Government to borrow $25 billion is important enough for us to wait until the estimates are tabled, I imagine, sometime at the end of this month.

[*English*]

**Mr. Deputy Speaker:** Questions and comments.

**Miss Nicholson (Trinity):** Mr. Speaker, I would like to ask the Hon. Member if he has any ideas thus far about where the Government is going to get the money for some of the programs it announced but which are not shown in the budget papers? Over the past year it has announced $1.3 billion for research and development, and defence expenditures which could go as high as $12 billion to $16 billion even though they are supposed to be phased in over five years. Those are not described in the Budget papers. The borrowing authority Bill before us requests $22.3 billion for financial requirements forecast in the Budget plus a $3 billion contingency allowance.

• (1300)

Has the Hon. Member any idea of how this $3 billion might be expended or how the Government can make it stretch to include all the other things announced, or does he anticipate that we will be seeing a lot of supplementary estimates and perhaps a supplementary borrowing authority Bill before the election?

**Mr. Garneau:** Mr. Speaker, I would like to thank the Member for Trinity (Miss Nicholson) for her question. I would be in a better position to answer the question if I knew when the election will be called. In my response to the Budget speech I talked about the slush fund for which Tory Members were crying. Just as I mentioned it, there was a lot of noise on the government side. I think I touched upon a very important aspect of the debate.

I am not suggesting that the $3 billion will be used for that, but we are informed that some of the Tory Members are trying to get information on what they can pay at the municipal level to help build roads or bridges. They are suggesting to the mayors that they may have a $5 million slush fund for the riding. That smells of election time.

In the old days the Minister would come clean with the Canadian people and the House and announce the programs from the ministerial benches. However, this Government has decided to go the sneaky way, just as it did with the deindexation of personal income tax. The Government is going through

the back door, saying that it will have a lump sum of $3 billion and will see whether it cannot use part of it for a slush fund to help Tory Members buy their elections.

However, there can also be other reasons for this $3 billion. In any Budget there is provision for things which are very difficult to budget for. However, the Government has announced close to $2 billion worth of new programs and there was nothing in the Budget about them. That is why we say that it would be imprudent for any member of this Parliament to adopt Bill C-109 before we see the Estimates. Then we will know into what programs the money will go. It may be easy for us to entertain you, Mr. Speaker, for a few hours more on this same matter.

**Miss Nicholson:** Mr. Speaker, all through the self-congratulation of the Budget papers the Minister said that he is on the right track in reducing the public debt. I wonder whether the Hon. Member who has just spoken had occasion to look at the November-December issue of the *Business Review* of the Bank of Montreal. That issue stated that far from being on the right track the deficit is in the process of going completely off the rails. That article suggested that if it were not for the creative bookkeeping used in the Budget papers, the 1987-88 Budget might in fact be almost $4 billion more than the figures presented to us.

**Mr. Garneau:** Mr. Speaker, I did have a chance to look at this report and I referred to it in my response to the Budget speech. As well as the Bank of Montreal saying that, *La Presse* of February 11—

[*Translation*]

—under the byline of Mr. Alain Dubuc, refers to these accounting devices used by the Minister of Finance (Mr. Wilson). This article by Mr. Dubuc reminded me that shortly after being appointed Minister of Finance—something my friend the Hon. Member for Trinity (Mrs. Nicholson) will certainly remember, he decided to change the accounting procedures across the board. Not only did he do that, but he changed also the manner in which the tax collectors remit the money to the Government. Before that, they had to do it every month; now, it is every 15 days; from now on, they will have to remit it every week.

If this Government were unfortunate enough to get reelected, I suggest it would ask them to do it on a daily basis. Mr. Alain Dubuc compared the situations and said: "The deficit in 1988-89 would be $31 billion compared to $36 in 1983-84", which means that on an identical accounting basis, following six years of economic growth, after having increased taxes by $22 billion, the deficit has been reduced by approximately $3 or $4 billion. It is surprising enough for a Government which had used deficit reduction as its favorite campaign theme.

This is why I said earlier that the debate is important because it proves one thing. It proves that the Conservative Party does not deserve our confidence after the solemn commitments they made: first they promised they would not raise taxes and, second, they promised they would lower the deficit by slashing expenditures. After three and a half years we can see for ourselves that the deficit has remained roughly at the same level through six years of economic growth, and that taxes have gone up considerably. To that extent I believe it is a question of credibility. I should think this is why polls show that their Party's popular support has dropped to 27 per cent. Come next election, people will vote for the Liberal Party because they have already indicated in the latest poll that it would get 41 per cent of their support. To put it another way, if an election were called their Party—it has failed to honour its election promises—would vanish from the front benches.

[*English*]

**Mr. Ian Waddell (Vancouver—Kingsway):** Mr. Speaker, it is with a great deal of pleasure that I rise on behalf of the New Democratic Party to speak on this particular Bill. This Bill seeks to borrow the sum of $25.3 billion over the next fiscal year. The figure comes from $22.3 billion in the Budget, which the Minister of Finance (Mr. Wilson) announced on Wednesday, and a contingency fund of $3 billion on top of that for a total of $25.3 billion.

In my speech I will combine my remarks on this Bill and on the Budget since they are intertwined. I will also put forward the views of my constituents in Vancouver—Kingsway. However, that riding is to be eliminated in redistribution and if the election is held after July of this year, that riding will no longer exist. Therefore, I will also try to articulate the views of people who live in the area of Port Moody—Coquitlam in Vancouver, those wonderful people in the riding in which I will run if indeed we go on the new boundaries. Many of the same problems are shared by those people. Indeed, the people of Port Moody—Coquitlam share problems with many people all across the country with the present economy and the present policies of the Government.

We in the New Democratic Party believe that the Government's 1988 Budget is a Budget of lost opportunities. It was not the time to stand pat but a time for action. The Minister of Finance had a real opportunity to move to greater regional fairness, to stop the rising interest rates, and to make the tax system fairer. The latter is of particular concern because, except for the large corporations which do not pay any taxes at all, Canadians pay taxes which are taken right off the top of their wage packets. They are the ones who wanted a fairer taxation system. Instead, the Minister of Finance chose to have a stand-pat Budget that does little for the average Canadian family.

• (1310)

The Budget provides for an increase in the gasoline tax of one cent a litre, which will cost the average family $50 a year. I want to begin by referring to that gasoline tax. Since I have been the New Democratic Party energy critic for some seven years, I have seen a seemingly endless increase in this tax. The Government appears to consider the Canadian motorist as a milk cow because it seems to add another cent a litre gasoline

tax in every Budget in order to raise another $3 or $4 million from the motorist.

I visited Toronto last weekend where, we are told, the economy is booming. It is one area of the country where the economy seems to be pretty high, but once one scratches the surface and considers the average family, one sees that most families cannot afford to live in downtown Toronto but must live in the suburbs and drive to work. The same situation is faced by many Canadians who live in the larger cities, including Vancouver where many people live in the Coquitlam area and must drive to work. One of the problems there is that they need additional rapid transit to help them get to work.

While the Government put a tax on gasoline, there is no *quid pro quo*, an earmarking of $300 million, for example, to upgrade the rapid transit system.

Some of the local mayors in the riding of Port Moody—Coquitlam, particularly the mayor of Port Moody and the mayor of Port Coquitlam, have been advocating that Canadian Pacific Railway permit the upgrading and the use of its lines, with some help from the federal Government, to support a rapid transit system into Vancouver. This would save money and travel time for their residents.

However, what action did the Government take? It added another cent a litre tax at the pump without earmarking that money for improvements. Many Canadians live close to the border and know that our price for gasoline is almost double that in the United States. There are two reasons for this. The first is that the Government continues to add taxes at the pump, to which provincial governments add the so-called *ad valorem* tax.

The second reason is that oil companies make too much money and have too great a profit margin on their gasoline. The five big companies that control the gasoline market in Canada represent a classic oligopoly. They continue to increase the price of gasoline, sometimes at the same time as the Government increases its tax. We may see the oil companies tag on an increase to the price of gas as a result of this recent tax.

Eventually Canadian motorists and consumers will say that enough is enough. We in the New Democratic Party suggested that one approach to energy policy would be to reinvest money as a result of an additional cent a litre tax at the gas pump into such things as rapid transit or possibly to help small Canadian-owned oil companies by establishing a floor price for them, for example, so they will still be in existence when we experience our next energy crisis. This would also prevent the oil industry from being taken over completely by the multinational oil companies, as is happening now.

The Government continues to increase gasoline tax. This is the fourth increase since the Conservatives were elected in 1984 and the cumulative impact has been $350 for every family that uses a car. This Budget gave the Government an opportunity to correct the unfairness in the tax reform package of last year. However, the Government did not take advantage of that and the result is that in 1988 the average family will be paying more than $1,100 in additional taxes than in 1984. Only the richest 2 per cent of taxpayers will pay less.

The rich will get a break and the middle class, who are basically assuming the tax burden in this country, will be paying an additional $1,100. During Question Period today the finance critic for the new Democratic Party, the Hon. member for Ottawa Centre (Mr. Cassidy), asked questions about a minimum corporate tax. Even Ronald Reagan can do that, so why cannot the Government in Canada impose such a tax?

Let me give some figures which we have compiled. Under the Conservative tax regime, the following very profitable corporations paid no taxes in the most recent year for which such information is available. In 1986, Alcan Aluminum had profits totalling $220 million and even received a tax credit of $32 million. Brascan had profits of $187 million in 1986 and received a tax credit of $2.3 million. Hees International had profits totalling $117 million in 1986 and did not pay any taxes. In 1986, Power Financial had profits of $132 million and received a tax credit of $1 million. Xerox Canada had profits totalling $115 million in 1986 and received a tax credit of $10.8 million. In 1986, Total Petroleum, on profits totalling $40 million, received a tax credit of $2.2 million.

In 1986 Wardair had profits of $70 million, with no taxes paid. In 1986 Pacific Western had profits of $39 million with no income tax paid. Repap Enterprises had profits totalling $34 million in 1986, with no taxes paid. Union Carbide had profits of $28 million in 1986, with no taxes paid.

Bramalea had $51 million in profits with no taxes paid. In 1987, Cadillac Fairview had profits of $95 million and received a tax credit of $12.4 million. In 1987, Carena-Bancorp paid no taxes on profits totalling $37 million. In 1987, the Hudson's Bay Company had $50 million in profits and received a tax credit of $15.7 million. SICO Camp had profits totalling $43 million in 1987, with no taxes paid.

The average worker in this country has taxes taken directly off the pay cheque. I talked to a crane operator recently who got a terrific job and made $2,000. He received a cheque of $1,000. He does not get a tax credit because it comes directly from his cheque. That is what the average Canadian family is saying is unfair.

The Government continues to resist meaningful tax reform in this area. The Minister of Finance had an opportunity to bring in a minimum corporate tax that would ensure that all profitable corporations pay their fair share. It is not meant to tax them out of existence, but to have them pay their fair share.

The revenue generated from such a tax could be used for such things as regional development. Yet, with this Budget, 60,000 corporations will continue to pay no tax.

That raises the other problem of regional development in this country. There are essentially two Canada's. One is the

area in the Golden Horseshoe in Ontario which has a booming economy, even though there are housing problems. The second Canada includes the rest of the country where the boom has not arrived. My own province has an 11 per cent unemployment rate. That is too high.

• (1320)

In an afternoon news broadcast in my province yesterday, it was reported that the school board received permission to apply to the federal Government for funds to feed hungry children. Hopefully, there will be no more hungry children in the schools. There is desperation in our province. We have food banks in Vancouver. Some people are better off, but many people are still unemployed. It affects the vast majority of people in the workforce as well because it is difficult for them to move from one job to another or to seek higher wages. It is difficult for them to make any kind of changes at all. It is difficult to commit themselves to a high interest, long-term mortgage to buy a house because they may get dumped from their jobs, and it is very difficult to find another job in the labour market in British Columbia.

The Budget also ignores that half of the jobs created since the Government came to power have really been in one province with about one third of the population of the country. The Government is well intentioned in trying to create jobs. We all want to see that. But when the Government throws out figures of how many millions of jobs it has created, it should remember that those jobs tend to be in a certain region of the country. We are not against that, but we want to see some regional fairness. Second, the jobs which have been created tend to be lower paid jobs in the service industry. One should realize the kind of jobs the Government has created.

My Party and I believe that Canadians were looking for fairness in the Budget, but nothing is offered to close the growing disparity between people in central Canada and those in the outlying regions of Canada, in the east, west and north. The Prime Minister (Mr. Mulroney) warned us last year that we are in the process of building two Canadas, one which is rich and promising and one which is underdeveloped and underemployed. It seems to me this warning remains true today. But the Minister of Finance has lost the opportunity to do something about it.

Major improvements in job creation, I believe, are being held back because of the preoccupation of the Bank of Canada with interest rates. In order to get the economic growth to continue in the regions, we need a policy of regional fairness and development and we need a policy of lower interest rates.

The Economic Council of Canada has said that a cut in interest rates would be the single most job creating initiative the Government could undertake and that it would provide for far better growth for the economy than the proposed trade deal. Economists like Michael McCracken of Informetrica have argued for lower rates to stimulate the growth and counter the possibility of economic decline following the stock market slide in October. But the Finance Minister continues to support the stance of the Governor of the Bank of Canada and has done nothing in his Budget to stimulate regional growth or lower interest rates which are, in my view, the most pressing economic problem in Canada.

The Canadian dollar has gone up so the Minister need not worry. He should forget about the old argument that we have to keep interest rates high to get foreign capital to come in and keep our dollar from falling. The time is right now to lower interest rates. That would help suburban families, the kind of family who lives in Port Moody or Coquitlam, who could afford a house and have more money left over because they would save on their mortgage payments.

I would like to conclude by addressing two further matters, first, the trade deal because it is tied in with the Budget. I cannot go into great detail about it, but I would say that many people in British Columbia were hoping that the trade deal would provide some answers for them. Many still assume that the deal provides the answer they wanted, that is, access to the American market. There would be unrestricted access to the goods and raw materials of British Columbia to the American market. But I say to them and to you, Mr. Speaker, that the fault with the Mulroney-Reagan trade deal is that it does not secure that access. In fact, it was a bad deal. Congress can still put countervails on our shakes and shingles and potash. It can still interfere with our logging and wood product exports. That is going to happen after the trade deal. So we have to ask ourselves, just as Canadians in British Columbia are asking themselves, what did we gain from this trade deal when we look at what we supposedly gained, access to the American market, which we did not, and compare it to what we gave up? We have entered into a continental energy policy. We have given away all our ace cards, all the control over our resources. I think it is a bad deal. That is a developing debate in British Columbia.

What we are going to need instead is for Canadians to do it on their own with a regional development program and a Canadian national development project so that we can provide full employment in this country. We in the New Democratic Party have put out a paper written by my friend, the Hon. Member for Essex—Windsor (Mr. Langdon), our trade critic. It is called "A Time To Choose, the New Democrat's Trade Option in Canada". I do not have time to go through it right now but I will say that we believe there are other ways of keeping what we believe in strongly, of stimulating the economy and providing jobs, than joining in an economic union with the United States, which will ultimately lead to a political union.

I mentioned some corporations which did not pay taxes. I mentioned the gasoline tax which is hosing the consumer again. I want to conclude by going through some figures to show what has happened to the average family since this Government took power. I am talking about an average family with two children earning an income of $35,000.

In November 1984 in the Government's economic statement there was an increase in the oil and gas prices. That cost $200, unemployment insurance premiums another $102, and sales tax increases another $150. That totals $450. In May of 1985 we had a Budget. There was an elimination of federal tax reduction. That was $100. Indexing was modified for $115. There was a cut in family allowance payments, $22.50. Cigarette and alcohol increases cost $75. Sales tax was broadened, which cost $150. There was another gas tax increase, $50. That was another $512.

In 1986 we had another Budget. There was a 3 per cent surtax, $170, a sales tax increase, $150, a cigarette and alcohol tax increase, $20. That is $340. In 1987, another Budget with another gas increase, $50, sales tax broadened, $15, cigarette and air tax increased, $35. So we are up to about $80 there.

On June 18, 1987, the tax reform comes in. There are changes in the tax categories, so we have to subtract $310. Now we have this Budget with the increase in gasoline tax, another $50. All this totals $1,124.50. That is the increase for the average family since this Government took office. I challenge the Government to deal with that and I challenge the Government to go to the country and face the average Canadian family who wants to see some fairness in taxes and in regional disparity. The Government should make this the kind of fair system that Canadians have come to expect.

**Mr. Henderson:** Mr. Speaker, I just want to make a brief comment and ask the Hon. Member to respond to it. I want to express my satisfaction with the Hon. Member's speech. He clearly outlined the problems that the one cent per litre increase in tax on gasoline would present to the people in the suburban areas of Vancouver, an area he represents, as well as people living in other large cities.

• (1330)

I would like to point out how it really hits areas such as the one I represent in Prince Edward Island, which is a rural area, where farmers and fishermen and those who can find jobs have to drive 30, 40 and 50 kilometres one way to and from their work or their place of shopping. Indeed, just to attend church services these people have to drive that many kilometres. An automobile is not a luxury anymore in those areas. It is a necessity. It is something that the citizens of the country have to rely on.

Another point that came out in the Budget was that farmers and fishermen will be exempt from this one cent per litre increase. I would like the Hon. Member to comment on this point as well. It is a very misleading statement because farmers and fishermen are also consumers. While they are exempt in terms of their on- farm activities and their fishing industry activities, they are still consumers. They still have to travel miles to and from their shopping areas and to all the other activities that they as ordinary citizens have to do.

I just want to set the record clear today. It is not quite right to say that farmers and fishermen are exempt. While they are exempt in their own farm activities, they are not exempt anymore than anyone else when it comes to their ordinary daily lives. Will the Hon. Member please make a comment on that point?

**Mr. Waddell:** Mr. Speaker, I agree with the Hon. Member with respect to farmers and fishers. He is exactly right. He also brings out the point that Canadians drive to work. In that respect I mentioned the suburbs. But in some cases such as in Prince George, British Columbia, if someone has to drive to a mill it is often out of town. In Pouce Coupe people have to drive to their work there. I will not advocate cheap gasoline prices. I think the American prices are too low. There is room for some taxation there and there will be some. The Americans will eventually get around to it.

There is also an argument for conservation when consumers have to pay a great deal for gasoline. Environmentalists will make that argument. There has to be a bit of a trade-off. I often find that the environmentalists who make that argument live right next to the Bloor Street subway line in Toronto. They do not live in Prince George where they would have to drive 30 miles to the mill. So we have to need a fair saw-off if you like.

What is happening is that the Government has reached the point where the consumer, the motorist, has become a milk cow. In every Budget it seems that there is another one cent per litre tax imposed. When I was energy critic, I used to know what I was going to say even before the Budget was tabled. I did not even have to see it. If someone asked me to comment on it, I could say that this is what they will be doing to the motorists. It was right all the time.

I think that at some point in time the Government will see rebellion from the motorists who will say, "Look, it is just too much". Motorists may be prepared to pay more if they thought that the money was going for something, not just for a Tory slush fund for an election or a pay-out here to let Grant Devine win an election. If they thought that it was earmarked for energy development, for conservation, for regional development or for rapid transit then they would probably agree to it. But the consumers, including the fishermen and the farmers, will not be fooled anymore. They will start to rebel on this point.

The former Minister of Finance, the Hon. Member for St. John's West (Mr. Crosbie) had a nasty experience when he tried to hose Canadians at the pump too fast. This time the Government is stretching out the agony. Canadians will be in agony nevertheless at the pumps. They will rebel at this point.

**Mr. Heap:** Mr. Speaker, I listened with interest to the Hon. Member on his comments on the Budget and on the borrowing Bill. I notice that he was concerned with interest rates and with the need to reduce interest rates. I also noticed that he made reference to a program of the NDP, our Party, as an alternative program, particularly emphasizing regional development.

I am wondering if the Hon. Member would comment further on the regional development program, including how that relates to the matter of lowering the interest rates. What is the connection between lowering the interest rates and building up regional development in a way that the trade deal with the United States would not do?

**Mr. Waddell:** Mr. Speaker, there a number of matters that could be included there. High interest rates make it harder for us in British Columbia to compete with the United States. The cost of financing our new investment now is 30 per cent higher than it is in the United States. Thus companies are locating south of the border rather than in Canada.

There have been a number of bankruptcies as a result of the high interest rates. The number of families who could not afford mortgages to buy homes has meant that economic development has not progressed because of the high interest rates.

The Government has to make a decision. Does it choose between ordinary Canadians who would benefit from low interest rates or does it protect its friends, whether it is in the oil industry or a certain group of Canadians who feel that inflation is the big problem and they want those particular investments protected? With our policy, which advocates lower interest rates, it would stimulate development. It would use the Government and not leave everything to the so-called free market. It would use the Government in partnership with private industry. It would use the tools of the Government to help in regional development to encourage it rather than putting all our eggs in the American basket. This would give us an independent economic policy and an independent foreign policy as well as an independent cultural policy.

Those are all part of our vision of Canada. We in the New Democratic Party think that that is the real alternative for Canada. We think that the place to start is in the economic arena. We will keep up pressure on this. The Government should tackle the Bank of Canada on the interest rates and force them down. It seems to us that this would be to the benefit of ordinary Canadians. The economy needs this or else we will go into another economic slump.

**Mr. Heap:** Mr. Speaker, the Hon. Member has given a good answer to the question of how lowering the interest rates would benefit the regions of Canada. Can he be more specific about the region in which he has his representation, that is, within British Columbia?

What I have in mind is that in downtown Toronto, which I represent, we have two kinds of banks. We have the banks on Bay Street, which are the beneficiaries, as he said, of the high interest rates. We also have the food banks a little further away from Bay Street where the people who do not benefit by the high interest rates have to go to eat if they are out of work. I believe in British Columbia they do not have bank head offices, but they do have some food banks. I understand there is a seriously high rate of unemployment in British Columbia.

I would ask the Hon. Member if he has examples of how lower interest rates could be used by people in the free market, as well as with the aid of Government, to meet directly the employment needs of some of the people of British Columbia.

**Mr. Waddell:** Mr. Speaker, I thank the Hon. Member for his question. Our big problem in British Columbia is that we have not diversified our economy which is still concentrated in mining, forestry and so on. We also export raw materials. When those industries are all right we have boom times, but when times are bad that is when we have bust times.

• (1340)

Increasingly, with other competitors across the world, those good times will not come back. We have to diversify our economy. We have to produce some of our mining machinery at home and sell it to the world. Similarly, with our forest industry, and so on. We have to develop some type of manufacturing industry to provide for our local people, and to use our raw materials and export those raw materials, especially to the Asia-Pacific market. There is a regional strategy for the Pacific region that makes sense.

It cannot be done when high interest rates are skimming off money and investment, and basically putting it in the hands of the big banks on Bay Street. We know that the Prime Minister and the Leader of the Opposition (Mr. Turner) are basically two boys from Bay Street, both corporate lawyers who represent the interests of the big banks and the big companies. Whether it is a Liberal or a Conservative Government, that is why we will always have high interest rates and policies that will not be for regional development. With the policies that we prefer, led by lower interest rates and by encouragement for regional development and stimulus in using the powers of the Government of Canada, we can have development in the riding of the Hon. Member for Spadina (Mr. Heap), and we think we can also have it in my riding in British Columbia.

If there was a New Democratic Government in this country, there would be a fair system of taxation, and there would not be one food bank left in the country.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, in taking part in the debate today on Bill C-209, which is an Act to provide a borrowing authority, I am somewhat amazed that the Government would expect those of us in the House, and Canadians in general, to accept the fact that it was going to ask to borrow $25.3 billion without even telling us what it is for. When most individuals in this House, and most Canadians throughout the land go to a bank, they do not get a blank cheque until they have some reason for borrowing the money. We should not be offering the Government a blank cheque until we have seen the Estimates and know exactly where it intends to spend this $25.3 billion.

Debate on this Bill coming directly after Wednesday's Budget heightens my disappointment with the performance of the Government, its spending, and taxation proposals. The Budget is certainly one of missed opportunities. It could

certainly have done some good for Canadians in promoting job creation and in fairness, the types of things that we think would be fair and equitable from a balanced Canadian view, and which would enable people to live with a great deal more security in this country.

Through this Budget, the Tories have demonstrated their lack of deep commitment to the cultural community activities. Today that is what I wish to focus on in attacking and asking the Government to take a look at where it will be spending the $25 billion extra that it will borrow. I want to know where it will be put, and in particular I would like to address the whole area of the cultural community. That is a very large constituency. They are the people who help to define us, explain us, and speak to us and for us in a very significant way.

I wish to point out that, for the cultural sector of our society, the November, 1984 economic statement presented us with $122.5 million in major cuts to all levels of federal expenditures. If that wasn't bad enough, and indicated their strong and deep commitment—if you pardon the sarcasm—to the cultural industries, let us take a look at what was done in May, 1985. I guess the Government was embarrassed because that community was spared any further cuts. However, in February, 1986, the Government started to repay for some of its sins of omission and it gave an allocation of $75 million over the next five years through dedicated programs. In 1987 there was absolutely no attempt at restoring the Government's earlier cuts. Now in 1988 in this Wilson Budget, we are told that there will be further reductions of $300 million in annual expenditures, but we do not know exactly where.

We do not have any details or explanations. The question is, will it be straight cuts and reductions across all programs and agencies? Will that be the fair approach, or will the Government pick and choose its friends, its winners and losers, or will certain agencies and programs be singled out to receive higher cuts? I think that Canadians will have to look very carefully at these Estimates and find out what the BBC boys and girls will be saying.

When I say the BBC, I am talking about the Back Bench Club who have some very interesting views of society. I would say dinosaur views.

Let us look at one particular area that seems of concern. The Government announced its intention to remove the provisions in the Income Tax Act that currently apply to the withholding tax to payments for the use in Canada of film and video tapes used in connection with news material gathered by foreign sources in our television programming.

At first glance this provision does not seem dramatic. It is the removal of a 10 per cent tax which provides the Government with somewhere around a million dollars. We do not have the actual figure. But this action will allow broadcasters an opportunity to obtain foreign news cheaper than at present.

Was this provision one that would assist the private sector in its bid for an all-news licence? I wonder if this was instituted as part of a side deal made with the Americans during the free trade talks in order that we could gather in more and more information from an American perspective. It is not American bashing, Mr. Speaker, that I am concerned about. It is the assimilation of American lifestyle, thinking, and action as the only way to look at the world. We are not Americans. We are Canadians. We have our own perspective. We have our own sense of what is right and wrong. That is what we want to see on our film screen. When we turn on the television set to watch the news, we want to see Canadian news from a Canadian perspective.

By removing the 10 per cent tax on films and videos that come from the United States, instead of encouraging an indigenous Canadian industry to flourish, in essence the Government has not contributed in any way to Canadian culture. It has only promoted the whole eyes and ears of Americans focusing in on Canada, absorbing their perspective, their viewpoints from their history and from their values. If that is a contribution to Canadian culture, then I believe that it is not the way that one would want to serve Canadians and Canadian values, and particularly Canadian sovereignty.

If the Minister of Finance (Mr. Wilson) was asking to borrow $25.3 billion and he included some expenses for some of his Party's commitments, then perhaps it would not be so discomforting or incompatible with the verbiage and the rhetoric to which we have been subjected since 1984.

Let us take a look at what the Tories had to say to us during the 1984 election when they made those wonderful strong commitments to Canadian culture. I would remind all Members who were Progressive Conservative candidates that six commitments were made in this area, together with the 360 some odd that were made in general.

The first was to maintain federal funding of cultural agencies in line with inflation. The second was to provide real growth in federal contributions to the cultural sector. The third was to look for other sources of funding for the arts councils and the cultural agencies such as tax credits. The fourth was to look for further financial assistance for the cultural sector by widening the sorts of enterprises which qualified under investment incentive criteria. The fifth was a thorough examination of cultural agencies such as the CBC, Telefilm, and the National Arts Centre. That was done through the Nielsen study and a few other studies, which I will come to. The sixth was the commitment to traditional arm's length relationships between Government and the cultural agencies. Let us see how the Government met its promises, its rhetoric, and its commitments.

• (1350)

First, in respect of the maintenance of federal funding and the provision of real growth, neither of these commitments has been met. In fact, the reverse has happened. In the 1984 economic statement there was a total loss of $122.5 million to the sector, and cultural agencies parliamentary appropriations

have not kept pace with inflation to this day. In 1987 the National Arts Centre received an actual 4.1 per cent decrease in real terms in its parliamentary allocation. In 1987 the Canada Council received a .1 per cent decrease in its appropriation. The CBC, our major cultural agency, suffered a staggering decline of 13 per cent in its spending since this Government took office. The amount of money available to the CBC today is only 87 per cent of what it was in real terms when this Government took over.

Instead of trying to stab it, snub it, or snuff it, I would suggest that the CBC be looked at and accredited with the incredible growth and development of all arts and cultural personalities and products in the country. Where else was there to grow and to be a national instrument which encouraged the development of Canadian talent in all sectors of cultural interest and all key support sectors such as film crews, editors, writers, creators in every field?

In that sense we can forget about the first two commitments. Let us turn to the third and fourth commitments, incentives to new funding sources. To this I can only say that instead of looking for new sources of funding, once again they have chipped away at existing provisions. This time it was at the 100 per cent capital cost allowance for films, which was finally enabling risk capital in a productive way. I have heard some people say that they were producing schlock or high art. Well, we should have the right to do all that here in Canada. If there are people who have the ability and foresight to see that this is a very good industry for Canada, they should be encouraged to do so. Instead the 100 per cent capital cost allowance for films was reduced to 30 per cent. That is no incentive. We can do better with mining shares.

Along with this situation we have the Government's inability to produce Canadian film legislation that will recognize Canadian film rights and give us an indigenous industry. This cut, along with some of the other things the Government has done, is putting the nail in the coffin of ever being able to develop a film industry indigenous to Canada. It is bending to American will, the voice of Jack Valenti whispered strongly into the ear of Ronald Reagan.

Turning to the fifth point, they wanted to do a thorough examination of cultural agencies such as the CBC, Telefilm, and the National Arts Centre. Well, they have done that. The former Minister of Communications certainly went out of his way on this promise. Let us remember the task forces—the task force on broadcasting at a cost of $2.8 million, the task force on national museums at a cost of $425,000, the task force on funding of the arts at a cost of $833,000, the task force on the film industry at a cost of $134,000, the task force on the National Arts Centre for $319,000, and the task force on the status of the artist at a cost of $50,000. Of course these are in addition to the Nielsen task force. In three and a half years of Conservative Government, there have been six major task forces and many other studies undertaken at a total cost in excess of $4.5 million.

What have been the results? Not only did the task forces make very credible suggestions to the House for consideration and action, but the Standing Committee on Communications and Culture tabled approximately 11 reports in the House. We have talked to the federal museum policy, the National Archives issue, and the Canadian broadcasting policy, but the Government has not cared to look at a single issue that we addressed. They have been ignored. If some of the Government's borrowing funds go toward meeting the needs addressed in the $4.5 million worth of study, not to speak of the cost of running the parliamentary committees and the open hearings we have had, at least then I would feel that we were a little better protected.

What about the last commitment, the commitment to the traditional arm's length relationship between government and cultural agencies? If the recent interference in the CRTC licensing of the CBC all-news service is arm's length, then I would suggest that the shoulder is moving down to the wrist. We have seen the most interventionist action ever in respect of the independent Board of Directors of the CBC, careful research, open hearings, and decision making of the quasi-tribunal members of the CRTC.

If, instead of spending some $11 billion or $12 billion on nuclear submarines, the Government could have taken action in a few really concrete ways, we would have had something more exciting to present to the cultural sector.

I have a few suggestions for the Minister of Finance before he prints his Estimates for artists and individual creators. I would suggest that the Income Tax Act be amended to define the term "professional artist" in line with the criteria set out in Revenue Canada's interpretation bulletin IT-504 and to define such other related terms as might be required. The standing committee made this recommendation to the Government as has the arts community over past years. The basis of the recommendation indicates that we should recognize artists in a defined class. We should not leave them to the whims of the court. They should be given special recognition under the Income Tax Act, and the definitions in IT-504 should be used as they are acceptable to the arts community and to Revenue Canada. They could certainly be used to have force of law protection for the artists instead of having them subject to whims and interpretations which are not always fair and well guided.

For the Government to do this would not be very difficult. The work has been done. The definitions are there. Current administrative criteria and recasting them for inclusion in *The Canada Gazette* would entail no new policy decisions. It would just be an adoption of new language which is seemingly difficult for the Department of Justice to put together. However, none of it is really that technical. From the point of view of the arts community, this approach would mean that the definitions would have status and would have far more authority than mere administrative guidelines. Further, the applicable guidelines could be cited in a court and could then

be used in decisions which might be difficult to arrive at under present guidelines, if they were embodied in the statute.

Frankly I find unacceptable the removal of the right of professional artists to use block averaging and the modified accrual basis of accounting. In June the Government proposed abolishing all averaging provisions. Mr. Speaker, are you indicating that I have one minute left?

**Mr. Deputy Speaker:** Today.

**Mrs. Finestone:** I will finish this thought and I will continue with pleasure the next time the matter is before the House. Also the Government proposed to erode significantly the ability of farmers to use the modified cash basis of accounting. It was able to do that for farmers and able to allow them to block average up to another five years with blocks starting in the 1987 taxation year. Unfortunately the rationale for abolishing averaging was based upon the argument that since there were only three tax brackets under the proposed system, averaging would not be needed. However, minimal calculations indicate that taxpayers in general and artists in particular with fluctuating incomes will fare much more badly under the new system than those with stable incomes.

The arts community feels strongly that it needs some sort of averaging system in the name of equity, but the Government has not seen fit to take any concrete action. I would be pleased to return to these issues; thank you very much.

[*Translation*]

**Mr. Deputy Speaker:** It being 2 p.m. the House will now proceed with the consideration of Private Members' Business as listed on today's Order Paper.

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• (1400)

## PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

### PEACE-MAKING

ADVISABILITY OF ESTABLISHING TAX CREDIT

**Mr. Jim Manly (Cowichan—Malahat—The Islands)** moved:

That, in the opinion of this House, in pursuance of a stated policy of peace and peace-making, the government should consider the advisability of establishing a 100 per cent tax credit which would allow residents of Canada who pay income tax, to transfer a portion of their tax to recognized Canadian or International agencies which conduct peace research, peace education or development projects aimed at promoting peaceful understanding in regions of conflict, such credit to be 100 per cent of the amount so transferred up to a maximum of the percentage of the national budget allocated to defence which is projected at 9.39 per cent for the coming year.

He said: Mr. Speaker, I appreciate the opportunity to speak on Motion No. 112. The effect of this motion would be to allow Canadians who pay income tax to transfer the portion of it which normally would go to defence purposes to a fund or series of funds that would be recognized by the Government and devoted to peace purposes, peace education, peace research or some kind of development program that would encourage the peaceful resolution of conflict in other parts of the world. This is the third time I have raised a motion similar to this for debate in the House of Commons.

Is is an idea that will some day be turned into reality. I hope that someday we will be able to turn it into reality in this House of Commons, perhaps even today if Members opposite are willing to consider this on its merits.

It is an idea that is being considered by people around the world as an alternative to the unacceptable measures of militarism which are not leading to peace and security in the world today. It is an idea that we recognize is never particularly popular with the Government. It was not acceptable to the Liberal Government—

**Mr. Dick:** Has anybody passed it in the world yet?

**Mr. Manly:** Nobody in the world that I am aware of has passed it. That does not mean that it is not an idea that has merit. The fact that nobody before Galileo and Copernicus recognized that the world was round did not mean that it was flat, did it? The fact that nobody in the world has passed this yet does not mean that it is not a worth-while idea.

There are two reasons behind this motion. First, it is to give effect to the concern of Canadians for freedom of conscience. Freedom of conscience is recognized in our Charter of Rights and Freedoms. Second, it is to provide an alternative to militarism. I would like to speak about both of these in turn.

Freedom of conscience is the first freedom that is guaranteed in the Charter of Rights and Freedoms. Yet we have never really defined what it means to Canadians. There is no question of conscience that is more central to people in Canada or anywhere else in the world than the relationship of individuals to the state, particularly with regard to the question of waging war.

This particular relationship of conscience has a long history. Dr. Jerilynn Prior is one of the people who is in the forefront of the struggle for freedom of conscience. She has appeared before the courts on this issue and has laid before the courts a document entitled *Peace Testimony of the Society of Friends*, a declaration the harmless and innocent people of God called Quakers presented to Charles II in 1660. This declaration reads:

WE UTTERLY DENY all outward wars and strife, and fightings with outward weapons, for any end, or under any pretence whatever; this is our testimony to the whole world. The Spirit of Christ by which we are guided is not changeable, so as once to command us from a thing as evil, and again to move unto it; and we certainly know, and testify to the world, that the Spirit of Christ, which leads us into all truth, will never move us to fight and war against any man with outward weapons, neither for the kingdom of Christ, nor for the kingdoms of this world.

This declaration made before Charles II was backed up by the lives of the Quakers, the Society of Friends, who refused to

go to war. Many of them were willing to go to prison rather than to go to war.

There are other historic peace churches including the Mennonites and the Hutterites who have had a long history of refusing to be involved in militarism. Canada has recognized that right over the years, particularly during the First World War and the Second World War when we recognized the status of conscientious objector. People who, on the basis of conscience, declared that they could not go to war were able to register as conscientious objectors and were put to some other useful work in the world. These people made a great contribution. No one can accuse them of cowardice or of not being good citizens. Rather, they are the very best of citizens because they see that good citizenship entails acting within the dictates of one's own conscience. They refuse to let their conscience be commanded by any state.

We are now dealing with an extension of the principle that people should not be forced to go to war against their conscience. We extend that to the principle that they should not be forced to pay for war or militarism against their conscience. In order to give effect to that, there is an organization called Conscience Canada which, over the last five years, has set up a peace tax trust fund in which people are encouraged to put that portion of their taxes which would normally go for defence purposes. Over the last five years, some 370 people have placed over $109,000 in that trust fund.

Perhaps we could get a better idea of what these people are thinking if I read from letters written by some of them. Mr. Wolfgang Blach of Montreal writes:

> I am doing this because I cannot agree to participate financially in the preparation of war, even indirectly through taxes. I also hope that this will press your government and mine to legislate provisions which would make this procedure official. Until that time I have to base my action on the Charter of Rights' freedom of conscience guarantee.
>
> Proposals to this effect have already been tabled in the House of Commons. It has not been taken seriously, probably because it came from across the floor. Please do not play war games in the house. If you think the proposal is inadequate, suggest amendments, but I urge you to at least consider such a bill with all the seriousness this non-partisan issue warrants.

Another letter came from D. Craig Summers of Kingston, Ontario, who writes:

> Nuclear weapons scare me. They have made our continued existence on Earth more precarious than when there were none. The present push by our "neighbours" to the south for a Star Wars safety shield also escalates our danger. Furthermore, the testing of US submarines at Nanoose Bay, BC, and the production of Cruise Missile components at Litton Industries in Toronto exemplify Canada's involvement in preparations for mass destruction. This is unacceptable, and the list goes on and on.
>
> Peace and international security will be found in equally sharing the vast resources of our earth, not through the most powerful nations coercing people into paying for military systems which threaten to destroy all of us, in order to maintain their political advantage and control. By paying taxes to the military, I feel as if I am killing people myself. In good conscience, I cannot allow my taxes to support such madness.

Dr. Jerilynn Prior who, as I mentioned earlier, is involved in a test case before the courts right now, said:

> As a person of conscience who would refuse to fight in a war on moral and religious grounds, I also refuse to pay for war on the same grounds. My constitution allows me freedom of conscience.

• (1410)

As I mentioned earlier, this is an international movement. It involves Canada, the U.S., Australia, Japan, and a number of western European countries. The people involved are not seeking to evade their responsibilities as citizens of nations where the peace tax movement is growing. Rather, they want to meet their obligations as citizens in a way that does not do violence to their conscience.

Second, I want to speak to this motion as an alternative to the growing militarism of our world. There is no reference in the motion to questions of conscience. It is an open-ended motion and if the Government wants to take a very strict approach to this, it could bring in legislation that would make a peace tax credit available only to people of conscience who, on that basis, could not pay taxes that would be used for military purposes. It would be a measure that limited a peace tax credit only to people who objected on the grounds of conscience. That would be a noteworthy first step which I would welcome. Indeed, I would prefer to see a much more open proposal from the Government. There are people like myself who are not opposed on the strict level of conscience to any payment of taxes used for the military. I am not opposed to that personally. However, I am concerned about developing alternatives to the growing militarism that we see in Canada and around the world.

One of the concerns I have about the Mulroney-Reagan trade agreement is found in Article 2003 which exempts so-called essential security interests from the provisions of the deal. What that means is that Canadian programs to help the different regions, economic programs for the Maritimes, for example, or the North, can and will be subject to American pressures and could be ruled to be unacceptable subsidies. The American tradition of providing help for the regions through defence procurement contracts will be completely exempt from the provisions of the deal. That means that if Canada wants to offer some kind of help to its regions, it is going to be more and more pushed into taking the same approach and using military procurement contracts and defence industries as the one acceptable way under this trade agreement of getting aid out to the different regions.

This is one more way in which we see the growing militarization of the Canadian economy. We can see the same sort of thing on a global scale. In an address as President of the United States, Dwight D. Eisenhower said:

> Every gun that is made, every warship launched, every rocket fired, signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and not clothed.

He continued:

> This world in arms is not spending money alone; it is spending the sweat of its labourers, the genius of its scientists, the hopes of its children.

If anyone knew the reality of war it was President Eisenhower. He had been Supreme Commander of the Allied Forces during World War II. He spent his life in the American military. Yet he thought it necessary to warn about the danger of the military industrial complex and point to the danger of growing militarization.

We can look at what that kind of militarization does to the world's economy. The Brundtland report entitled "Our Common Future" has a whole chapter on peace and security. It points out that in 1985 the world spent well over $900 billion for military purposes. Today it would be over $1 trillion, or more than $2.5 billion a day. The report says:

> The real cost is what the same resources might otherwise be used for:
>
> An Action Plan for Tropical Forests would cost $1.3 billion a year over the course of five years. This annual sum is the equivalent of half a day of military expenditure world wide.
>
> Implementing the UN Action Plan for Decertification would cost $4.5 billion a year during the last two decades of this century—the equivalent of less than two days of military spending.
>
> One of the greatest environmental hazards in the Third World is lack of clean water for household use, contributing to 80 per cent of disease. The UN Water and Sanitation Decade, although given only a small fraction of support needed, would have cost $30 billion a year during the 1980s. This is the approximate equivalent of ten days of military spending.
>
> To supply contraceptive materials to all women already motivated to use family planning would cost an additional $1 billion per year on top of the $2 billion spent today. This additional $1 billion is the equivalent of ten hours of military spending.

That is a distortion of world spending and it does not bring peace or security any closer. Quite the reverse. In the meantime, these other urgent needs are being neglected.

Surely there has to be some way for individual citizens to stand up and say to Governments that this stupidity has to stop. That is what this peace tax is all about. Militarism does not contribute to global security but to global insecurity. The intermediate missile agreement under which the U.S. and Russia agreed to scrap missiles contributed more to the peace of mind of the people of our world than all the billions of dollars spent to create those missiles in the first place. They are destroying something they built in order to guarantee peace in the world, yet the destruction of those missiles is the best move toward peace we have seen in recent years. Surely we should be able to grasp the irony of that situation. Yet we madly continue on this thrust to spend more money on militarization.

Veterans Against Nuclear Arms have emphasized the need for our world to develop an approach to common security. They have pointed to the folly and futility of our Government's policy of purchasing nuclear submarines. This is just not the answer to Canada's security needs. We need alternatives. No Party and no Government has a monopoly on stupidity or folly. Whatever Party is in Government, there has to be some provision so that individuals across Canada can suggest alternatives. That is what this motion does. It gives people a chance to vote with their money for some reasonable, sensible alternatives to growing militarism.



In conclusion, some people have raised the floodgate argument. If we have a peace tax provision, they say, it will open the door to all kinds of other special interest groups who will want an exemption from the tax. I would like to suggest two answers to that. First, we are talking about specific legislation for the peace tax. How many other issues would arise causing this particular kind of crisis of conscience? Perhaps one or two, I do not know. However, let them be debated and treated on their merit. Let us treat this issue on its merit.

Second, what would be so wrong in building flexibility into our tax system? We already do it for businesses. We do it for political Parties which get tax credits. We do it for charities. Why not for issues of conscience? We are talking about a policy of small steps where the people of Canada who believe in this approach would want to take the small step of working with some peace group to develop alternatives to militarism. In place of the present system I urge the Government to recognize the rights and conscience of the Canadian people and to recognize the contribution they could make to Canadian security if this measure was enacted.

• (1420)

[*Translation*]

**Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I am pleased to have this opportunity to express my views on the motion of the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), especially after having heard his arguments and comments on the motion. I might start with the suggestion that a 100 per cent tax credit be given to individuals, so that they can contribute part of their tax to peace organizations. Maybe we could start by having a look at the present tax system which allows charitable donations up to a maximum of 20 per cent of taxable income. Starting in 1988 the new system will allow a tax credit of 17 per cent on the first $250 given and 29 per cent on any amount above that.

As you know as well as I do, Mr. Speaker, for Canadian taxpayers a tax credit is preferable to a deduction, I would even dare say "more profitable". We know that charitable organizations will profit from these tax credits the same way they were benefitting from deductions. I would venture saying that peace is an objective, if not the first at least a secondary one, of several charitable organizations.

We also know that, if they so wish, Canadian taxpayers can contribute to the United Nations. There again, such contributions will be treated the way I mentioned. There is no doubt in my mind that the basic principle behind the United Nations, and its main objective, is the promotion of peace. So I think that Canada is very well covered in that respect.

I heard my colleague talk about extending that amount to peace organizations and maybe two or three other about which we do not know yet but they will eventually be identified. At the same time, he asked for more flexibility into the Canadian

tax system. Instead of flexibility, Mr. Speaker, I believe that when introducing his tax reform last December, the Minister of Finance (Mr. Wilson) has brought us more simplicity. If ever this Governement or this Parliament decided to strike a peace tax, plus other taxes concerning the two or three other elements that my colleague talked about, saying he did not know what they were but that, at some point, suggestions would be made to that effect, we would embark in a tax system that instead of being simplified would be once again far more complicated, and that is precisely what we do not want and precisely why we have been presented a corporate and personal tax reform.

As you know, Mr. Speaker, the previous Liberal Government used to enjoy bringing into every Budget seven or eight new measures that would further complicate the system, and introducing into the Income Tax Act all kinds of social measures, measures affecting culture, regional development and so on, none of which would properly fit in an income tax legislation.

**Mr. Prud'homme:** As a future Minister, try to be more generous.

**Mr. Vincent:** Mr. Speaker, I am happy to see that my colleague—and I will not say that he is the only Liberal Member present in this House, but my colleague the Hon. Member for Saint-Denis (Mr. Prud'homme) is listening with interest to what is being said and is eager to take part in the debate. I therefore invite him to join the debate—

**Mr. Prud'homme:** As a future minister, you might show some degree of elegance!

**Mr. Vincent:** —I am inviting him, Mr. Speaker, to join the debate immediately after I have completed my comments on the motion by the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Speaker, as I was mentioning, the Income Tax Act is meant to raise money, however distasteful that may be; I know that it is not something you like, and I do not like it either! However, income must be collected so that it can be redistributed to Canadians.

The Act is not meant however to foster cultural or social development—that is not the purpose of the Income Tax Act. There are departments and ministers of the Crown working just for that purpose, with budgets just for that.

Mr. Speaker, once again, we are opening a door without knowing where it will lead us. Even my colleague mentioned that there might be other sectors, two, three, four or five, and for what purpose? Mr. Speaker, I do not think that this is something we can afford.

And there is the other question which my colleague has not discussed and which I would have liked him to address: How would these organizations which promote peace be defined?

Mr. Speaker, you can readily appreciate that confronted with this kind of question the Canadian Parliament would be hard pressed to define "organization representing or promoting peace".

There are 282 Members in this House, Mr. Speaker, and I am convinced that if they were asked to come up with a definition there would be just as many answers. You can imagine the mess we would be in!

Again, Mr. Speaker, keeping in mind the fact that you may make a tax deductible contribution to United Nations-registered charitable organizations and claim a tax credit beginning in 1988 . . .

Yesterday, Mr. Speaker, I had the pleasure of meeting with 120-odd students from Trois-Rivières' Kéranna School. These young girls came to Ottawa to see their Member of Parliament, of course, and we exchanged views concerning weapons, Cruise missiles and other issues of great interest to them. I told them that Canada's policy is to promote disarmament. I think that Canada is making a worthy contribution to support disarmament on the international scene, and hopefully time will come when people the world over will be talking about peace.

That is pretty well along the line of the motion introduced by the Hon. Member. We have accomplished a lot of work on the international scene, and we will continue to make progress in that field.

The Hon. Member advocates a special tax or a deduction for peace, it does not matter how he calls it, but the system is already in place. When it comes to disarmament Canada has made a name for itself in international quarters, Mr. Speaker, and I would suggest that we should not make any attempt to change a system which operates quite well and gives good results.

Mr. Speaker, instead of adopting the motion I think it might be a good idea to enquire whether the Hon. Member might have questions or comments concerning the point I have just raised.

[*English*]

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, the proposal put forward today by the Hon. Member for Cowichan-Malahat—The Islands (Mr. Manly) has an amazing principle involved with it. What he is really saying is that the Government should have the right to set tax rates and to determine how much might be payable by any one taxpayer. It is that taxpayer who is to determine how that money is actually to be spent. The taxpayer will instruct the Government how his or her tax dollars are to be spent according to his or her wishes.

The administrative problems alone, Sir, would be almost insurmountable. This is against the very purpose of the state's existence.

• (1430)

Why we as human beings have arranged our affairs so as to have various countries, varies states and provinces is so that we can undertake collective action on behalf of us all. In the perfect scheme of things, I suppose one would not need the state. The state would wither away, as has been suggested by people at certain times. But the simple fact of the matter is that, particularly for reasons like national defence, we need the institution of the state. I will return to this idea a little later in my dissertation.

If we were to let the Member get away with his suggestion this afternoon, what about the other side of the coin? Can we apply it vice versa? The Government of Canada spends a lot of money in the promotion of peace right now. A lot of our diplomatic efforts are designed for that end. We spend over $1 billion on things like CIDA to try to promote peace and development throughout the world. What if someone objected to that and said they did not want their money spent on diplomatic peace initiatives or on CIDA, but preferred to have their tax money spent on armaments? Would we allow that? It is exactly, precisely the same argument.

In the very unlikely event that the NDP ever forms the Government of Canada, which I do not think will happen, what would happen? As I understand it, one of the first things that the NDP would do is institute a system of abortion clinics throughout Canada, paid for by the state. This is the goal that the Hon. Member supports. I do not know how he squares that with his conscience, but it is something that I could not support, in my conscience.

He spoke at length about freedom of conscience when he proposed his motion. If, God forbid, the NDP did come into power and did institute that, would it be possible for people to refuse that their taxes be used for that purpose and to declare that they want their taxes used for research on better methods of birth control? Is that what the Hon. Member or the New Democratic Party wants?

I understand as well that if the New Democratic Party ever got into office they would like to implement nationalization programs. I understand they would like to nationalize banks and oil companies. That is completely contrary to the way I think, but should I, as an individual whose view at that time would not represent the majority, be able to say that I do not want my tax dollars used for that purpose? I do not think the Hon. Member for Cowichan—Malahat—The Islands would agree with that.

Let us consider the Canadian Broadcasting Corporation for a moment. I understand it uses about $800 million a year of taxpayers' money. Not all of us like all the programs that are put on CBC.

**Mr. Prud'homme:** Talk about the motion.

**Mr. Nickerson:** I am talking about the motion, precisely those principles that are contained in the motion. If the Hon. Member would care to listen more attentively he would find that out.

Should it be possible for someone to say: "I don't want certain of my tax dollars to be used by CBC to put Archie Bunker on TV because I would rather look at something else". Is that what the Hon. Member is suggesting? I am sure that he would say no. In a way, perhaps the answer to a question like that should be yes. I think there is a way that can be accomplished.

This leads me to the second point of my argument. I said before that the Government and the state is, of necessity, an instrument of coercion. It has to be in order to perform its function. It is important in areas such as national defence that all should bear a fair share of those necessary expenses.

However, when it comes to things like broadcasting, it seems to me that in those areas this is not necessary. If we have a free market in the maximum of areas, that is where we can have our individual choice. In my opinion, the state is involved in far too many things. The state should remove itself from many areas of human endeavour where it intervenes at present. That is how we can get an individual choice and have the concept of one dollar, one vote.

If the state was not involved in broadcasting a person could use his or her tax dollars that presently go toward the CBC to subscribe to the pay TV channel of his or her choice. In my opinion, that would be a good idea rather than letting the CBC and the state decide what is good for us to watch. People, themselves, can then choose. If people had the real choice, I wonder how many would prefer that their donation go to REAL Women, for example, rather than the National Action Committee where many tax dollars are spent at the present time.

How do we maximize individual freedom of choice, individual freedom of conscience as the Hon. Member supposedly would want to do? In my opinion, it is by minimizing the presence of government. That is the difference between the Conservative philosophy and the socialist philosophy. If the Hon. Member was really true to what he is saying, he would be running over to join us on this side of the House rather than sitting there with his socialist friends.

[*Translation*]

**Mr. Marcel Prud'homme (Saint-Denis):** Mr. Speaker, I must say that the considerations on this important subject have also given us a general overview of all other issues that attract the concern of Canadians.

I would like personally to congratulate the Hon. Member who presented this motion. The Hon. Member is a practical man, and he realizes his motion will probably never be implemented.

However, my reason for commending his proposal is that the Hon. Member gives us an opportunity to air our thoughts and consider some very important current issues. I agree there is a

vast difference between his views and the views of the Hon. Member for Western Arctic (Mr. Nickerson) who spoke earlier.

[*English*]

He said that is the difference between Conservatives and socialists. You may say that there is a difference between a progressive and a conservative. I do not understand why we should put abortion in this debate because to go through an abortion is such a painful and agonizing decision for a woman. I do not see why we should put that into a debate of the kind we have this afternoon, even though I totally disagree with the people who, after the Supreme Court judgment, celebrated with champagne because they won. I do not know what they won. I think this question is too painful to celebrate the decision of the Supreme Court of Canada.

• (1440)

On the subject matter raised by the Hon. Member, I want to say that I am extremely interested. That is why I stayed this afternoon.

[*Translation*]

—because the Hon. Member has once again given us an opportunity to reflect—as I am very fond of doing myself—on issues that should be very important to us, and I am referring to peace and security.

The Hon. Member for Trois-Rivières (Mr. Vincent) said that Canada made its mark thanks to similar initiatives. I knew Mr. Pearson. I was elected under Mr. Pearson. I was elected under Mr. Trudeau. I am not a disciple of either man, even if I was a Member of Mr. Pearson's Government, but I have great respect for these two great Prime Ministers who have left their mark on the people and the youth of my generation by stressing the importance of these concerns.

In fact, I was Chairman of the Committee on Foreign Affairs and National Defence which had the privilege of reporting to the House on the last day the previous Liberal Government was in power. On Mr. Trudeau's last day as Prime Minister, I had the honour of reporting back to the House—in time, I may add—on a Bill he was very anxious to see adopted, and I am referring to the Bill to establish the Canadian Institute for International Peace and Security. I would urge Hon. Members to read *Hansard*, both for the remarks made by the Hon. Member—I will call her Ms. Jewett, because you know I don't like calling people by their riding, although I realize it is against the Standing Orders—and for what Mr. Trudeau had to say that day.

So if young Canadians would like to read an interesting debate, they should look at what was said on June 27, 28 and 29, 1984. These are approximate dates, Mr. Speaker. These debates led to the establishment of the Institute for Peace and Security. For the benefit of the Hon. Member who spoke before me, I would say this proves that the previous Government was concerned about both security and peace problems in the world.

I do not see why the Hon. Member should be blamed for forcing us, on a Friday afternoon when most Members have already made a hasty return trip to their ridings, I hope, not on holidays . . . I for one will be in my riding all week . . . but to meet with our constituents during the mid-winter break. Like you, Mr. Speaker, I will go to my riding, but I know one thing, namely that the issue is important enough to justify my staying here late into the afternoon, to force us together openly in front of Quebecers who are listening to me—

[*English*]

—in front of Canadians who should be interested in this question of peace and security and how to achieve it. So I am certainly not going to blame the Hon. Member for obliging some of us to reflect on how we could help to find a solution to the problems of tomorrow.

We live in a world of pure madness where more and more and more we believe we can create jobs by spending billions of dollars on ammunition. When we talk about a few million dollars, a few hundred thousand dollars, we should reflect on how to use the money to find solutions so that people in the world can live with each other. We must find solutions in the Middle East so that the Palestinians can also be recognized as men and women with a passport, so that Iran and Iraq can stop this unbelievably stupid war provided so gently by the billions of dollars of armaments they buy in the west.

Therefore, I will not blame the Hon. Member for obliging me to reflect on how we can find a solution. He is putting forward a very good resolution. He knows it will not take place, I regret to say, but at least he is putting something forward. He is obliging us to reflect and admit that the world is going crazy. Money, money, money. Nuclear submarines. Everyone says they want them built, but one person will say to build them in Quebec and another will say to build them in the Atlantic provinces.

As I look at my hon. friend from western Canada, the Hon. Member for Capliano (Mrs. Collins), who I know would like to participate in the debate, I think she would say: "No, no, they should be built in my part of the country". But there should be some young people who say: "You politicians, instead of asking where will they be built, is there not one of you who will say, should they be built?"

[*Translation*]

That is important to me, Mr. Speaker. You see, they argue to find out who will build more and more, always more and enough to kill one another 1,000 times over. Well, I like people who say: Is there no alternative, could we not get together and try to find fresh approaches just so people will get better acquainted? I am one of those who passionately believe in what Mr. Gorbatchev is trying to do—and many of my colleagues will probably be shocked. Mr. Gorbatchev is advocating a major policy of *glasnot*, a policy of openness. I have very cynical colleagues in all political parties who tell me:

[*English*]

All this is bluff. I said last night to someone from the Soviet Embassy that if it is bluff, I call his bluff and we will see. If it is bluff, if it is not genuine, there will be politicians who will revert to the good old days of the cold war. But a Member of Parliament on a Friday afternoon before adjournment asks us to reflect on a proposal that is quite complicated—he must admit that himself. In order to force us to reflect, he has to propose something. This is what the Hon. Member has done. We could attack each other and be partisan about it. I did not want to answer Hon. Members who spoke point by point because, after all, we live in the British parliamentary system where people can and should have strong views on many issues. I, for one, instead of being partisan, want to thank the Hon. Member who made me stay here on a Friday afternoon, although in good company. Your company, Mr. Speaker, is always delightful, and I include the staff, the young pages and all my colleagues. I will reflect with the Hon. Member. We will pursue our journey toward a better understanding of the world in order to achieve a better world. That kind of proposal is the kind of proposal that deserves at least to be studied, and I thank the Hon. Member.

**Mr. Dan Heap (Spadina):** Mr. Speaker, I am very glad to have a chance to speak in support of this motion. I recognize that the time is running short, and I will do my best to leave a share of the time for the Hon. Member for Capilano (Mrs. Collins) who, I understand, also wishes to speak.

The first point I wish to make is simply to reiterate the focus of this motion, which is 100 per cent tax credit to be transferred to a recognized international agency for peace. If it were enacted, this would be a democratic decision supported by a majority of Parliament, if it so decided, presumably with the backing of a majority of people in this country, and channeled into things that were recognized as peace activities. It would not be the whim of a private individual. However, what this proposal does is to raise a principle of the individual conscience, and of the right of the individual, which has a long history in western culture and in what we call our democratic tradition

In 1709, for example, the Quaker colony of Pennsylvania was ordered by the British Crown to provide funds toward the cost of an invasion of what we might have called French Canada. The Quaker colony of Pennsylvania refused to provide the money. I do not know the details, but I would imagine that in 1709 some Canadian lives were not lost because the Quaker colony of Pennsylvania refused what was then a lawful order of the monarch of Britain. What happened to the Quakers when they did that, I do not know. A couple of generations later there was a revolution in the Thirteen Colonies. I believe that Canada benefited because those Quakers disobeyed the British monarch.

• (1450)

Earlier there is the tradition that St. Hugh of Lincoln disobeyed one of the most famous British kings, Richard the Lion-Hearted, because Richard wanted money to go and make war against France. Whatever money St. Hugh of Lincoln did not give to Richard the Lion-Hearted, although he was disobeying the law and the king, probably saved some lives. We do not know whose ancestors those were, but I am glad that he did it. I am glad that there are those examples, and there are many others in history.

They have continued to the point where Archbishop Hantausen of Seattle in the United States has been charged with refusing to pay his taxes. He looks out of the window of his archiepiscopal office at the Trident submarine in the bay in front of him and he states, "That is offensive to human beings and to God. I will not give my share of my money to finance such an offence". He is breaking the law, but he is prepared to suffer for it. I thank God that there are people like that. Some people are in a position to do that directly. Many of us with tax deductions do not know how we could do it if we so decided, but at least this suggests the beginning of a development of that principle.

I want to move on to point out why people in a modern society may feel that the only equivalent they have to refusal to bear arms—which is a tradition that we do honour. We do exempt people who conscientiously refuse to bear arms—and why others say that their way of being forced to share in the killing is through their taxes.

This week many of us had the benefit and the pleasure of meeting with Veterans Against Nuclear Arms. This is an organization of Canadian veterans, many of whom served with distinction as officers, some of whom were decorated in World War II and in other wars.

They have asked us to consider the principle that the defence paper of the Hon. Minister of National Defence (Mr. Beatty) leads us into serious errors, for example, when it talks about having stable mutual deterrence through nuclear weapons. They point out that, with the airborne sea-launched and ground-launched long range cruise missiles, the Trident II and Typhoon submarines, the MX missile, and the planned Midget Man missile, the BI bomber, and so on, we do not have stable deterrence. We have more and more unstable deterrence. The refusal to help in building those is an act in defence not only of the safety of some foreigners, it is an act in the defence of the safety of Canadians. We would be the meat in the sandwich if there was a nuclear war.

The Veterans Against Nuclear Arms have also pointed out that the defence policy proposed completely ignores the United Nations. It abrogates blind support of NATO, ignoring the fact that NATO in its foundation undertook to be subordinate to the United Nations. One of the principles in its charter is that differences shall be negotiated rather than settled by force. That peaceful principle of negotiation has been ignored

by NATO, and the United Nations is ignored by Canada's defence policy.

This week those veterans spent their time coming to Ottawa to remind us of some of our basic peace traditions. I believe that, whether they agree or not with this peace tax proposal, they are recalling us in the same way as did the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), and the Hon. Member for Saint-Denis (Mr. Prud'homme). On one point, I would even agree with the Hon. Member for Western Arctic (Mr. Nickerson). If somebody stated that they did not want their money to go to an abortion clinic, but that they wanted it to be spent on family planning education or family planning facilitation, I could accept that. I think that that would be a sound way of allowing serious differences of conscience on important matters.

I hope that this peace tax proposal will be given serious thought by Members of Parliament on all sides.

**Mrs. Mary Collins (Capilano):** In the few minutes left this afternoon to speak on this Private Member's Motion, I would like to make a few comments. In putting forward the motion, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) deals with two different issues. The first would allow for individual taxpayers to reallocate some portion of their income tax which would ordinarily go for defence purposes, and instead give it to peace organizations or those involved in overseas development.

In that respect, I cannot agree with the motion. We are all in agreement with finding ways to promote peace around the world. For many of us, that was one of the underlying reasons that we wanted to serve the Canadian public and be part of the parliamentary process. To provide a system such as the peace tax, as the Hon. Member proposes, would, in my mind, lead to financial chaos.

In our parliamentary system, usually once every four years, Parties put forward their programs, and suggest what their priorities will be and how they plan to allocate funds during the time that they are in office. The public is then aware and participates in a whole variety of ways in the development of legislative processes, as we had with the Budget yesterday, and that is the way that we decide on these types of issues and on the appropriate priorities.

I know that my hon. colleagues from another Party will have different ideas about how we should allocate tax money and have different priorities, as perhaps would Members on this side of the House. But to allow individual taxpayers to make their own decision, to have a shopping list on the income tax form where they check off if they believe in agricultural payments, or that they do not like this item, would not be a workable solution.

The recent court decision mentioned by my colleague upholds that point of view. In that decision, Federal Court Justice George Addy stated that this type of approach would lead to chaos. He told Dr. Jerilynn Prior:

> There are practical obstacles to allowing Prior to withhold payment of taxes for defence purposes.
>
> One can easily envisage government actions and policies—to which certain taxpayers and possibly a great number of taxpayers might conscientiously and out of deep and sincere moral and religious convictions, consider to be totally wrong, reprehensible, unjustified and even evil—

Justice Addy further stated:

> One such issue on which public attention is being focused today is the extremely divisive question of whether public money should be expended for abortions.
>
> If each taxpayer who might be conscientiously objecting to this policy was entitled by law to withhold a percentage of income tax, complete chaos would result and orderly government would break down.

Justice Addy went on to say:

> —even if someone found that Prior's freedom of conscience was infringed by paying taxes for military purposes, the infringement would probably be justified as reasonable under Section 1 of the Charter, which guarantees the rights set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

Certainly, in my mind, this is an instance where that provision would come into play.

I had hoped to have a chance to talk about my own view of peace-making, but perhaps there will be a further opportunity to debate that issue.

**Mr. Deputy Speaker:** The hour provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

[*Translation*]

It being 3 p.m., pursuant to Standing Order 4 this House stands adjourned until Monday, February 22, 1988 at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 3 p.m.

# HOUSE OF COMMONS

**Monday, February 22, 1988**

The House met at 11 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*English*]

### WAR CRIMINALS

TABLING OF TEXT OF DIPLOMATIC NOTES AND MEMORANDUM OF UNDERSTANDING

**Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I am pleased to table, in both official languages, copies of the text of diplomatic notes exchanged between Canada and the Netherlands. I am also pleased to table copies of a Memorandum of Understanding between Canada and Israel, in both official languages, as well as in Hebrew.

These agreements will enable Canadian officials to gather evidence in the Netherlands and Israel, and both include the conditions recommended by Mr. Justice Deschênes to ensure the obtaining of such evidence in accordance with Canadian procedures and safeguards.

* * *

[*Translation*]

### PETITIONS

GOVERNMENT RESPONSE

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to petitions Nos. 332-3537, 332-3662 to 332-3677, inclusive; 332-3845 to 332-3849, inclusive; 332-3857 to 332-3865, inclusive; 332-3870, 332-3880 to 332-3885, inclusive; and 332-3902 to 332-3907, inclusive.

[*English*]

### XV OLYMPIC WINTER GAMES

REPORT BY MINISTER ON PREPARATIONS AND PROGRESS

**Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)):** Mr. Speaker, I rise today with pride to report to the House of Commons the progress of the XV Olympic Winter Games in Calgary as well as a review of the preparations which led to making these games the most successful winter games in the history of the Olympic movement.

**Some Hon. Members:** Hear, hear!

**Mr. Jelinek:** To begin with, the success rests with the fact that from the very beginning there was a partnership formed, a partnership between the federal Government, the provincial Government of Alberta and the City of Calgary, very much along with the private and corporate sector from coast to coast, all under the terrific direction of the organizing committee known as OCO '88. This partnership led toward preparing and developing the best facilities, the best organizations and the best infrastructure that any games have ever seen.

The commitment on the part of the Government of Canada was $200 million in non-tax revenue dollars, and I want to make that very clear. We have been able to raise those non-tax dollars from such events as the sale of commemorative Olympic coins world wide, an agreement with provincial lottery organizations, the obtaining of the seignorage from the circulating dollar coin and so on.

The biggest aspect of raising these funds is the sale of the Olympic commemorative coins. As a result of the tremendous respect of the Royal Canadian Mint, we are selling those coins in Japan, in the United States, in western Europe and all over the world. We are bringing those currencies into Canada to build facilities in Calgary, not only for these games but for the use by Canadians for generations to come. We are proud that we have been able to contribute as a federal Government toward the success of these games without costing the taxpayer one red cent. We have contributed toward the success of the games, but beyond that, as well we have contributed toward making a legacy which will go on for generations, leaving an economic benefit which began even before the games began.

Very briefly, before the opening ceremonies took place on February 13, the economic benefits of the preparation of the Calgary Olympics was an influx of new dollars, $1.3 billion, into the Gross Domestic Product of Canada. This not only affects Calgary and Alberta but the whole country, because

obviously when preparing for the games one must provide services and products from coast to coast. Even before the games began, there was a benefit of $1.3 billion and the creation of some 27,000 person-years of employment. These facilities, which were constructed on time and under budget, are the best state-of-the-art technology facilities ever to be constructed anywhere in the world. They will be used after the games, not only by high performance athletes from Canada and around the world, but by the public at large because this is a people-oriented Olympics.

• (1110)

In fact, I believe that the success of the federal Government's involvement in the preparation of these Olympics was best summed up by the Auditor General, who very seldom has praise for anything, who in his most recent report concluded that the federal Government's financial management of its involvement in the Olympic Games was, in an unprecedented manner, well managed. In fact, he suggested that it was done in a brilliant fashion and that all Canadians can be proud of the accomplishment of the Government and the people of Canada in preparing the facilities for the games.

In addition to the federal Government's contribution of $125 million to the facilities it contributed another $45 million toward the organization of the games, also non-tax revenues, and most important, and for the first time, we have established from non-tax revenue sources a $30 million endowment fund. The proceeds of the endowment fund will be used to operate these facilities in the future so that there will be no burden on the taxpayer to operate those facilities after the games.

In a nutshell, Mr. Speaker, that describes the preparation of the facilities and the games themselves. I have had the opportunity as a Canadian to participate in the Olympics, both as an athlete and as a television commentator for many years. One of the things which I felt was wrong in previous Olympics in other countries was that the spirit of the games was restricted to the host city. I felt it was very important to try to spread the Olympic spirit to every community across Canada.

When I presented that proposal to Cabinet it was unanimously supported and we came up with the Celebration '88 program in which Members from all sides of the House have participated with much enthusiasm. Celebration '88 leading up to the games gave every Canadian the opportunity to participate in some way, shape, or form in the Olympic spirit within their own communities. We developed an educational package for our youth which all the provinces distributed to the elementary schools. We developed with the communities at the community level special Olympic community events.

Most important of all, I suppose, are the ceremonies to recognize those people in every community who contributed in their way, be it as a coach, a sponsor, an athlete, a volunteer, or an official. This has given all of us in the House of Commons an opportunity to recognize individuals within our own communities for the contributions they have made to sport and to the community based on the Olympic program.

The heart and soul of this program, of course, was the torch relay. I need not remind Members of the tremendous emotion which came from the hearts as Canadians came out on the streets to watch the torch go through their communities. I do not believe that in my lifetime I have seen such emotion pour out of Canadians from every walk of life as it did during the torch relay. That emotion, of course, has been carried into Calgary for the games. There is no doubt in my mind that the Celebration '88 program with the torch relay produced perhaps the most unifying effect that this country has seen in decades, if ever.

**Some Hon. Members:** Hear, hear!

**Mr. Jelinek:** So the torch moved to Calgary on February 13 for the beginning of 16 days of celebrations that will live on in this country forever. It is not only 16 days of celebration of sport, Mr. Speaker, it is 16 days of celebration of culture, a celebration of the arts, a celebration of youth coming together from all parts of the world in harmony and in peace, all in the spirit of the Olympic movement. That is what the games are all about.

I can say, as a former athlete and, more important, as a Canadian, that when the Canadian team walked into McMahon Stadium on February 13 my chest swelled out and my heart pumped a little faster. The pride and emotion of the 60,000 people in that stadium and the 1.5 billion people watching Canada through the eyes of television put Canada right on top of the heap worldwide and brought something into Canadian hearts and minds which was long in coming.

**Some Hon. Members:** Hear, hear!

**Mr. Jelinek:** When young Robyn Perry, the 11-year old Calgarian figure skater, ran up the steps to light the cauldron it was beyond words. That young Canadian was the symbol of the youth of the world, symbolizing what the Olympic spirit means, not only to sport and not only to Canadians but to the youth of the world.

The games began with a people-oriented event and as we approach the last few days of the Olympics we see that it is indeed a people-oriented Olympics. More tickets have been sold and more people have participated than in any previous Olympics. In fact, ticket sales have zoomed to well over 1.5 million. The highest level of sales prior to these Olympics was in Sarajevo, Yugoslavia, four years ago when 435,000 tickets were sold. In Calgary over 1.5 million tickets have been sold and the events are jam-packed. The medal ceremonies every night in the downtown plaza attract an average of 50,000 people. The 70-metre ski jump was watched by over 70,000 people. The enthusiasm has spread to every corner of Calgary and is spreading to every corner of Canada and the world as well.

I would like to take this opportunity to congratulate, on behalf of the Government of Canada and on behalf of Parliament, not only the organizers of the games but the thousands and thousands of volunteers who made this people-Olympics a reality. The volunteers come from every walk of life. The other day I was driven in a car by a volunteer who is a company executive whose salary is probably $250,000 a year. Yet, for the duration of a month, he volunteered his time and services to make the Olympics a success. Calgarians and Canadians have opened up their homes and their hearts to the world. We have shown the world that we can compete. We have shown the world the warmth, hospitality, enthusiasm, friendship, and generosity that Canadians are all about. Right now the world is envious of this tremendous success.

Finally, none of this could happen without the athletes. Our athletes have contributed so much of themselves in their young lifetimes. I speak as a former Olympian and I know that you give up all of your normal life as you prepare to represent, not only yourself—that is secondary—but your family, your community and, most of all, your country. The greatest Olympian Canada has ever had is Gaetan Boucher with his tremendous courage. We are so proud of him.

**Some Hon. Members:** Hear, hear!

**Mr. Jelinek:** The spirit of Brian Orser and the determination of Karen Percy symbolize the Canadian athletes' commitment and spirit to compete on behalf of themselves and Canada. We are all very proud of their achievement and efforts.

Perhaps this is a little bit out of line with what we should or should not do in this place, but if I may through you, Mr. Speaker, I would like to convey also our thanks and congratulations to the parents of these athletes. They have made it possible for them to give of their lives to the sport, to Canada, and to the Olympic movement. You happen to be one of those parents, Mr. Speaker, and we were very proud yesterday when your daughter, Anna Fraser, represented Canada so dramatically in the aerials in free style skiing.

• (1120)

**Some Hon. Members:** Hear, hear!

**Mr. Jelinek:** We thank you for your efforts and I hope, sir, that through you we are able to pass our thanks and congratulations to all the parents of our Canadian athletes who are making us so proud.

I wish it had been my idea to come forward with the parents program that Labatt's, one of the official sponsors of the Olympic Games, initiated in order to bring the families and the parents of our Olympic athletes to Calgary. Labatt's, as well as all the sponsors associated with the Olympic games in Calgary should be congratulated.

If I sound a little emotional and a little over enthusiastic, it is because I am. I come from a country where many of our freedoms were taken away. My parents had the wisdom to choose this country which gives Canadians hopes and aspirations, opportunities and freedoms that no other country can match. It is because of these opportunities, because of these freedoms, because of these hopes and aspirations that we can share with the rest of the world the tremendous accomplishments that Canadians have brought to themselves, to Canada and the Olympic movement.

The spirit of the Olympics is the desire of mankind to come together in friendship and harmony in order to bring peace and a better understanding to all parts of the world. The Olympics is far more than just a bunch of skiers going down a ski slope, or a bunch of skaters skating in circles. It is through this Olympic spirit that we can make the world a better place, not just for ourselves but for our children and grandchildren.

The Calgary Olympics have contributed toward that goal. We as Canadians can be very proud of this tremendous accomplishment on behalf of peace and freedom everywhere around the world through the eyes of the Olympic Games.

**Some Hon. Members:** Hear, hear!

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, it is with pleasure that I voice on behalf of the Official Opposition our congratulations and continued support to Canada's athletes participating in the XV Winter Olympics now being held in Calgary.

[*Translation*]

Mr. Speaker, it was Baron Pierre de Coubertin who in 1896 brought the world a proposal for restoring the Olympiads of Ancient Greece. As we all know, the first Winter Olympics were held in Chamonix, France, in 1924. At the time, the Winter Games were only a kind of mini-Olympics, but today, the Winter Games have achieved the same status as the Summer Olympics.

[*English*]

Mr. Gordon Douglas, a legislative assistant to one of my colleagues, was in France last week. He told me that he had the opportunity to see the Calgary Olympics through the eyes of the world and that the coverage and prestige of the Olympics was extensive and a compliment to us as a nation.

Half-way through the international games, all Canadians can be proud of the dedication, determination and sportsmanship exhibited by our athletes in competing against the world's best. The outstanding Silver Medal figure skating performance of Brian Orser of Penatanguishene, Ontario, was breathtaking to watch. The Bronze Medal downhill run of Banff's Karen Percy was equally breathtaking and the tens of thousands who turned out for the awards ceremony last Friday is a reflection of Canada's pride in her performance.

Mr. Speaker, occasionally I try to ski and, while I enjoy it, I do not do a very good job. I had very special admiration while watching a famous skier you know very well, your daughter

Anna Fraser, who came in fourth in free style aerial skiing. As far as I am concerned, of course, she was No. 1.

**Some Hon. Members:** Hear, hear!

**Mr. Boudria:** I must say that as one who tries to ski I was somewhat green with envy in the hope that someday I could be able to ski one-tenth as well.

Canada's men and women curling teams won medals in their demonstration sport. The Gold Medal to the women's team and the Bronze Medal won by the men's team reflect Canada's continuing international domination of this very popular sport.

I want to speak briefly about the Best Ever fund, some $25 million that was injected toward assisting our athletes. Today I read a newspaper article which indicated that the funding had not been a success because, in the opinion of the writer, the results were not as they should have been. I want to respectfully disagree with that. I suggest that just keeping up with the other countries that are ever improving their own athletes—we have certainly kept up so far, with the best days yet to come—is a tangible measure that the Best Ever fund had and hopefully will continue to have in the future.

One should also outline the exceptional performance of our disabled athletes in the women's and men's giant slalom. They are indeed reasons for excitement and admiration by all of us.

[*Translation*]

Mr. Speaker, in 1976 I had the privilege of being one of the bearers of the Olympic Flame. I carried the torch between Ontario and Quebec, at Cumberland, Ontario, when the Torch crossed the river into our neighbouring province. For me it was a very special privilege, as a Quebecer by birth and a Franco-Ontarian by adoption, to provide the link between the two provinces by carrying the Olympic Torch.

This year, like everybody else I put my name in for the draw for bearers of the Olumpic Torch, but I was not as lucky as in 1976. I can't say I lacked political pull, but I didn't have the luck of the draw, Mr. Speaker.

I was lucky just the same, because the Olympic Torch stopped in my riding in Casselman, Ontario, and I want to thank the officials and directors of Petro-Canada for making it possible for my riding to take part in the Olympic Torch relay.

I would like to say a few words about Celebration '88. The Minister said earlier that many Members took advantage of this event to involve their communities in the program. I am one of those Members. In my case, Mr. Speaker, fifteen municipalities in my riding participated. I personally met with municipal authorities, and during the holidays, my senior assistant, André Tessier, met with all municipalities to encourage as many as possible to participate. In fact, especially thanks to the excellent work done by my assistant, a lot of these municipalities did in fact participate.

Saturday evening I was visiting the municipality of Plantagenet South, a very small one in my riding, where I had the privilege, on behalf of the Government and on behalf of our country, of giving six Celebration '88 medals to local volunteers.

Mr. Speaker, volunteers have worked in our communities for decades. Today, thanks to Celebration '88, we have a way of expressing our recognition for the major contribution they have made. I therefore would like to congratulate the people who initiated the Celebration '88 Program, and if the Minister himself is responsible, I want him to accept my congratulations. If it was one of his officials, I hope he will transmit my congratulations to the person concerned, because Celebration '88 is an excellent program and one that was long overdue.

In addition to medals, Celebration '88 also gives Members a chance to hand out merit certificates. These are signed by the Prime Minister (Mr. Mulroney) and the Member concerned. I have handed out about nearly 300 certificates in my own riding, Mr. Speaker, the names of the recipients being provided by the various municipalities. I must say it does not happen very often that my name and the Prime Minister's appear on the same document. When we realize 300 of these certificates have been handed out in my riding, it becomes an exceptional performance indeed. I want to congratulate the Minister on this initiative as well, because there are certainly more than six individuals per municipality who deserve recognition. So for the others, we have the certificates, which probably did not cost that much to make, but which are nevertheless a token of appreciation, by the various governments, of the work done by all these volunteers and all those who have been working for years to help their communities.

• (1130)

[*English*]

The Calgary Winter Olympic Games would not be the international success that they are without the hard work of the thousands of volunteers who have assisted. The Minister enumerated cases of individuals who have given up so much of their time. He has referred to company executives, for example, who took their time to participate as volunteers in the Olympics. Many individuals who participated as volunteers probably had to make tremendous sacrifices to do so. Some of them used hard-earned dollars that they could have used for themselves, but instead they chose to spend their own money in order to assist others and to participate in the Olympic movement. Those people deserve our congratulations indeed.

These men and women also deserve our congratulations for ensuring that the Calgary Winter Olympic Games are a meeting place of nations in friendly competition. They are indeed, as the Minister has said, the best Olympic games yet.

[*Translation*]

Mr. Speaker, I was Opposition critic at the time Parliament passed the Bill authorizing the Royal Canadian Mint to manufacture the Olympic Coin. I am proud that our Party supported this initiative, and I am delighted to see how successful this program has been.

In concluding, Mr. Speaker, I would like to extend my congratulations, also on behalf of my colleagues, to the athletes, the volunteers, the organizing committees and the City of Calgary.

[*English*]

The only thing we can wish for and perhaps even pray for today and tomorrow is a bit of a cold snap and some snow.

**Some Hon. Members:** Hear, hear!

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, the Olympics is a dream, a dream come true for the young athletes who are participating in the games. It is a dream come true for the world in that we are able to carry out an international activity in a co-operative spirit, and a dream come true for Canadians. We are hosts to the world and to the best in the world.

[*Translation*]

Today, we are proud to be Canadians.

[*English*]

We are proud to be Canadians.

I want to mention three things about the Olympics. I want to talk a bit about the athletes and about the politics of the Olympics and I want to say a few words about Olympic journalism.

To one who has only recently adopted the practice of exercise, in fact in the last few weeks, the Olympics is an Everest that requires super human dedication, commitment and capacity to mount. I am inspired by the young people who are participating in the Olympics and by the young Canadians who are at the Olympic games. To be at the Olympics, simply to be there and to be a part of the games, is an attainment, the fulfilment of a dream. It is the culmination of a long process of dedication and of sacrifice by athletes and by their families. To be at the Olympics, whether one wins a medal, places high or low—simply to be there—is a world class attainment.

We have much to learn from these young people about setting goals of excellence and about attainment. Yet we also have winners. There are those who find themselves in the winner's circle. Karen Percy was our first medal winner. She broke through to make Canada a winner. Brian Orser performed at the absolute epitome of athletic excellence. Many others including Linda Moore, Penny Ryan, Debbie Jones, Lindsay Sparkes, Ed Lukowich, John Ferguson, Neil Houston and Brent Syme are participating. Canada and its athletes are in the winner's circle.

I want to say a bit about the politics of the Olympics. I heard the Minister say that the Olympics would not cost the taxpayers one red cent. Of course, as a taxpayer I am glad that no additional burden will be put on my shoulders, but I do hope that this does not mean that the Government is blind to a few other lessons that are to be learned from this.

In this Olympics there has been an appeal for private dollars. I must say that that is a good policy, but experience has shown that this works with popular sports like skiing. However, what about the less well known sports, the sports which are yet to gain a popular following? Is there not here a role for public dollars? What about the long-term development that is needed in order to lay the base for Olympic performance? Who will pay for the facilities and the coaching when the camera lights are no longer shining upon the arena? I hope the Government is not blind to the fact that there is a role for public dollars and that there is a long-term developmental process that must be supported. I hope the Government will see this rather than simply be restricted by some sort of ideological blinders.

Another aspect of the politics of the Olympics has to do with the Lubicon Indians. I hope that when the television cameras have left Calgary the Lubicon will be remembered. As native people, we have a dream too. We have a dream of justice. We have a dream of being treated fairly. When the cameras are gone from Calgary the Lubicon must be remembered, and the federal Government and the provincial Government must act to resolve that injustice. The federal Government and the provincial Governments must act to resolve that injustice.

• (1140)

I have another perspective on the Olympics which I want to share with Hon. Members. It is with respect to Olympic journalism. I have been surprised, shocked and hurt by some of the reporting I have seen concerning the Olympics. I have seen what I would call political reporting being transferred to the covering of the games. It is fair ball to savage the Government and to ask loaded questions before TV cameras of the Minister of Finance (Mr. Wilson). It is all right to perform a hatchet job on Ed Broadbent, Brian Mulroney, John Crosbie or John Turner. I want to say that when it comes to our young athletes, they should be left alone.

I find it incredible when I see in the paper a picture of Karen Percy, who broke through at the Olympics to make Canada a winner, with a reporter saying, "She didn't win a second medal". What kind of reporting is that? Brian Orser performed at world peak, yet a reporter came up to him with the cameras on and said, "We have good news and bad news for you. The good news is that you won a medal. The bad news is that you came in second. What do you have to say?" That may be all right for the battleground of politics, but it is one shabby way to treat our Olympic athletes.

Gaetan Boucher is world reknowned for his achievements. What did the media do to him? They put his picture on the front pages and wrote, "How come he only came in ninth?" The man had enormous courage to compete, in light of the record that he has behind him. He had the courage to put his world record at risk. I say to members of the media, clean up your journalism. If you want to be rough and tough and ask loaded questions, stay in the political arena but leave the athletes alone. This is a celebration of excellence. It is a

celebration of participation. Let's have a little civility in the treatment of our athletes."

The Olympics is a dream. It is a fulfilment of a dream for Canada. It is the fulfilment for the athletes who are participating. They are there because they have dedicated their lives to achieving a goal, that is, to get to the Olympics and then to perform there.

There is a lesson to be learned about winning and losing. Even if one does not achieve the gold, one has won because one has done the best that one could do. One has pushed oneself to the limit and grown and developed. That in itself is an achievement. That in itself makes one a winner.

Today, all Canadians celebrate the dream of the Olympics. Today we are proud to be Canadians.

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## PETITIONS

PROPOSED FREE TRADE

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I have a petition signed by a number of Canadians who indicate that the Conservative Government has no mandate from the Canadian people to conclude a free trade agreement with the United States.

They point out that the Prime Minister (Mr. Mulroney) promised in the course of bilateral trade negotiations that Canadian sovereignty would not be compromised. They point out that the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interest of Canadians, and to equalize opportunities between regions.

They state that the trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States. The proposed trade agreement not only denies Canadians secure access to the U.S. market, which was the key objective in these negotiations, but threatens the loss of hundreds of thousands of jobs.

Therefore the undersigned humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed Mulroney trade agreement during a national general election.

REQUEST FOR UPGRADING WOOD MOUNTAIN BRANCH LINE

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, it is my honour and duty to present a petition from a number of residents of southern Saskatchewan along the Wood Mountain railway branch line. They are residents of the Wood Mountain district, McCord, Ferland and Mankota, Saskatchewan.

Whereas money had been allocated for the upgrading of branch line to hopper car standards, and whereas the Minister appears to be considering redirecting funds toward compensation for removal of these lines, and whereas the Wood Mountain line has been in the permanent network and was on schedule for upgrading in 1988, the petitioners humbly pray and call upon Parliament to take the necessary steps to ensure that the moneys so allocated are used for upgrading the branch line and that the schedule for upgrading be carried on as planned for the 1988 season.

This petition is signed by over 1,000 residents of southern Saskatchewan.

* * *

## QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, the following questions will be answered today: Nos. 222, 233, 240 and 251.

[*Text*]

CSC—ESCORTED TEMPORARY ABSENCE

Question No. 222—**Mr. Nunziata:**

1. How many inmates in the federal correctional system have applied for an escorted temporary absence to (*a*) visit a dying member of their immediate family (*b*) attend the funeral of an immediate family member?

2. In each case where the application was rejected, was this for (*a*) security reasons (*b*) cost reasons (*c*) other reasons and, if so, what reasons?

**Hon. James Kelleher (Solicitor General of Canada):** 1(a) and 2(a) (b) and (c). The correctional service of Canada (CSC) does not keep information on escorted temporary absences that have been denied. Therefore, it is not possible to provide accurate data on applications. However, the following number of escorted temporary absences were granted:

| Fiscal Year | Illness in the Family | Death in the Family |
|---|---|---|
| 1985/86 | 142 | 236 |
| 1986/87 | 120 | 189 |
| 1987 to Dec. 4 | 85 | 117 |

In assessing a request for an escorted temporary absence, the CSC must consider the security of the public, the distance to be travelled, as well as staff availability. The Correctional Service is sensitive to such requests and makes every effort to grant escorted temporary absences. Inmates are informed in writing or the ressons for the denial of requests and they may appeal the Warden's decision.

SAFE CONTAINER FOR TRANSPORT OF PLUTONIUM

Question No. 233—**Mr. Caccia:**

1. Has the government, or an agency thereof, developed standards or criteria for a safe container in which to transport plutonium in an airplane and, if so, what are they?

2. If such standards do not exist, are they being developed and, if so, (i) by whom (ii) when will they be ready?

3. Will standards or criteria be adopted from other jurisdictions and if so, from which jurisdiction(s)?

4. What are the specifics of the standards or criteria under consideration for adoption?

**Hon. Marcel Masse (Minister of Energy, Mines and Resources):** The Atomic Energy Control Board reports as follows:

1. and 2. Yes, there are standards and criteria for the safe containment, during transportation, of radioactive materials including plutonium. These are minimum regulatory safety standards for all radioactive materials and can be augmented by other limitations, terms and conditions, depending upon the specifics of a proposed shipment.

Under the Atomic Energy Control Act, the AECB is empowered to regulate the transportation of "prescribed substances", which include radioactive materials like plutonium.

The Transportation of Dangerous Goods Act also applies to all handling, offering for transport and transporting of "dangerous goods", by any means of transport. The AECB and Transport Canada jointly administer the regulation of the shipment of dangerous goods, like plutonium, through an Inter-Departmental Memorandum of Agreement on the Transport of Radioactive Materials.

The AECB administers the Transport Packaging of Radioactive Materials Regulations. These regulations establish the standards and criteria for the certification of packaging designed to contain plutonium for transport by any means of transport, including air. In any examination of the ability of a proposed container to meet the packaging performance standards of the regulations, the AECB is also empowered to consider any health, safety or security concern and to impose other limitations, terms and conditions on the use or the transportation of a package containing radioactive "prescribed substances".

Copies of the regulations are available, upon request, from the Radiosotopes and Tranportation Division, Atomic Energy Control Board, 270 Albert Street, Ottawa.

3. The above standards and criteria are based on those which have been developed by the International Atomic Energy Agency (IAEA). Canada, as a founding member state, participates in the work of the IAEA in the continuous evaluation and development of criteria and standards dealing with the safe transport of radioactive material. At present, the IAEA is examining proposals dealing with shipments involving high consequence/low probability accidents; these proposals apply to shipments of radioactive materials, such as plutonium shipments by air and other means of transport.

4. There are no other standards or criteria, specific to plutonium, which are under consideration for adoption. However, there is a revision to some of the IAEA standards affecting radioactive materials. This revision has not yet been adopted internationally and the AECB is presently examining them for incorporation into Canadian legislation.

TRAUMA CAUSED BY LOSS OF AIR-INDIA FLIGHT

Question No. 240—**Mr. Nunziata:**

As a result of trauma caused by the loss of Air India Flight 182, how many (*a*) passenger agents (*b*) mechanics (*c*) flight attendants (*d*) baggage handlers (*e*) other airport workers at (i) Vancouver International Airport (ii) Pearson International Airport (iii) Mirabel International Airport underwent psychological counselling?

**Hon John C. Crosbie (Minister of Transport):** Only workers in category (e) belong to Transport Canada. The counsellors for Transport Canada report that none have provided the inquired about services to Transport Canada employees.

GRANTS TO ORGANIZATIONS WITHIN METROPOLITAN TORONTO

Question No. 251—**Mr. Redway:**

Since September 4, 1984, did the Privy Council Office make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

**Mr. Len Gustafson (Parliamentary Secretary to Prime Minister):** No.

[*English*]

**The Acting Speaker (Mr. Paproski):** The questions as enumerated by the Parliamentary Secretary have been answered.

**Mr. Hawkes:** Mr. Speaker, I would ask that the remaining questions be allowed to stand.

**The Acting Speaker (Mr. Paproski):** Shall the remaining questions be allowed to stand?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Paproski):** I wish to inform the House that because of the ministerial statement Government Orders will be extended by 37 minutes beginning at 1 p.m.

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## GOVERNMENT ORDERS

[*Translation*]

### THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, February 11, consideration of the motion of Mr. Wilson (Etobicoke Centre):

That this House approves in general the budgetary policy of the Government.

And the amendment of Mr. Garneau:

That the motion be amended by deleting all of the words after the word "that" and by substituting the following: This House regrets that the Budget

1. Failed to redress the inequities of the tax system created by government policies put forward during the last three and one-half years;

2. Failed to put into place a regional development policy to compensate for the high interest rate policy of the Government;

3. Failed to put forward a credible plan to deal with the national debt that does not unduly punish lower and middle-income Canadians; and

4. Failed to specify a Canadian approach for dealing with the instabilities of the international monetary system.

And the amendment to the amendment of Mr. Cassidy:

That the amendment be amended by adding immediately thereafter the following words:

"and this House further condemns the government for introducing a budget that ignores the real economic needs of the country in which over 1.1 million Canadians are unemployed and eight out of ten provinces and the territories continue to experience employment and income disparities equal to those of the 1981-83 recession; for increasing the tax burden of average Canadian families to a level of $1,125 over the 1984 level through yet another increase in gas taxes; for failing to bring fairness to the tax system through the elimination of costly tax breaks and the introduction of a corporate minimum tax that would ensure fair and regular tax payment from those 60,000 profitable corporations that will pay no tax following Conservative tax reform; for maintaining a policy of high interest rates begun by previous Liberal Governments; and for failing to introduce a system of universal child care that would assist average Canadian families and create jobs.

**Hon. Jean Charest (Minister of State (Youth)):** If you will allow me, Mr. Speaker, with the permission of my colleagues on both sides of the House and especially with the complicity of my colleague the Minister of State (Fitness and Amateur Sport) (Mr. Jelinek), I too should like to take a few minutes to underscore the resounding success of Calgary's 1988 Winter Olympic Games and tell you just how very proud all Members on both sides of the House stand. As a matter of fact, I am sure you are personally pleased this morning to see that the week is off to a good start.

It is certainly not a frequent occurrence to see Members on both sides of the House rise in their seats and speak so eloquently on a subject that is so dear to the hearts of Canadian men and women.

As one of the Ministers responsible for Celebration '88 in Quebec, I can say, because I was there, how delighted our various communities were to take part in the Olympic Torch relay, and that it was a tremendous success. Quite frankly, I don't think anyone realized how successful this initiative would be.

At home in Sherbrooke I listened to the opening ceremonies of the Winter Olympic Games in Calgary, and I was very impressed by all those young men and women who represented our ethnic and regional communities across Canada, and I must say they gave us a feeling of great pride.

Closer to home, in the Eastern Townships, we also have reason to be proud since we sent quite a few participants to Calgary, including Marie Claude Doyon, whose performance in the luge event was truly excellent. Everybody in my office took a few minutes during the afternoon to watch her performance on television. We sent her a telegram with our warmest congratulations, as soon as the results were known.

We also have Mr. Rozon and Mr. Langlois who have made a name for themselves, both nationally and internationally, in free-style skiing. They are a source of great pride for us in the Eastern Townships. In fact, this should not be surprising since this is André Viger country, and so they are just continuing a great tradition.

I would like to take this opportunity to join my colleague, the Minister of State (Fitness and Amateur Sport) (Mr. Jelinek), the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), my colleague in the New Democratic Party and all Members in this House, in expressing this message and sharing this feeling of great pride.

However, I am afraid that is just about it as far as compliments are concerned, since we have had more than our fair share of compliments and praise for one week.

We are just back from a week's holiday, and perhaps I should emphasize this was only a holiday from Parliament, because I know the Hon. Member for Beauce (Mr. Bernier) said when we entered the House this morning that he was in his riding the whole week, working according to the strict schedule he set for himself when he was elected in 1984, which means that we have been listening quite a bit to the people we represent.

Personally, I spent the week in my own riding, Sherbrooke, and aside from a few short trips to Montreal on business, I had plenty of time to meet the people of my riding every day, something I am fond of doing. In fact, for us, happiness is, as the Hon. Member for Beauce and I were saying this morning, to be with the people in our ridings, and they had a number of things on their minds.

One of the most important issues which is being debated in Sherbrooke, because we had the opportunity and the privilege to welcome the Minister of Finance (Mr. Wilson), was of course his budget which reflects the economic performance of the Government. This is why I think that it is an excellent opportunity for me this morning to state my humble views on the matter. To take stock of the situation, I think it is important to go back to 1984 when our party was trying to get elected and to remember what was specifically said during that campaign.

I think what all Canadians have remembered from 1984 can be summarized in one word, Mr. Speaker, that is «change.»

It is true and I think that members on both side of the House . . . and I see that my colleague from Bourassa (Mr. Rossi) is shaking his head , everyone agrees that we spoke about changes in 1984 and the necessity of those changes in Canada.

Now, it is important to remember why we dwelt on such a change. And I am ready to go . . .

**Mr. Rossi:** Mr. Speaker, I rise on a point of order.

• (1150)

[*English*]

**The Acting Speaker (Mr. Paproski):** On a point of order, the Hon. Member for Bourassa.

[*Translation*]

**Mr. Rossi:** Mr. Speaker, I do not want the Minister to say that the member of Bourassa is shaking his head approvingly . . . or to suggest indirectly to the Canadian people and to my constituents . . . Yes, the Tory Minister is laughing. I do not want to be misunderstood, because the Minister is one of my good friends, but I shook my head in a very negative way.

[*English*]

**The Acting Speaker (Mr. Paproski):** I regret, it is not a point of order.

**Mr. Rossi:** I think that it is a point of order, Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** You may be able to ask him a question or make a comment later. The Minister of State for Youth has the floor.

**Mr. Rossi:** It's not a question, Mr. Speaker. He's misleading.

[*Translation*]

**Mr. Charest:** To clarify the matter, Mr. Speaker, I think the Hon. Member for Bourassa is right in pointing out that when I . . . To put an end to that, Mr. Speaker, I have no wish to burden you with that clarification. Since it was I who said it, I have no intention of implying in any way that the Hon. Member for Bourassa agrees with my speech, or perhaps part of it. He will have an opportunity to ask questions and make comments, if he so wishes, that is his choice.

Finally, to return to where we were in 1984, there were references to changes. Let us recall the context then, and in the main it is still the context that is prevailing today.

In 1984, Mr. Speaker, the world around us witnessed many changes. I think we must first list those changes. The global economic axis was changing, moving from the Atlantic to the Pacific and this is one reality that had to be addressed in 1984. Then we had the increasing importance of the service sector in the global economy, representing as it does some 25 per cent of the global GNP, which is reflected in Canada in that, among others, 75 per cent of jobs in this country are currently in the service sector. This is quite a radical development, considering especially that in 1945, Mr. Speaker, only some 40 per cent of jobs in Canada were in the area of services, as compared to 75 per cent in 1986. So already in 1984 that was quite a radical change.

In addition, there was the emergence of the newly industrialized nations. I am referring here to Brazil which, by way of an aside, is going through quite a dramatic period, but which anyway can be characterized or labelled as one of the emerging nations among developing ones. South Korea is another example, Mr. Speaker, of industrializing nations. There is also Japan's current importance as one of our markets.

Among those new realities, there was also the relative decline of the United States, because other industrialized nations were emerging and the American trade deficit was whipping up protectionist trends in the United States. And this is a reality that is of very close significance to us Canadians, because some 80 per cent of our two-way trade, meaning both exports and imports, are with the United States. So this is of some significance to us as a nation.

One thing is clear in all this, and I believe that everyone can agree, namely that we could not accept the status quo. There had to be a change, and this change had to be rather comprehensive. What we have accomplished during the last three years is quite noteworthy. I am certain that Members on the other side will tell us that they do not agree with such or such an initiative, but no one can deny the fact that this Government has made a number of very important structural changes.

• (1200)

Among other things, this Government has provided Canada with a new trade policy. This is the first time such a thing has happened since 1879, when Sir John A. Macdonald developed in this House what was then called the national policy. It is the first time since 1879 that the Canadian Government has attempted to develop a comprehensive trade policy on two fronts, first by pursuing our interests within GATT, and second by deciding to negotiate a free trade agreement with our neighbours to the South, the Americans, to try to provide some stability in our trading relations with the United States as they account for 80 per cent of all our exports.

This is a basic change for Canada. We also established a new Department of Industry, Science and Technology, recognizing the need for Canada to acquire, develop and apply new industrial technologies if we want to remain competitive, while keeping in mind the fact that Canada is an exporting country, even though other countries are more dependent on their exports for their Gross National Product. Everyone agrees on this point, including the Liberals, the NPD and ourselves. We all agree that we are an exporting country and want to remain an exporting country. We do not necessarily agree on the means to do so, but we do agree on the basic facts.

I therefore assume that we also agree on the industrial consequence of such a choice, this consequence being that we have to acquire and apply new technologies. This is why this new Department was created.

Canada being made up of regions, we also developed new regional economic development policies based in large part on

the principle that the local people are always in the best position to manage their own economy and make their own decisions. This is why the federal Government decentralized its administrative machinery to manage its regional economic development programs. This was done in Western Canada. It was also done in Eastern Canada, in the Atlantic region. It was also done for Northern Ontario. We re-established the Laprade Fund in Quebec, and there is also the Eastern Plan.

Mr. Speaker, Canada is a country made up of regions, and so these very tangible and very real instruments have been made available to enable the regions to implement better management standards and look after their own administration.

In addition, Mr. Speaker, people are wont to forget a basic fact, namely that this Government has been sponsoring a new employment policy. The employment planning strategy was the result of the First Ministers' Conference held in Regina in 1985, a historic conference where the federal Government, the provinces, the private sector, labour unions and a host of interest groups in our society co-operated and reached a consensus on a new employment planning strategy geared to our country's current priorities.

We have three major priorities. First we concluded that from here on in we had to emphasize training under our employment programs, that it was no longer good enough to sponsor job programs only to keep people busy, that we had to take a further step and do more for these people by making training facilities available to them in an attempt to determine whether they would be employable. We wanted these people to look forward to regular work instead of going from job programs to unemployment benefits or yet other work programs.

Mr. Speaker, the second priority of the employment planning strategy was to concentrate on people who had been out of work for twenty weeks or more, because it stands to reason that they are the ones who find it more difficult to rejoin the labour force.

And, thirdly, Mr. Speaker, under the employment planning strategy, we have also sought other partners, because jobs creation should not be the concern of only one government in Canada, nor that of only one industry, but it should be the concern of all those involved, namely the private sector, the unions, the non-profit and public organizations at every level, whether municipal or provincial. That is why we wanted to include as many partners as possible.

Moreover, Mr. Speaker, people have a tendency to forget that this Government has also administered this country along principles which are our own as Progressive Conservatives; hence our deregulation, privitization, tax reform and deficit control policies. That is a management strategy which properly reflects the philosophy of our party, a philosophy which we had clearly enunciated in 1984. Having received the full support of Canadian voters during the 1984 election, we performed exactly as we had promised.

In our opinion, it was important to administer the country along these principles for the following reason: In view of foreign factors which influence us and cannot be denied, as evidenced by the recent stock exchange crash.

Clearly, nobody can deny that events occurring outside of Canada have a serious impact on us. If Canada wants to meet head-on the new challenges confronting us, and occupy the place it deserves, if we want to solve the new problems, the Govenment's organization must be flexible enough to meet these needs. More than ever before, Mr. Speaker, people involved in business or trade unions at every level should develop the necessary flexibility to meet as quickly and efficiently as possible the challenges confronting us, which is not easy. The only way to do it as the Federal Government, on the basis of our Progressive Conservative philosophy, is to try to lighten the Government machinery to make it as flexible as possible. Some people will say to us: Well, the Government is opting out. Personally, Mr. Speaker, I do not agree with such a conclusion. If the Government was in fact opting out, why did we produce, for instance, a national policy on child care? Is that the way a government willing to opt or back out behaves? Not at all, quite the contrary! My goodness, it seems to me an initiative as important as this one is evidence of a government's dedication to its citizens and its intention to make its presence felt. But instead of being inhibiting, of being an obstacle, that presence should rather facilitate change and allow to manage it better, and on a personal basis, leave individuals free to decide on their own without trying to guide them in their choices or impose choices on them.

Beyond all that, Mr Speaker, as a country, if we wanted to meet those challenges, we had to be able to prepare better for the great changes we are going through; we also had to bring reconciliation within Canada. It is with some joy, I think, that all Members of this House witnessed the signing of the Meech Lake Accord, debated it here, and were finally able to recognize the significance of the national reconciliation which we owe in part if not totally, I must say, to the efforts of the Prime Minister. It will no doubt remain one of his most magnificent achievements.

What is the purpose of all this? That question must be asked. We did all that. In 1984, we promised change—external factors are urging us on, we produced for Canada new policies on trade, investment, regional economic development, and employment. We achieved national reconciliation. But what was our goal? I think it is becoming clear that, for this Government, what we want for Canada is a new role in the world. What we are trying to do is redefine Canada's international role. We wish to achieve this objective in a context where Americans and superpowers generally are less powerful—not because they get poorer in absolute terms but because other countries get richer. Such a new balance would provide Canada, as a country, with an absolutely outstanding opportunity.

It would mean a stronger position for us to influence world affairs so that they reflect increasingly our Canadian values.

There are concrete examples of that. That will and those hopes and wishes have made it possible for us to hold the *Sommet de la Francophonie*. It is the Canadian Government and our Prime Minister who made that summit possible and the leadership role we have in that regard is by no means an accident. It is no accident either that Canada, which is a North American country, plays a leadership role in the Commonwealth. And it is no accident that we signed a free-trade deal with the U.S. while pursuing our leadership role within GATT. It is no accident, Mr. Speaker, that Canada and this Government have a new national defence policy that recognizes our commitment to NATO while emphasizing Canadian sovereignty over the Arctic. And it will be a great moment in our history when the Prime Minister welcomes the leaders of the Group of Seven nations next June in Toronto, which is now said to be a "world city"? At last, they got the same status as Montreal, if I may be more provincial in my remarks.

Mr. Speaker, you are aware of the fact that Canada plays a more important part in the world, and there is a reason for all that. Our underlying motivation is the following: as a Government and as a country on the everchanging world scene which gives us an opportunity to play a more significant part, we want to promote our own values, our own views about the environment for example, our great traditions of tolerance, social peace within our community, of justice and equity. In conclusion all this reflects how Canadians behave in their everyday lives: their stand on multiculturalism and bilingualism. This is part of our country, this is what Canada and Canadian men and women are all about. And by occupying a greater place in the world, with a little luck and a little conceit too, admittedly, we hope to make the world where we live in closer to our own image.

• (1210)

[*English*]

**Ms. Mitchell:** Mr. Speaker, I have a question for the Minister of State for Youth (Mr. Charest). The Minister made reference to the positive program as far as child care is concerned that his Government promised. Indeed, there have been promises over three years, perhaps four, that there would be major action taken regarding the very urgent crisis in Canada and the need for many more licensed quality child care spaces for our children, particularly those of working parents. Yet in this Budget to which the Minister is supposedly speaking he really has not acknowledged that. Aside from doubling a very regressive tax measure, there is nothing in the Budget to show the Government's commitment to increased funding for child care spaces. This is a very desperate need.

Would the Minister explain and clarify that? His statement did not give the real picture. Why is there nothing in the Budget to begin making some impact on the child care crisis in Canada? I am talking about increased licensed quality spaces, with a decent rate of pay for care givers and affordable fees for children across the country?



**Mr. Charest:** Mr. Speaker, I can only presume that the Hon. Member may not have accepted the way in which the Minister of Finance (Mr. Wilson) has presented his Budget. The Minister acknowledged that the Government is not required, nor is it necessary to wait for a budget in February each year to act on certain specific issues. It is the approach of the Government to decide what issues merit some importance and some policy direction and to enter into consultations, do the ground work and present issues as they are ready. For that reason, maybe the Hon. Member should feel happy that the Minister of Finance did not wait until February, 1988 to put forward the child care policy that was put forward, which is a very substantial policy and means that we will be spending over $4.5 billion in four years.

**Ms. Mitchell:** None of that money is in this Budget.

**Mr. Charest:** The Hon. Member says there is nothing in this Budget. The Hon. Member, her Party, the NDP, the socialists, say that $4.5 billion is not enough money.

**Ms. Mitchell:** It is not in the Budget.

**Mr. Charest:** Maybe the Hon. Member has a fixation about budgets and rituals. She feels that something must be in the Budget for it to exist. I can only say to the Hon. Member that Canadians know the item will be reflected in their tax forms. There will be a $4,000 child tax deduction. That did not require the Minister of Finance to wait for some major day in February to put forward his policy. It is as simple as that. We have put forward our policy, consistent with the commitments that we made in the 1984 campaign on child care policy under the leadership of the Minister of National Health and Welfare (Mr. Epp). In 1984 we made a very clear commitment that we would strike a parliamentary committee, study the matter and make a proposal. We did exactly that. We came forward with a very substantial package.

**Ms. Mitchell:** Where is the money?

[*Translation*]

**Mr. Charest:** If you allow me, Mr. Speaker, I will review some aspects already announced that the Hon. Member seems to ignore, although he says the Budget did not contain anything new.

You do not have to put anything in the Budget if, for example, you already announced, a few month previously, a national strategy on day care. It includes a new fiscal aid to families with young children, which will cost $2.3 billion; an increase in the tax deduction, now up to $4,000 per child 6 years old or less, or with special needs; a gradual increase of up to $200 per year in income tax credit for children 6 years old or less, for low or medium income families, Mr. Speaker.

Nobody can say it does not exist, nobody can say it is not true.

The deduction ceiling of $8,000 for children more than six years old has been lifted, that deduction is $2,000 per child. A Canadian Day Care Act—the federal Government will spend

up to three billion dollars. The new cost sharing agreement with the provinces will allow the creation of up to 200,000 quality day care spaces.

Mr. Speaker, when that program was announced I was home, in my riding, and during the television news, the Hon. Monique Gagnon-Tremblay, who represents the provincial riding of Saint-François and is the Minister responsible for the Status of women, said publicly: it is a good program. The ball is now in the court of the provincial Government, we are pleased with what the Hon. Minister of National Health and Welfare (Mr. Epp) is proposing today.

She must have been satisfied, she probably did not complain the day after the Minister of Finance (Mr. Wilson) presented his budget in February, and—to say there was nothing—

Mr. Speaker, if she was then not complaining, I fail to see what the Hon. Member would have to complain about all of a sudden.

Mr. Speaker, an assistance fund for projects—

[*English*]

**Mr. Keeper:** Mr. Speaker, I rise on a point of order. I think it is an abuse of this question period to talk it out and to allow for only one question.

**The Acting Speaker (Mr. Paproski):** I think it was a very important question and a very important answer. When the Minister finishes, I will recognize the Hon. Member for Winnipeg North Centre (Mr. Keeper) for a very short question or comment. The Minister has the floor.

[*Translation*]

**Mr. Charest:** Mr. Speaker, I understand my colleague is anxious to put a question, so I will be quick.

An assistance fund for special projects of about $100 million; an assistance fund to carry out demonstration projects, research, public education programs to improve the quality of services. To carry through projects centred on new needs in profit or non-profit child care. A federal financing share of 75 per cent in the provincial capital cost for non-profit day-care centers during the initial period—yes, but my colleague is shouting from the other side of the House: That is not in the budget! That is not in the budget!

All I can say is this: It is not in the budget because we acted on it before the budget. What do you want? Do you have anything against the procedure? For something to exist in your own mind must it absolutely be included in the budget? I am sorry, you will never be satisfied because, really, you will never be content, whatever we do. All I am saying is that all other Canadian men and women are pleased.

**Mr. Keeper:** Mr. Speaker, I have a question for my colleague.

I would like to know why he did not mention that his government's Budget has increased taxes for ordinary families, for middle class families in this country, and that his government, since it has come to power, has increased taxes for families. Why has he not mentioned this? At the same time, the government has let large corporations free to pay no income tax; a large number of Canadian corporations pay no income tax.

Why does he leave this situation unchanged while at the same time making families pay more taxes?

**Mr. Charest:** Mr. Speaker, I thank my colleague for Winnipeg North Centre for his question, and I would like to commend him for his excellent French. Of all Members in this House I heard since I came here three years ago, he certainly is in my view one of those who made the most progress, to a very impressing degree. I sincerely commend him.

Mr. Speaker, the Hon. Member should know, because the Minister of Finance (Mr. Wilson) mentioned it in his Budget, that as a result of the tax reform put forward by this Government, 850,000 Canadians will be completely eliminated from the roll of federal taxpayers. It therefore seems to me that this is one initiative of real significance to many Canadian taxpayers who, thanks to this Government tax reform, will no longer pay income tax, Mr. Speaker.

There you have a major part of your answer. Eight families out of ten, Mr. Speaker, will be paying less income tax as a result of the tax reform. Among those 65 and older, nine out of ten will be paying less income tax as a result of the tax reform.

It would seem that these are quite important answers to your questions. Thanks to the initiatives put forward by this Government, including tax reform, those people will be paying less tax, and the balance between individual and corporate taxpayers will be much fairer. But I would like to take a moment perhaps to make a brief comment, because I feel the Hon. Member is not giving the whole picture when suggesting that large corporations pay no tax, nothing at all. I would simply like to refer to one problem, which he no doubt will find is food for thought. How does he explain on the one side for instance his party's policy, that at least of some Members of his party who go to the constituency of my colleague for Abitibi and suggest that flow-through shares should be kept at all cost, the tax credit on flow-through shares that clearly favours people with income? How can they in the same vein blame us for taking action there and go on to say: People should pay more tax, or they are not paying enough! That to my eyes is an amazing contradiction. Perhaps he could shed some light on that!

**The Acting Speaker (Mr. Paproski):** The period for questions and comments is over. Debate. The Hon. Member for Vancouver East (Ms. Mitchell).

• (1220)

[*English*]

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I am pleased to have a chance to put on record some thoughts

with regard to this Budget and the Government. The Government promised fairness, honesty, and equity to Canadians and has not delivered. As many of the media commentators have said, this is not so much a Budget as an attempt by the Government to change the agenda of the country which has been unfortunately so absorbed with the many scandals and failures of the Government. It is attempting to convince Canadians that it is really not all bad and to praise itself in a pre-election period.

We are very disappointed, as I am sure most Canadians who have studied this Budget are, about the lost opportunities which have been epitomized in this Budget. The Budget will do nothing for average Canadians. In fact, it contains some regressive measures for them including an increased tax on gas which could cost families about $50 a year extra. In particular, it does nothing to try to deal with the very serious problems which still exist in ridings such as my riding of Vancouver East where there continues to be a very high incidence of poverty and a very high rate of unemployment.

We believe that the Minister of Finance (Mr. Wilson) had a real opportunity to move to greater regional fairness, to stop the rise in interest rates which is a very major factor in our economic growth and development, and to make the tax system fairer, which is something the Government has been promising us over and over again. However, there is no attention paid to these things in this Budget.

The Minister also promised to implement the national child care program which the Prime Minister (Mr. Mulroney) and the Minister of National Health and Welfare (Mr. Epp) have been promising for years. If I sounded very angry when asking questions of the previous speaker, it is because I was angry. It is all very well to talk about promises which have been made as if they have been fulfilled. However, there is no child care for most families across the country right now. Nothing has been put forward in this Budget to help to increase the number of licensed quality child care spaces.

The Member can talk at great length about promises, but that does nothing for families with young children who have needed and been promised child care facilities for a number of years and will now obviously have to wait until after an election. This sounds to me like a lot of election propaganda again. Therefore, the Budget is very unfair.

One of the things about which we are particularly concerned is that it is really building two Canadas. You will recall that the Prime Minister warned us a year ago that "we are in the process of building two Canadas, one which is rich and promising and one which is under-developed and under-employed". Speaking of one who comes from an under-developed and under-employed region of Canada, and certainly from a constituency which has a high rate of unemployment, I could not agree more. I am very disappointed that during the Minister's last period in office—because he is on his way out, as is the Government—he has done nothing to try to fulfil promises of regional fairness.

The Budget ignores the fact that unemployment in British Columbia, in seven other provinces, and in the North is still at the level which prevailed during the 1981, 1982, and 1983 recessions. Through one of the job development projects we recently did a study in my riding of Vancouver East. I sent the study to the Minister of Employment and Immigration (Mr. Bouchard). That study showed that in Vancouver East 27.5 per cent of those actively seeking work cannot find jobs. Not all of those statistics show up at the unemployment office, but that is the real rate of unemployment. That is an intolerable situation. I happened to mention that to a colleague of mine from a northern riding who said that there are communities in his riding within which the unemployment rate is over 50 per cent, particularly native communities.

We should have a policy of full employment. We should have a Government which will make this a top priority rather than only talking about how unemployment has gone down in central Canada. We should be working on full employment across the country. This Budget and the trade deal with the United States will not assist in this kind of equality.

The Government had an opportunity to correct unfairness in the tax reform Budget of last year but did nothing. The result is that the average Canadian family will be paying more than $1,000 in additional taxes than in 1984. I stress "families" because families are being penalized more than are those who do not have children. Only the richest 2 per cent of taxpayers will pay less. As a further consequence of this Budget, 60,000 corporations will continue to pay no tax. That group could have been paying taxes to provide revenue for the programs which are necessary, including a much more generous program for child care.

Nothing was done to reduce the interest rate levels which we think would help considerably to develop economic diversification and deal with unemployment. Canadians were looking for fairness but nothing is offered in this Budget to close the growing disparity between people in central Canada and in Canada's East, West, and North, and the disparities between rich and poor which will remain indeed they are increasing. I will expand on that a little later.

Are these the policies of fairness which the Government promised? If they are, the voters and citizens of Canada are sorely disappointed.

I would like to refer very briefly to a couple of analyses of the Budget which show that the rich have won control over Canada's tax system. I will not go into this in detail.

• (1230)

The Institute for Research on Public Policy said that the richest people in the country are the big winners, no matter how you slice it. They went on to say that 1988 personal income tax reform will increase the disposable income of Canadian taxpayers, with the biggest gainers in the top one per cent, but leaves the majority worse off than in 1984.

Linda McQuaig did an analysis in her book entitled *Behind Closed Doors*. She looked at the total Conservative approach to tax reform and concluded, again, that the tax system keeps moving away from the ideals of fairness and equity and that, in fact, the system has created measures where the poor and middle class keep paying more tax while the rich end up paying less.

As critic for social policy, I want to focus on aspects of the Budget that have an impact on families. Average families have already suffered under the economic policies of the Government, particularly as they relate to tax measures. They have seen a considerable loss in family benefits, which I will explain in detail later.

They are still paying high taxes and have been hit hardest by the sales tax. Families raising children must buy many more consumer goods and spend most of their money for essentials. The sales tax hits family consumers much more than single or higher income people.

The Canadian Council on Social Development has made some profound statements based on their analysis and the analysis of the National Council of Welfare. They state:

> One segment of the Canadian population which has not advanced during this government's term is families with dependent children . . . Families with children have lost ground compared with other Canadian households. The effects of partially deindexing all family benefit programs and tax credits in conjunction with tax reform measures will mean that a one-earner couple with two kids and an income of $30,000 will pay $1,439 more in total income and federal consumption taxes in 1990 than in 1984, after adjusting for inflation.

This is compared to a similar couple with no kids who will pay $979 more. What kind of equity is that?

The CCSD also stated that minimum wage workers under federal jurisdiction have fared particularly badly. This includes the working poor group who have lost about one-third of their income to inflation since 1980. The CCSD went on to say:

> The 50 per cent increase in 1986 prevented the situation from deteriorating further but the federal minimum wage rate still rates second from the bottom compared with all provincial rates.

They go on to summarize:

> Major new measures were not announced in the Budget. But continued deindexation hits families with children much harder than it affects adults without children. This is a most regressive way to raise revenue for deficit reduction.

The Budget also announced continued reductions in non statutory programs, amounting to $300 million. There is very little detail in the Budget Papers about what programs will be affected by this Budget reduction measure. Non statutory programs include very many small but important programs such as social housing programs, training programs, programs for women, as well as family support programs.

As pointed out by the CCSD, the benefits for a family of four have decreased and are about $300 less for low income families earning less than $20,000, about $900 less for those in the $30,000 income bracket and about $1,300 less for the middle income family. There is no question that there are many hidden penalties in the Government's changes to family benefits.

The House will recall that the primary change to child benefits was the partial deindexation of family allowances. The House will recall the debate on that issue. The children were unable to organize the way seniors organized in order to re-index pensions, so the Government proceeded to deindex family allowances while re-indexing pensions.

The increase in the child tax credit will be partially deindexed, by 1988, however, so that the threshold level will go down, fewer people will be eligible for the child tax credit and the amount will decrease.

The reduction of the child exemption, which has also been deindexed is particularly hard on the middle income family. These are subtle changes which particularly affect average income families.

As far as low income families are concerned, tax reform has not alleviated the increasing poverty of these families. There should have been a major increase in the child tax credit and it should have been fully indexed.

The sales tax hits poor families very hard because they must spend most of their welfare income on basic essentials like clothing, food and rent.

While child poverty has decreased dramatically, the tax measures even for poor families means $300 less in child benefits. We need an income security reform program, which is something that none of the Government programs have addressed. I have attempted to raise this question of poverty with the Minister of National Health and Welfare on a number of occasions.

It is misleading to suggest that poverty has gone down. While poverty among elderly people has decreased because old age pensions have risen—a Liberal initiative incidentally—child poverty has increased. It is a deplorable fact that one in five children in Canada goes to school hungry. We cannot even obtain a food program in Vancouver in order to assist poor children. It is deplorable that this country should depend on institutionalized food banks as a way of looking after our children. This Budget does little to help the situation at all.

Let me discuss the impact of this Budget on women. A press release issued by the Canadian Advisory Council on the Status of Women summarizes this very well. It states that the Budget does not deal with child care needs. They are very concerned that the federal Government is placing emphasis on deductions rather than on credits. Of course, deductions favour those who pay taxes and completely exclude those who do not pay taxes. This means that poor families do not have access to this tax measure.

They go on to state that deductions give greater benefits to higher income earners, and are an inappropriate use of tax dollars for child care. We agree with that.

They raise a very interesting point which I do not believe has been brought up in the House, that the proposals contained in the Budget related to alimony and maintenance payments run counter to the Council's recommendations in this area. They state:

> We see no reason why a non-custodial parent can deduct amounts spent in support of children, while a custodial parent has no such right.

Why should fathers—mothers in a few cases—who are usually the higher income earners receive all the tax benefits while the mother who is struggling and is lucky if she receives those maintenance payment, does not have any tax benefits. The CACSW recommends that child support payments should be deductible by the lower-income earner, the spouse who is assuming care of the children directly.

• (1240)

The CACSW also talks about the $300 million a year for non-statutory spending. It feels that this could hit women's programs particularly including programs that prevent wife battering. Job creation and labour adjustment programs for women maybe jeopardized as well. It talks about the fact that 850,000 low-income people will be taken off the tax rolls by tax reform proposals but the Government does not mention, nor did the Minister who spoke recently, that at least one million low-income Canadians have joined the ranks of taxpayers over the past six years as a result of the limitation on indexing of the tax system. Again, the poor people are paying taxes and the wealthy people and corporations are paying very little or none.

The CACSW is concerned about indirect taxes and particularly about future changes proposed to the sales tax which again will have a regressive impact on women. The heaviest burden will be put on those least able to pay.

Finally, I would like to concentrate my remarks on the question of child care. We all know how important this program is. The Prime Minister (Mr. Mulroney) said that this would be a major social reform of his Government and he said close to three years ago now that there would be a major investment of money into quality child care spaces for families who need child care and who need it at rates they can afford to pay. However, that is the part that seems to have been forgotten by the Government's child care proposal.

We hear about regressive tax measures. The tax measures in this Budget will double the child care tax deduction for those who pay taxes from $2,000 to $4,000. That is nice for people with those kinds of expenses. This helps higher-income people who pay taxes, families with two professional parents. However, what about single mothers and low-income parents who desperately need to get into the workforce and have no benefits at all? They have been left out of that scheme. There is not even a tax credit for them.

Another program that is costly to Government revenues is the token, almost insulting payment of $100 this year to a parent who stays at home. No one can tell me that the value of a homemaker who raises his or her own children is recognized by that. It would have been much sounder to have increased the child tax credit considerably for lower-income families.

As I mentioned to the Minister of Finance (Mr. Wilson), we are concerned that the Government is losing some $210 million this year in tax revenues as a result of these regressive tax measures but there is nothing in the Budget that will fulfil the promise, and it is only a promise, to put money directly into child care services. That is the first priority. Even families with increased tax deductions will have no guarantee that they will be able to find licensed, quality day care spaces for their children. Even if they do find the day care spaces, the fees will be high and the wages paid to care givers will be atrocious. Child car workers in Canada are paid approximately $15,000 per year in many instances, and that is an absolutely deplorable salary for trained professionals who are doing one of the most important jobs anyone could do by helping to raise a generation of children.

We are very disappointed that the Buget reinforced the regressive measures again.

**An Hon. Member:** Time.

**Ms. Mitchell:** Is my time up, Mr. Speaker?

**The Acting Speaker (Mr. Paproski):** I will allow the Hon. Member another half a minute if she would like to conclude.

**Ms. Mitchell:** Thank you, Mr. Speaker. I think I have made my point. I would urge government Members to think of the children of Canada, the one in five children who are poor and the majority of young parents who are in the workforce or want to get into the workforce and need to work to survive but who do not have adequate care for their children and whose children indeed are at risk in many inadequate baby sitting arrangements.

**Mr. Keeper:** Mr. Speaker, I have a question for my colleague. I take note of the fact that Budget statistics indicate that corporate profits grew faster than other economic indicator. Corporate profits rose by 25.6 per cent over the last year. At the same time, corporate taxes rose by only 15.3 per cent.

I would like to know if taxes for average Canadians rose by less than their income rose. Are they being treated the same as corporations are being treated? Are there any Canadian families whose incomes rise more than their taxes?

The Budget indicates that 60,000 profitable corporations will continue to pay no corporate income tax. I wonder if my colleague is aware that in 1986, Alcan Aluminum made profits totalling $220 million but did not pay any taxes. Instead, it received a tax credit of $32 million. Does my colleague know that in 1986, Brascan, on profits totalling $187 million, received a tax credit of $2.3 million? The list goes on and on. I hesitate to read into the record all 60,000 examples.

Does my colleague know of any families in her riding whose incomes have risen by more than their taxes have risen under the Conservative Government? Are families being treated the same as corporations?

**Ms. Mitchell:** Mr. Speaker, I think my hon. colleague has put onto the record some extremely significant figures. I hope he will expand on them when he makes his speech later in the day.

I can think of only one kind of family in my riding whose incomes went up higher than their taxes did. Families on welfare might have gotten a few dollars per year more and pay no taxes at all. However, those families have used up all their income by the second week of the month and then have to line up at food banks because they have nothing to eat. Their children go to school hungry. I am sure there are not very many children of the management of Alcan and Brascan who find themselves in those situations.

If we had the income from fair taxes paid by 60,000 corporations, we could increase welfare rates and ensure that there are more child care spaces. We could ensure that children in Canada are not going to school hungry.

• (1250)

[*Translation*]

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, I am glad to be talking about the Budget, today. When we were elected, three and a half years ago, our greatest challenge was restoring financial stability and returning some credibility to the management of public finances. In 1984, the federal deficit and the national debt were out of control. The deficit was in excess of $38 billion, whereas three years previously it was only $14.9 billion. Over the same period, the national debt had doubled and was increasing at an average rate of 26 per cent per year. If we had continued at the same pace, it would be, today, $100 billion more than it is, which means $16,000 more for every family of four in the country.

Once the Government has lost control of its finances, everybody suffers. The interest rate applicable to mortgages, and consumer or business loans goes up. Confidence in the economy goes down, growth slows down and job creation decreases.

Mr. Speaker, our capability of providing the programs and services that Canadians need and want was in jeopardy. We believe Canadians want to leave their children and grandchildren a positive heritage, rich in opportunities, rather than a crushing debt and shattered expectations.

The only way to deal with that situation was to propose a short-term fiscal plan, providing for a sustained reduction of the deficit, and stick to it. That is exactly what we have done. We took a series of initiatives to put our finances in order by reducing federal spending and increasing revenues. Our first priority was to regain control of public spending.

In the four years before we came to office, program spending had increased at an average annual rate of 14 per cent, far in excess of the rate of inflation and enough to double spending in about five years.

**An Hon. Member:** Who wrote that?

**Mr. St. Julien:** Since 1984, we managed to cut the average annual rate of increase in program spending to just 3.5 per cent, less than the inflation rate. We achieved this record because we have put in place a new, disciplined approach to the management of government and its finances.

We promised that we would each year cut the deficit. We have done so. We indicated that the control of expenditures would be the main source of deficit reduction. Such have been the case. For the current fiscal year, we predicted that the deficit would be cut to $29.3 billion and, according to the Finance Minister (Mr. Wilson), that target will be met.

Mr. Speaker, we had promised to respond to the needs and priorities of Canadians in a fiscally responsible way. That is exactly what we did. When we took office in 1984, the country was in need of a sound financial management. This still is today and will remain in the future a foremost necessity. We must and will hold to our fiscal principles.

Firstly, we will reduce the growth rate of the national debt to that of the economy by 1990-91. Secondly, the annual deficit keeps declining steadily. In view of the forecasted decrease for 1988-89, it will be the first time ever since World War II that the deficit has declined four years in a row. Third, we are reducing Governement's financial needs to a considerable extent. Fourth, we are achieving most of that reduction through reduced spending and disciplined management.

With constant abiding by our fiscal principles and with structural improvements fostering economic growth, we managed to remain on the same financial course we have marked out since 1984.

Mr. Speaker, I would not miss that opportunity today to allude to a unique fact in Canadian history. That is the billions of dollars of Canadian taxpayers' money the Liberals have wasted. In September 1987, the Auditor General of Canada, Mr. Ken Dye, stated that because it took too much into consideration the political situation in Canada, the former Liberal Government had wasted, without any legitimate reason, billions of dollars of Canadian taxpayers' money.

The Ministry of Finance was made aware, in early 1984, that something was going wrong with the fiscal deduction program for scientific research. That warning was issued several times in the middle of that year. But that Department did not move because the Government was to go on an electoral campaign.

Had the Department of Finance stepped in earlier, according to Mr. Dye, it could have saved considerable amounts of money, something in the order of billions of dollars.

That controversial fiscal deduction program thus became the most costly fiscal disaster in the Canadian history. When announcing that program, in 1983, the former Minister of Finance, Mr. Marc Lalonde, predicted that it would cost only $200 million to the Government.

However, the program that was cancelled by the Tory Government shortly after the elections reached $3,9 billion. Up to $1,9 billion of that amount may have been lost as the result of frauds. There were some frauds where businesses and individuals claimed deductions without proceeding with any research. Mr. Speaker, the purpose of the program was to provide generous tax deductions to encourage companies and individuals to invest in research and development. According to Mr. Dye, the Department of Finance should have had some misgivings from the beginning when there was an avalanche of registration forms as soon as the program was enforced in January, 1984. However, Mr. Lalonde was confident that the program would be effective. In *L'actualité* of February, 1987, journalist Paul Morisset wrote: "It is the theft of the century." In October 1984, the Tory successor to Marc Lalonde, the Minister of Finance, Michael Wilson, put a sudden stop to the whole matter. It was his first official act. However, it was already too late. In nine months, the bill had almost reached $3 billion, a tenth of the national deficit, enough to build more than 50 hospitals in Canada. According to the Minister of National Revenue, almost a dollar out of three was wasted, a billion disappeared through frauds and bankruptcies without being used for research.

Mr. Speaker, it was the worse fiscal fiasco in the history of Canada. How could such a disaster happen again? This question should be raised again at a time when Canadian taxpayers are filing their income tax returns and the government is launching its tax reform. I will give you a few examples, Mr. Speaker.

In Calgary, a businessman received $30 million; he bought two office buildings, a Jaguar and a 160-acre ranch before he vanished.

Another example, Mr. Speaker: in Kitchener, Ontario, half a dozen foreign businessmen got $2.5 million to build high-technology mini-submarines. They left with the money but without a forwarding address. The plans submitted to officials were drawings of submarines from the Second World War!

One last example, Mr. Speaker: in Montreal, the Department was investigating three companies implicated in dubious transactions totalling between $15 and $20 million and involving the same individuals. In this popular scheme, the whole building is claimed as an R and D expense while only one room out of 10 floors is used as a laboratory. Or a contractor erects a $4 million building, gets $8 million from the owner and submits a $30 million invoice for tax purposes.

Then there were some tax evaders who paid university professors from $5,000 to $10,000 to write serious-looking proposals. The bigger the projects, the more dubious they tended to be. But there were two big problems: first of all, the government was signing blank cheques. It was giving out tax credits without really checking and before research started. The claimant only had to fill out a short form. The Department of Finance officials wanted a flexible system free from red tape.

The other problem, Mr. Speaker, were the quick flips allowed under the program. In short, the investor paid the money and got half back the next day to make a 5 to 10 per cent profit in 24 hours without any risk! Three quarters of the money invested in the SRIC Program was used for quick flips.

In an interview, Marc Lalonde stated: "Obviously, there were some abuses . . . " It is clear that the law was not tight enough. But out of $3 billion, $2 million went to research. I say: "Hear, hear!"

Mr. Speaker, it is not one but 1.9 billion that have been lost because of cheating. Who is responsible for all that mess? The Minister is always responsible for his programs, said Marc Lalonde himself. I never believed in blaming my officials.

From early June 1984, less than five months after the official announcement of the tax credit, he had more than enough evidence that the program was going off the deep end. He had the power to stop everything and to save hundreds of millions of dollars to the tax payers. He preferred to swagger.

Mr. Speaker, why is it that the then Prime Minister of Canada and present leader of the Liberal Opposition did not put an end to these tax frauds? Why is it that the Opposition parties do not ask today that a Royal Commission be created to examine these frauds? I will conclude here on these tax frauds, Mr. Speaker, since I could speak on that all day long.

To continue, Mr. Speaker, there is another budget related issue which is of great interest to me and to Northern residents. Last February 11, the Hon. Member for Laval-des-Rapides (Mr. Garneau) said in this House: "I have had the opportunity to visit—the area of Abitibi, of Val-d'Or, and I am always amazed at seeing that Members of Parliament for that region do not protest more vehemently against the decisions taken by the Minister concerning the elimination of flow-through shares." Unfortunately, the Hon. Member is misinformed about what I do. In any case, when he went to Rouyn-Noranda for the annual meeting of Quebec prospectors in 1987, the Hon. Member for Laval-des-Rapides arrived at night fall and left that very same evening. Where was he last December 20, when a meeting was organized to save flow-through shares? I was the only federal Member of Parliament there.

Mr. Speaker, at the end of 1986, the Quebec Government lowered the maximum deduction from 166 and 2/3 to 133 and 1/3 per cent. This initiative, coupled with the minimum tax introduced in 1985, made mining inflation hedges less attractive, but the Hon. Member for Laval-des-Rapides and his Quebec Liberal colleagues have remained very silent about this cut back in Quebec.

In any case, I am still working to maintain flow-through shares and I have made public statements on that issue both in Ottawa and in my own constituency.

The major difference between the Hon. Member for Lavaldes-Rapides and myself is that he was in Abitibi only for a few hours, as a tourist.

In the Budget speech of February 10, the Minister of Finance (Mr. Wilson) said the following about regional development:

> We are also implementing a new approach to regional development—

—in Canada and Quebec—

> —an approach that will be more responsive to needs and priorities in the regions. It will draw fully on the ideas and the initiative of people living in the various regions as we work to achieve more balanced development across Canada.

There is now a plan for the Atlantic region, one for Western Canada and one for Northern Ontario. The Government has also announced its intention to respond more effectively to the real development needs of remote and less prosperous regions in Quebec. For this purpose, an in depth consultation process will be undertaken with the people of the regions, representatives of local business and of the provincial Government.

I am very happy at the announcement made by the Minister of Regional Industrial Expansion (Mr. de Cotret) at a press conference in Sept-Îles on December 22 about the five-year economic development plan which the Mulroney Government will be implementing to stimulate regional initiative and eliminate once and for all regional disparities.

Indeed, until the mid 80s, Quebec peripheral regions had been neglected by the Canadian Government. The federal regional development efforts in Quebec were strongly concentrated on the more industrialized regions in the southwest region of the province. Eastern Quebec was the only outlying region whose development was managed under a distinct, multisectorial and multi-year program, based on the analysis of the strenghts and the weaknesses of the regional economy and on the determination of the most promising development lines.

Yet, Mr. Speaker, North West Quebec, the Saguenay—Lac-Saint-Jean and the North Shore, as much as the Gaspe—Lower-Saint-Lawrence and Magdalen Islands, had then and still have particular needs. Economic development there is more costly and more difficult to manage than elsewhere. These isolated regions, far from the marketplace with their scattered and very mobile population, their total reliance on natural resources whose development is subject to the fluctuations of international demand and foreign competition, allow us to look into the development problems common to those vast economic areas which represent close to 90 per cent of Quebec territory.

Therefore, as of the Fall of 1984, the new government team headed by the Hon. Member for Manicouagan (Mr. Mulroney) put the outlying regions of Quebec among its regional development priorities. The sub-agreements concluded in 1985 under the Canada-Quebec Economic and Regional Development Agreement, although essentially sector-oriented, have led to major financial commitments in the outlying regions, particularly to enhance mining and forest development and to strenghten transportation infrastructure. Major national policies, such as the free-trade agreement with the United States, have created more favourable conditions for the development of Quebec resource areas. Ad hoc actions, such as the establishment of a federal penitentiary in Port-Cartier and financial support for the paper mill in Matane, were also intended to promote employment growth in those regions.

For this new plan to be realistic, Mr. Speaker, namely to overcome the regional development problems experienced in those areas, it should aim at accelerating long-term growth by mobilizing local entrepreneurs, by stimulating the development and the processing of our natural resources, by promoting excellence and technological development, by encouraging diversification of our regional economic stucture, by promoting the full integration of regions to Canadian and North American economies.

The new global plan will aim at four fronts: Eastern Quebec, the North Shore, Saguenay—Lac-Saint-Jean and Northwest Quebec. Each will have its own funding to ensure that development initiatives meet the needs of each area.

The plan would last a minimum of five years because a regional development effort cannot have any structuring and durable effect unless it is sustained and coherent. Previous experience clearly reflected that peacemeal and short-term solutions give poor results.

For each of the targeted areas, the development plan would be articulated around five major fields of operation in the master plan consistent with the major concerns of the Federal Government and of the area with regard to regional development, namely technological research and development, business development, the development of natural resources, of human resources and infrastructures.

• (1300)

In conclusion, Mr. Speaker, I would like to say that when I arrived in Abitibi in 1984, the unemployment rate was about 22, 23 and 25 percent in my constituency as in most of the towns and villages. We now have the lowest unemployment rate ever, 6.6 per cent, unheard of! We owe that to both federal and provincial programs, to the two levels of Government, to the private sector, to our employers, and to all workers in our region.

We have to keep this economic renewal going, for we all recall that the rate had invariably hovered around 20 and 25 per cent in previous years. We did find a formula, we now have flow-through shares, a very complex matter as we all know, but I do not hold back in my statements in Ottawa or in my riding. Between now and June our Government will have to

take a much closer look and make a change, come up with a new formula to help our Quebec prospectors.

We also have a sector where two military bases are to be closed down, including one at Senneterre where people are experiencing troubled times. The federal Government and the Government of Quebec must synchronize their efforts to give additional assistance to Senneterre.

We know that our Government launched a community development program under which they were allocated $200,000 over the first two years to set up an office. And again recently, last week in fact, we earmarked $1.3 million to include both projects in the community development program.

In my riding we have three other projects, specifically in Amos, Matagami and Chapais-Chibougamau.

Mr. Speaker, I suggest we will have to work very hard to sustain such economic growth and keep unemployment down to 6.6 per cent. That is precisely what our Government will do to keep the economic renewal going.

**The Acting Speaker (Mr. Paproski):** Order, please. Questions and comments?

**Mr. Berger:** Mr. Speaker, in his speech the Hon. Member stressed the problems we had with the former scientific research tax credit.

He knows perfectly well that this tax credit was introduced to help high tech companies that always have trouble obtaining risk capital.

The companies themselves asked for this kind of program to help them obtain the initial financing they require to develop new products.

As I said before, the Hon. Member stressed the problems that arose as a result of this program, and he failed to mention, or mentioned only briefly, that the program did help develop a lot of good research that will benefit Canadians and the Canadian economy, and will increase innovation in the private sector.

He may also be aware that companies are now asking for a similar program to be introduced, but with adequate controls. I don't know whether he attended the National Conference on Science, Technology and Innovation, where the private sector was very emphatic about the need for setting up such a program with the control mechanisms that were lacking in the former program.

However, I would like to ask a question about the Government's present program which was introduced by the Conservative Government, and I am referring to the refundable tax credit in the 1985 Budget. In fact, the tax credit as such already existed, but this Government increased the refund available under the program. The Hon. Member must know that the program is having quite a few problems because of very tight restrictions imposed by Revenue Canada. I may refer him to an article that appeared in *Le Soleil* on February 16, under the heading: Revenue Canada discourages research. This was in response to a CP press release which referred to Revenue Canada's rigorous approach that was discouraging R and D in advanced technology.

The article followed a survey of 212 companies conducted by the Canadian Advanced Technology Association. The survey revealed that many companies had to wait for as long as twelve or eighteen months before receiving their tax credit refund. I am aware of some very serious situations where companies have had to close down because of the long delay involved in getting their refunds, and it is not just the delay but the incertainty about whether or not they actually will obtain a refund. In many cases, Revenue Canada will not accept the research expenditures incurred by many of these companies as such. There is some confusion about the definition of "research".

Is the Hon. Member aware of these problems? Could he inform the House what he intends to do to ensure the program meets the needs of Canada's private sector?

**Mr. St. Julien:** Mr. Speaker, I am pleased to reply to the Hon. Member for Laurier. The House is aware that he represents the smallest riding in Canada with an area of five square kilometers, and that I represent the largest of the ten provinces in Canada with an area of 740,000 square kilometers. In other words, there are 60,000 people in his riding, while there are 102,000 in mine.

But to return to the Hon. Member's question about the difficulties companies are experiencing when trying to get reimbursements for their research activities, Mr. Speaker, I can tell you that after the 1983-84 scandal of the century, and I refer here to the article which Paul Morisset wrote in *L'Actualité* in 1987 about the shortfall of $1 billion.

**Mr. Rossi:** Who are you to talk about scandals?

**Mr. St. Julien:** He mentioned the part played by lawyers and accountants:

> There were other expenditures. The Department of National Revenue has indicated that some $350 million in honoraria were paid to lawyers, accountants and brokers of all sorts.

—that is to say—

> These middlemen received in fees from 1 to 2 per cent of the value of the transaction, which were charged to the research companies thus reducing by as much their research and development budgets.

Mr. Speaker, I can tell you that when the time comes for allowing tax credits or shelters, it is important for the Department of Finance and the Department of National Revenue to investigate whether research activities have really taken place.

The newspaper continues in the same vein:

> Auditor General Kenneth Dye, the taxpayers' watchdog in Ottawa—

—at the time—

> —compared the Members of the House with a team of engineers trying to develop a car which is not a gas guzzler: "They think they have succeeded, but the engine seems to swallow up as much gas as before.

They just cannot understand, until they discover a large number of very small and well-hidden holes at the bottom of the gas tank. Much too often the same thing happens with tax expenditures. Revenues are leaking, something the Members of the House realize only when it is too late".

To return to the Hon. Member's question, Mr. Speaker, it is understandable that the Canadian Minister of Finance (Mr. Wilson) should tell his officials to check every application for refunds thoroughly before authorizing them.

• (1310)

Because the tax shelter problem had reached a critical point in Abitibi-Témiscamingue, departmental officials had to carry out investigations to discourage abuses.

Mr. Speaker, you know what happened in 1983 and 1984. It is because of what happened then that we have to carry out investigations today—

**Mr. Rossi:** Investigate the scandals!

**Mr. St. Julien:** To my Hon. friend who is urging us to investigate the scandals, I need only remind him of the greatest robbery of the century. We will hold a royal inquiry on this. But the Hon. Member for Laurier (Mr. Berger) is right. We must carry out strich and precise controls before allowing any refund now.

**The Acting Speaker (Mr. Paproski):** The time for questions and comments is now over. Debate. The Hon. Member for Winnipeg North Centre (Mr. Keeper) has the floor.

[*English*]

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, I must say that I welcome the opportunity to participate in the budget debate. The Budget which the Government has brought down really says a lot to Canadians. It tells us a lot about the Government's priorities and policies.

To any ordinary citizen the budgetary papers may look like quite a pile of paper. Of course half of it is in English and half is in French. Previous Budgets consisted of larger stacks of paper. It was very difficult for opposition Members to go through them in a matter of a few hours. Therefore, we have the lock-up which allows some of our representatives to be briefed for many hours.

This Budget is a flimsy one. This Budget does very little. This Budget shows that the Government is bankrupt of ideas. This is a "do-nothing Budget". This Budget is an excuse for a budget. This Budget is not really a budget.

Budget day just came along and the Government said, "Oh, we have to produce a budget. The Minister of Finance has to buy a new pair of shoes. He has to get his picture in the papers showing the good soles on his shoes and he has to say something". The Government managed to put together a speech which did not say anything. It talked about all the good things the Government has done. It painted a rosy picture of the economy. However, in the final analysis, this is no budget whatsoever. It certainly does not respond to the concerns and needs of ordinary Canadians.

I have spent some considerable time meeting and talking with people in their homes. I must say that they delivered a message to me which I feel a responsibility to deliver to the House and to the Government. Canadians want to know if anybody is listening to them. They want to know if anybody will speak up for them. They would be curious to know if anybody on the government front-bench is speaking for them. In a nutshell Canadians have said, "Enough is enough. We are taking home less pay. You are increasing our taxes. You are a burden on our backs. Get off our backs; enough is enough".

I want to touch on a few aspects of the Budget and to talk about taxes on corporations. I want to talk about Canadian families and I want to say a few more things about what the Budget tells us about Conservative policy and about the Mulroney Government's approach to Government.

• (1320)

First, with regard to corporations, I noted earlier today, and I want to note once again, that statistics from the Budget indicate that profits for Canadian corporations have gone up by some 25.6 per cent. I do not know any families in my riding whose income has gone up by 25.6 per cent. Most people in my riding and most Canadians across the country have a hard time getting an increase of 3 per cent. They get 4 per cent if they are lucky. Corporation profits have gone up by 25.6 per cent which is the biggest rise of any economic indicator.

Although I am a New Democrat, I do not begrudge corporations their profits. I must say though that when they do make profits they ought to be good corporate citizens and pay a fair share of the taxation burden which Canadian families have to pay. Why is it that when corporations profits go up by 25.6 per cent their taxes only increased by 15.3 per cent? What happened to the other 10 per cent? Which ordinary Canadian family can say to us "My income has increased by 25 per cent over the past year but my taxes have not kept pace?" The people in my riding are telling me that their taxes are going up faster than their incomes. They are fed up and they are saying "Get off my back, Brian Mulroney. We are sick and tired of farcical tax reform which promised lower taxes but is resulting in increased taxes.

**The Acting Speaker (Mr. Paproski):** I will not interrupt the hon. gentleman again during his speech but I would like to bring to his attention that we call the Prime Minister (Mr. Mulroney) the Right Hon. Prime Minister and we call the Government the Conservative Government. The Government should not be headed by an individual's name. That point has been brought to the attention of Hon. Members before. The Hon. Member has been here long enough and he knows that he should not be doing that. The Hon. Member for Winnipeg North Centre (Mr. Keeper) has the floor.

**Mr. Keeper:** Mr. Speaker, I respect the Chair and I know most Canadians call the Prime Minister (Mr. Mulroney) by

something other than his name, and I would not want to break with that habit.

**Mr. Brisco:** Mr. Speaker, I rise on a point of order. The comments of the Hon. Member for Winnipeg North Centre (Mr. Keeper) of the New Democratic Party are either supposition or fiction. They fly in the face of your admonition to him of a moment ago.

**The Acting Speaker (Mr. Paproski):** Exactly. This is why I bring to the attention of the Hon. Member for Winnipeg North Centre who has been a Member for a number of years that he should not do what he is doing. I recall that Mr. Speaker said "I think I am obliged to advise Hon. Members that in the last several days I have received complaints from both sides concerning the use of Hon. Members names instead of addressing them as they ought to be addressed in this Chamber". I would like the Hon. Member to comply with that request. The Hon. Member for Winnipeg North Centre has the floor.

**Mr. Keeper:** Mr. Speaker, I will refer to the Prime Minister (Mr. Mulroney) as the Right Hon. Member, and I will not repeat my earlier comment, at least in this context, even though it is based on fact.

**Mr. Belsher:** Use the title or take a walk.

**Mr. Keeper:** Mr. Speaker, I hear over here "Use the title or take a walk".

**Mr. Brisco:** Mr. Speaker, I rise on a point of order. The Hon. Member who is now speaking on behalf of the New Democratic Party, the Member from Winnipeg North Centre, seeks repeatedly by his choice of words to refute the admonition that you gave to him from the Chair.

**Mr. Keeper:** It is not true.

**Mr. Belsher:** It is.

**Mr. Keeper:** It is not.

**Mr. Belsher:** It is. You just said it by your own words.

**Mr. Brisco:** He wants to avoid the truth.

**Mr. Horner:** There are three right hon. Members in this House.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Winnipeg North Centre has the floor.

**Mr. Keeper:** Mr. Speaker, I will come back to the point I made earlier. Corporate profits in this country have gone up by 25.6 per cent while their taxes have gone up by only 15.3 per cent. At the same time under Tory rule 60,000—not 60, not 600, but 60,000 corporations in Canada continue to pay no taxes on their profits. We are not saying that we should starve corporations, but we are saying that when corporations make profits as members of the community they ought to pay taxes.

I want to point out to Hon. Members who jump up to their feet on points of order that they ought to deal with this question. Do they know that in 1986 Alcan Aluminum on profits of $220 million, rather than paying taxes received a tax credit of $32 million? What ordinary Canadian family can get a deal like that? In the same year, Brascan, another Canadian corporation, on profits totalling $187 million paid no taxes but received a tax credit of $2.3 million. Brascan was given money. In 1986 Hees International, on profits totalling $117 million paid—guess what—no taxes. Power Financial earned profits of $132 million and received a tax credit of $1 million. The list goes on. While the profits of corporations mount, their taxes do not keep pace but ordinary Canadian families are being asked to pay more and more.

What Canadians want to know is just who is this Conservative Government listening to? Who does it care for? What does its policies tell us about who the Government is interested in and who it is serving? What are the priorities of the Government? The Government's actions speak louder than its words. Its actions indicate that it bows and scrapes when it comes to large and powerful corporations, large and powerful private interests, but when it comes to ordinary families, the Government lays on the tax burden. The Government does not hear the calls for help and relief from ordinary Canadians.

I do not know whether Members in this House know, or whether Members of the Government side know, but certainly the people in my riding know that the Budget which the Government brought down and the previous budgets it has brought down since its election have hit the middle-class family the hardest. Middle class Canadians have reached the end of their rope. We hear them saying "We have no more disposable income. Four or five years ago we used to have a few dollars in our pockets. We had some change and some discretionary income. That has now gone." The Conservative Government continues to raise taxes, continues to increase the burden, and still has not heard the pleas of ordinary Canadians for relief.

• (1330)

I want to quote a little documentation in this regard just in case someone may doubt what I have to say. I hope that the jolly Members on the other side will get up and join this debate and explain these taxation policies. The Canadian Council on Social Development says:

> One segment of the Canadian population which has not advanced during this government's term is families with dependent children.

What is a family without children? Those are the people who have not advanced under the present Government. The Canadian Council on Social Development goes on to say:

> Starting with the 1985 Budget and continuing through to the tax reform proposals, families with children have lost ground compared with other Canadian households. The effects of partially deindexing all family benefit programs and tax credits, in conjunction with tax reform measures, will mean that a one-earner couple with two kids and an income of $30,000 will pay $1,439 more in total income and federal consumption taxes in 1990 than in

1984, after adjusting for inflation. By comparison, a similar couple with no kids will pay $975 more.

That certainly does not jibe with the music we hear from the Government which talks about income tax reductions. The reality is not the Government's rhetoric but rather that taxes are continuing to increase, particularly on the backs of Canadian families.

Why is that when Canadians' incomes are being held down, when they have a difficult time getting a 1, 2, 3, or 4 per cent increase, their burden of taxes continues to increase while at the same time corporate profits soar and their taxes lag behind the rate at which their incomes increase? Who is the Conservative Government interested in? Who is it listening to? Is there anyone on the front bench of the Conservative Government who is willing to speak up for ordinary families or are they all going to repeat the party line?

There is one other aspect of the experience of ordinary Canadians which I want to bring to the attention of the House and the Government. I will quote again from the documentation of the Canadian Council on Social Development to show a reality which this House must acknowledge and which ordinary Canadians know from their own personal experience by looking at their pay cheques. The document reads:

Trends in average wages and salaries between 1983 and 1987 also reflect the lower pay attached to Canadian jobs. In real terms, workers today take home on average $8.60 a week less than in 1983.

The income of the average Canadian family is dropping at the same time as the Government continues to increase the burden on Canadian families. It is the middle class family, the average Canadian family, which is being hit the hardest. Everyone is losing, whether they are poor, working class, or middle class, but the average Canadian family is being hit the hardest. It is time for this to stop. It is time for the Government to stop coddling the corporations while slamming the families of the country. It is time for some fairness in the taxation system rather than the sham of tax reform which the Government presents to the Canadian people.

I have one message for the Government which comes directly from my constituents, and that is, enough is enough, get off our backs. The Government is supposed to serve people and not to hurt them. Leave the average Canadian family alone.

**Mr. Brisco:** Mr. Speaker, in the one minute that I have I will tell the Hon. Member that the employees of Cominco Limited in Trail are very interested in the welfare of that company and in the profits. They are well aware of the massive deficit which that company carried into last year. They are also aware of the profits it made. They base their salary and wage demands in the bargaining process on profits of the company and not the losses.

That same company with that profit is now spending $260 million Canadian on a new lead smelter. It is spending $6 million on a two-part project for germanium. It is spending $28.5 million on other projects, all of which will do two things; generate new jobs, and clean up the environment and useless by-products which were such a hazard in the past. There are two sides to every issue. This Member is prepared to give only one side.

**The Acting Speaker (Mr. Paproski):** The Hon. Member will have eight minutes to reply after three o'clock. It being 1.37 p.m. I do now leave the Chair until 2 p.m. this day.

At 1.37 p.m. the House took recess.

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## AFTER RECESS

The House resumed at 2 p.m.

# STATEMENTS PURSUANT TO S. O. 21

[*English*]

## FINANCE

### NORTHERN TAX ALLOWANCES—ELIGIBILITY OF ONTARIO COMMUNITIES

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, in December last the Minister of Finance (Mr. Wilson) announced a special tax reduction package for residents of northern and isolated areas. Several communities in the constituency of Cochrane—Superior are unable to claim these deductions on their 1987 income tax returns. I submit that the reason for their exclusion is extremely narrow in concept.

As the regulations now stand, they do not reflect the realities of northern Ontario. For example, there are communities which score high on points for geography, population, access, and they lack many services but because they are just a few kilometres short of the required 320 kilometres from a major centre they are out of luck. Surely a community which otherwise is over qualified for the tax reduction should not be left out in the cold because of a few kilometres.

Accordingly, I have asked the Minister of Finance to make distance a part of the point system. In this way, on the one hand the communities in question would be included, and on the other hand the system would not be open for abuse. I therefore urge the Minister of Finance to introduce the appropriate changes to the regulations without delay.

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## WINTER OLYMPIC GAMES

### TRIBUTE TO ORGANIZERS AND PARTICIPANTS

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, Olympics 88 have brought plaudits from all over the world to Calgary, Alberta and Canada. The opening show and each event that followed were sparkling, scintillating, glittering, wonderful, miraculous, marvelous, prodigious, spectacular, fabulous,

thrilling, fascinating, beautiful, exquisite, enchanting and inspiring. A small boy clapping his hands and with shining eyes put it best when he shouted: "Boy! That was real cool!".

The hundreds of volunteers, the committees, the performers, the athletes and all others who contributed should share the glory and the credit. The athletes, men and women from all over the world, of all colours, religions and creeds, each competing for the Gold, thrilled us as winners and losers congratulated each other in real sportsmanlike style.

To the Hon. Minister of State for Fitness and Amateur Sport (Mr. Jelinek), Mayor Ralph Klein, Frank King and all others who carried the responsibilities of this world event, Canadians say: "Thank you for the best Winter Olympics the world has ever seen".

* * *

## FINANCE

NORTHERN TAX ALLOWANCES—COMMISSION OF INQUIRY URGED

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, the Government recently released its comprehensive list of prescribed communities which qualify for northern residents tax deduction.

The result for many ridings is a complicated patchwork of have and have-not residents whose tax returns bear no relation to the principle of fairness and to the need for a northern tax allowance.

Northerners pay more for virtually everything, from gasoline and home heating fuel to transportation and cable television services. In almost every case, they therefore pay more in fixed taxes.

At the same time northerners do not have access to many of the public services accorded to residents in the south. Whether we speak of colleges or universities, subways and baseball stadiums, northerners do not receive the same benefits for their tax dollar. Northerners do not deserve to be sliced and diced into a checkerboard of so-called remote and non-remote communities. I call for the creation of a commission of inquiry to examine this matter, and I look forward to representing all my constituents before the committee.

However, the tax season is upon us. The only fair way to help northern taxpayers this year is to designate all communities in Tier 3 ridings as isolated and remote.



[*Translation*]

## LE CERCLE NATIONAL DES JOURNALISTES

SIXTIETH ANNIVERSARY CELEBRATIONS

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, this week marks the 60th anniversary of the *Cercle national des journalistes du Canada à la Chambre des communes et au Parlement du Canada*. In honour of this event, tomorrow the Minister of Public Works (Mr. McInnes) will inaugurate the Cercle's mini-museum and an exhibition: *"Aperçu: Phoenix sur la Colline"* at the Public Archives of Canada, a photographic account of the Parliament Centre Block fire in February 1916.

Wednesday, plaques honouring the founders of the *Cercle*, *The Citizen* and *Le Droit* will be unveiled during a special ceremony. Former employees and representatives of the founding newspapers and former presidents of le *Cercle* will be among the guests.

The week's festivities will conclude on Friday and Saturday with a musical review of press and politicians over the years.

Mr. Speaker, sixty years of journalism in Ottawa, including radio and television as well as the written press, is something to celebrate. Congratulations to one and all!

* * *

## CANADA POST CORPORATION

RECOGNITION OF RESPONSIBILITIES

**Mr. Alfonso Gagliano (Saint-Léonard—Anjou):** Mr. Speaker, last week we heard that the last postal strike cost Canada Post $70 million. While the Corporation is trying to close down rural post offices and depriving thousands of Canadians of home delivery, Canada Post, thanks to its arrogant policies, spent a total of $70 million during the last postal strike alone, and it seems that a few months before, the first mail carriers' strike cost another $30 million. Mr. Speaker, $100 million was wasted on strikes that failed to solve any problems at all. On the contrary, the situation keeps getting worse, and labour relations at Canada Post have become extremely tense.

I think the Government should recognize its responsibility and instruct Canada Post to treat its employees like human beings, to sit down at the same table and act responsibly. Mail delivery is everybody's business, Mr. Speaker, not just that of Canada Post. The Corporation should publish its figures so that everybody can see for themselves what is going on.

*S. O. 21*

[*English*]

## IMMIGRATION

REFUGEE STATUS GRANTED TO TERRORIST IN 1977

**Mr. John Oostrom (Willowdale):** Mr. Speaker, recently Canadians have learned that another extremely dangerous terrorist was admitted to Canada in 1977. The individual from Argentina is presently serving a prison term for drug trafficking.

What is of major concern is that this individual was granted refugee status by the Refugee Appeal Board, when this body had in its possession the evidence which made this individual inadmissible to Canada.

This is not the first time that this Board has made decisions which may be detrimental to Canada. One wonders how many other individuals who could severely jeopardize the lives of innocent Canadians have been admitted to Canada.

The Minister should undertake a review of all cases which were considered to be high risk, but were given approval by the Refugee Board. Remember that the terrorists know no boundaries, and that Canadians have already experienced terrorist acts. The Air-India tragedy is a reasonable example.

With the Olympics now in progress and the economic conference slated for June, a review is urgent. The safety of Canadians must always be the primary concern of the Government.

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## CANADA POST CORPORATION

SUPERMAILBOXES—OPPOSITION OF SCARBOROUGH CITY COUNCIL

**Mr. Cyril Keeper (Winnipeg North Centre):** Mr. Speaker, today Scarborough City Council is standing up to Canada Post. It is saying no to the so-called supermailboxes in spite of implied threats of poor service.

Canadians want to know when the Government will stand up to Canada Post. We know that the Tory Government and Canada Post have embarked on a policy of eliminating door-to-door service in new areas. When will they turn to existing areas and eliminate service there? Are they building a case for eliminating door-to-door service in all urban areas? What happened to the concept of fairness? Why does one neighbourhood receive service while another does not? Why are senior citizens and handicapped people required to use these boxes rather than have mail delivered to their doors?

It is time for the Government to stand up to Canada Post rather than leaving the job to Scarborough City Council.

[*Translation*]

## POLITICAL PARTIES

ROLE OF UNIVERSITY RECTOR

**Mr. Gilles Bernier (Beauce):** Mr. Speaker, I wish to acquaint the House with a rather funny situation: Mr. Rémy Trudel, who is Dean of Quebec University in Abitibi-Témiscamingue, has officially joined the NDP ranks in anticipation of the forthcoming election.

Moreover, while still exercising his duties, Dean Trudel spends his time travelling everywhere in Quebec as the big whig responsible for recruiting candidates for the socialist party. He should resign his position as Dean in Rouyn-Noranda. What is he waiting for? Is he not in a conflict of interest situation, Mr. Speaker? In his position as Dean how could he objectively analyze the university assistance programs implemented by the Government?

Mr. Speaker, is Dean Trudel using his generous expense accounts to travel everywhere in Quebec sowing the seed of socialism in our province? I suggest the Quebec Government should examine the current status—an embarrassing one, to say the least—of the Dean of Quebec University in Abitibi-Témiscamingue. If he wants to fight against the Government of Quebec and the Government of Canada, he should give up to someone not politically involved his comfortable and well-paid position at the expense of Quebec taxpayers.

The House is aware that the NDP is a political party which operates at both provincial and federal levels at the same time. The Socialists who are Members of the NDP are not in a position to give anybody a lecture on conflict of interests and honesty.

[*English*]

**Mr. Speaker:** I regret that the Hon. Member's time has expired.

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## HEALTH

STUDY SHOWING LEUKEMIA INCREASE IN PERSONS LIVING NEAR NUCLEAR INSTALLATIONS

**Hon. Chas. L. Caccia (Davenport):** Mr. Speaker, a British study conducted last summer reveals a higher incidence of leukemia and an increased number of leukemia-related deaths among children and young adults living near nuclear installations.

The National Cancer Institute in the United States announced that a similar study will be conducted there in the next nine months, to find any hot spots, or areas with an unusually large number of cancers.

A spokesman for Atomic Energy of Canada Limited, Mr. Mac Keillor, is reported to have said that no Canadian

research is being undertaken, that the British study is outdated, and that it has been refuted by other studies. This statement is disturbing, considering the fact that the findings of the British study are significant enough for the U.S. National Cancer Institute to conduct a similar study. We therefore urge the Minister of National Health and Welfare (Mr. Epp) to wake up and launch such a study in Canada because we cannot afford any delay.

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## CONSUMER AFFAIRS

BEEF CARCASSES—PRICES CHARGED BY PACKING HOUSES

**Mr. Jack Scowen (Mackenzie):** Mr. Speaker, in September, 1987, the federal Department of Agriculture changed the grading of beef carcasses so that a half inch of back fat lowered the grade from A1 to A2. Department meat inspectors have done a good job and have graded according to the new rules. It appears that the packing houses are taking advantage of both producers and consumers by charging retailers the same price for A1 and A2 beef carcasses.

• (1410)

The difference in price varies from five cents to eight cents per pound, or about $30 to $50 per animal. Packers do not pay for the hide, liver and other saleable parts of the animal. Surely the producers should get the benefit refunded to them if the meat packers are not going to pass this lower cost onto the consumers.

* * *

## CRIMINAL CODE

APPLICATION TO AIDS CARRIERS ADVOCATED

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, Canadians have a long way to go yet before we know fully how to deal with the epidemic of AIDS. However, one thing is becoming clear. For a person who has AIDS or is knowingly a carrier of it, there should be a special duty to avoid communicating it to others.

In *The Ottawa Citizen* over the weekend, I read another story of a person with AIDS knowingly giving blood. I think it ought to be drawn to the attention of police departments across the country that criminal negligence is defined in the Criminal Code and well covers this type of situation in which wanton or reckless disregard for the lives and safety of other persons is shown. I would urge the police to use this section of the law to enforce a higher duty of responsibility on those who have AIDS or who are AIDS carriers than they presently seem disposed to use.

*S. O. 21*

## RAILWAYS

BRANCH LINE REHABILITATION PROGRAM—OMISSION OF WOOD MOUNTAIN SUBDIVISION

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, last Friday elements of the 1988-89 rail branch line rehabilitation program were announced. Unfortunately no mention was made of the Wood Mountain subdivision, a 65-mile CP line between Ogle and Mankota in southern Saskatchewan.

Elevators on this line have been handling some four million bushels of grain annually. The alternative involves trucking grain distances of 30 miles or more over difficult terrain.

Many past studies, including the Prairie Rail Action Committee's, have supported retention and upgrading of the Wood Mountain line, as have the grain companies and the railway. As part of the permanent rail network, users have been led to believe that upgrading to hopper car standards would continue, some $3.4 million already having been spent for this purpose.

Area residents cannot help but be concerned with what appears to be a change of plans concerning this line. They ask the Minister of Transport (Mr. Crosbie) to review this entire matter and to consider reinstating the Wood Mountain subdivision in the 1988 rehab program.

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## NATIVE PEOPLES

SUBSTANDARD HOUSING CONDITIONS

**Mr. Rod Murphy (Churchill):** Mr. Speaker, once again I am required to rise in the House to point out how the federal Government is neglecting its responsibilities to our native people. I have often risen in this place before to complain of the housing that our native people are offered by the federal Government. My constituents and I are fed up with these conditions and we demand that they cease.

Native people in northern Canada live in substandard housing because of rules set by Canada Mortgage and Housing Corporation. These rules are entirely out of line with conditions in the North. They do not allow for the types of costs that occur in the North. The system does not offer the necessary flexibility to these isolated communities and there is simply not enough money available to correct the horrendous conditions that exist, or even to maintain what is already there.

Housing provided by the Department of Indian Affairs is deplorable, inadequate and a national disgrace. The backlog in needed houses ensures that the problem will not be solved in this century. Now is the time for action.

In Manitoba the provincial Government has been working hard to ensure that adequate housing is available to native

people. Once again I call upon the federal Government to improve its commitment. It is time for the federal Government to act to correct this horrendous situation.

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## ETHNIC AFFAIRS

BLACK HISTORY MONTH—RECORD OF SERVICE TO CANADA

**Mr. Alan Redway (York East):** Mr. Speaker, this month is Black History Month in North America. Many believe that blacks have been in Canada for only about 20 years. In fact the first blacks came to New France in 1628. Blacks were among the United Empire Loyalists who settled in Canada 200 years ago and they distinguished themselves in both the War of 1812 and the Upper Canada Rebellion. From 1820 to 1865, almost 50,000 fugitive slaves obtained their freedom in Canada by way of the famous underground railway.

The first black Canadian doctor was born in Toronto in 1837. A black Canadian woman published a newspaper in Chatham, Ontario, in 1850. A black Canadian served as a Toronto alderman for 13 consecutive years from 1894 to 1907, and a black Canadian lawyer was appointed a King's Counsel in 1910.

Today there are approximately 263,000 black Canadians. They did not just arrive. They have been Canadians for over 350 years and they continue to make an outstanding and growing contribution to our country.

* * *

[*Translation*]

## PUBLIC SERVICE

LANGUAGE TEACHERS—GUARANTEED TIME FOR PREPARATION OF COURSES

**Mr. Gaston Isabelle (Hull—Aylmer):** Mr. Speaker, Treasury Board officials insist that language teachers should give every week up to 37.5 hours of instruction, thereby denying them any time to prepare their classes. Such a situation does not exist anywhere else in this country. In fact, this is a repressive measure against a professional group which is much too visibly involved with spreading bilingualism within the Public Service. This is a largely Francophone group the members of which are mostly women.

The Government claims that it wants to save money! There is nothing to say against that, for bilingualism, like the Treasury Board itself, will never be cost efficient. The greatest benefit we can expect from them is a greater measure of justice in Public Service job accessibility to reflect national unity.

# ORAL QUESTION PERIOD

[*English*]

## TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—INTRODUCTION OF LEGISLATION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, I have a question for the Prime Minister. I would like to know when and how the Government intends to introduce legislation implementing the Prime Minister's trade deal with the United States. Last week representatives of President Reagan and leaders of the Congress agreed that American legislation on the deal would be drafted jointly by the administration and the Congress. Then in a letter from the U.S. trade representative and the Secretary of the Treasury to the leaders of the Congress dated February 17, the President's cabinet members said the following:

> Obviously, the President cannot make an absolute guarantee that he will be bound to legislation that has not yet been drafted, just as you cannot guarantee Congressional approval of such legislation.

It is therefore obvious that neither the administration nor the Congress knows yet what will be in the legislation. Can I have a commitment from the Prime Minister that he will not try to push legislation implementing that trade deal through the House at least until Canadians have had an opportunity to see what the administration and the United States Congress come up with?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I would have thought that the Leader of the Opposition would have been eager for an opportunity to debate and oppose the legislation. Now he is apparently asking for some delay and that we not bring it forward. I suppose that would give an opportunity for someone to return from Washington to report back on the latest Liberal position in respect of this important trade matter.

I can tell my right hon. friend that the legislation appropriate to Canada is now being drafted and it will be tabled at an appropriate time.

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, some of my colleagues indeed were in Washington last week getting more information from the Congress and the administration than we ever get from this Government.

PROPOSED U.S. OMNIBUS TRADE BILL

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, we also learned that the American Congress is currently considering two versions of a massive omnibus Trade Bill that will have a dramatic effect on Canada. Nowhere in either version of this prospective legislation is there so much as a word exempting Canada from the protectionist provisions of that Bill.

Does the Prime Minister have a guarantee from the President or from the leaders of the Congress that Canada will

be specifically exempted from the American omnibus trade legislation? If he does not, what is the point of proceeding with that deal and implementing it in the House of Commons when the country can be dramatically affected in a negative way by this omnibus trade legislation?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the predictions of cataclysmic events by the Leader of the Opposition very rarely occur, either predictions of economic growth or job creation in Canada. I suspect he will be equally off the mark in regard to trade.

We have our obligation, having concluded a sovereign agreement, to bring forward appropriate legislation, and we shall. The Americans have a similar agreement. It is my understanding that they shall do likewise,, and at an appropriate time my right hon. friend will be able to deal with the facts as opposed to speculation coming from one of his travelling salesmen in Washington.

• (1420)

**Mr. Turner (Vancouver Quadra):** It is because we want to deal with facts that we would like to know what is in that legislation as it is negotiated by the Congress of the United States and the President. We will want to know whether Canada will be exempted from the omnibus trade legislation. Without that the trade deal will not be worth the paper it is printed on. The Prime Minister knows that.

**Some Hon. Members:** Hear, hear!

[*Translation*]

AMERICAN SUSCEPTIBILITIES—GOVERNMENT POSITION

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, last November the Minister of Regional Industrial Expansion committed the federal Government to establish a duty remission program for the textile industry.

Given the resolution adopted by the Conference of American Governors, now we know that the governors along with American officials and a number of American congressmen do not want the Canadian Government to help the Canadian textile industry because that will have an impact on the American industry.

Is the reason why we do not have a program to help our textile industry the fact that the Prime Minister is afraid to provoke a negative reaction on the part of the Americans?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I should advise the Right Hon. Leader of the Opposition that the Government has a number of programs in place to help the clothing and textile industry. We have been in discussions with members of the industry which pre-date the signing of the trade agreement back in October. These discussions are continuing in ways that will help the industry retain and improve upon its competitive position. When there is need for further announcements those announcements will be made.

TEXTILE INDUSTRY—DUTY REMISSION PROGRAM

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I have a question for the Minister of Finance. Will he assure the House and the textile industry that the Government will go ahead and keep its promise to the industry to have a duty remission program to help it and its workers, even though going through with such a program will mean that the U.S. Congress will not approve the Government's trade deal?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I guess I can make the same comment as the Prime Minister has made. The cataclysmic, apocalyptic views of the House Leader of the Liberal Party are probably as well placed as those of his seat-mate. The Hon. Member should understand that there is provision within the free trade agreement for duty remission schemes.

As I indicated in my previous response, there have been discussions going on with the industry for a number of months, since well before October. Those discussions continue. When there is a need for an announcement to be made it will be made.

IMPLEMENTATION OF CANADA-UNITED STATES FREE TRADE AGREEMENT—COMMITTEE RECOMMENDATION

**Hon. Herb Gray (Windsor West):** Mr. Speaker, it is clear that even though the Government's trade agreement is not yet implemented our trade policies are already being made in Washington.

The majority report of the Standing Committee on External Affairs and International Trade on the initial version of the trade deal, a committee with a majority of Conservative members, recommended to the Government that it not proceed to implement its trade deal with the United States unless the Government was absolutely certain that Canada would not be subjected to the omnibus Trade Bill which remains under consideration in the U.S. Congress.

Why is the Prime Minister unwilling to accept the clear recommendation of a committee with a majority of his own Members and to give an undertaking at this time that the Government will not proceed with legislation to implement this trade deal with the United States until we are absolutely certain that Canada will not be hit by this omnibus trade legislation?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I think that I have dealt with that question very specifically on a number of occasions. Both the Minister for International Trade, the Parliamentary Secretary to the Minister for International Trade, and myself have answered it very carefully.

I know that my hon. friend would like the free trade agreement—and this is clearly consistent with the desires that he and his seat-mate were expressing in Washington—to run into some problems elsewhere so as to relieve the Liberal Party of the obligation of taking a position in regard to it. I can

assure my hon. friend that he will not have that luxury. We will bring it in. He will be forced to stand up and to vote either for or against, and the Canadian people will hold him responsible.

**Some Hon. Members:** Hear, hear!

* * *

[*Translation*]

## TEXTILES

### CANADA-UNITED STATES FREE TRADE AGREEMENT—PROTECTION OF JOBS—GOVERNMENT POSITION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is for the Prime Minister. There are 86,000 workers in the textile sector, and 80 per cent of them are women. In keeping with an article in the Canada-U.S. agreement, the Government promised job protection to textile workers. Would the Prime Minister assure the House of Commons today that the Government intends to honour this specific commitment?

[*English*]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think that that is really the same question. The Hon. Member is coming at it from a somewhat different direction than that of the Leader of the Opposition and his colleague, the House Leader. We have indicated quite clearly that we are continuing the discussions with the industry in helping it maintain and improve its competitive position and improve the ability of the industry to create jobs in Canada. Those discussions are continuing, and they involve a number of Ministers of the Government.

As I said in response to a previous question, when an announcement is ready to be made it will be made.

### GOVERNMENT COMMITMENT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I want to pursue what the Minister has said and what he said earlier in answer to the Leader of the Opposition. He said earlier in Question Period that the Government had been negotiating a special arrangement before this deal was entered into. The Minister will know that since October the Government made a very specific proposal, one that the Canadian industry is well aware of, and about which the Minister who is directly responsible said in the House about two weeks ago is consistent with the terms of the agreement.

Since then, incredible as it may seem, it has been reported that the Canadian Ambassador in Washington has now joined with American Governors and a number of American Senators in urging Canada to scrap this protective measure for our workers in the textile industry.

I want to ask the Minister, who apparently is answering either for the Prime Minister or for the Minister for International Trade today, to confirm the report that the Canadian Ambassador has made this request. Will he assure the House that that request will be denied and that the Canadian Government will adhere to its original commitment to the textile workers?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, we have indicated quite clearly by including in the terms of the free trade agreement a provision which allows for duty remission schemes. That commitment is there, which is what I have indicated. A number of Ministers and myself are discussing it with the industry. It is a matter that is under discussion in order to try to improve and to assist the industry to maintain its competitive position and to create the jobs that both the Hon. Member and I are very much in favour of creating. Those discussions are continuing. As I have indicated, when there is a resolution of those discussions announcements will be made.

### GOVERNMENT DISCUSSIONS WITH INDUSTRY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the Minister is frequently quite forthright in his answers, whether one agrees with him or not. He does answer the questions. But he ignored two specific questions that I put to him.

First, will he confirm that the Canadian Ambassador in Washington has requested that the Government scrap its proposal, which proposal has been discussed or outlined in detail to the Canadian industry? Will he tell the House whether or not the Canadian Ambassador has done that?

Second, will he assure us that the specific proposal with respect to the duty remission scheme which has been discussed since October will be kept in place so that Canadian jobs in this industry will at least be protected in a way that is consistent with the accord that the Government has negotiated with the United States?

• (1430)

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me make it quite clear that what we will be doing will be consistent with both the spirit and the terms of the free trade agreement. The Hon. Member is attaching a good deal of precision to the discussions that have been going on. I should say to him that we have not reached a stage where there is that degree of precision. There are a range of things that are being discussed.

As I have indicated, when we have reached some resolution of these discussions, then there will be an announcement.

## AIRPORTS

TORONTO INTERNATIONAL AIRPORT—TERMINAL 3 PROJECT

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is directed to the Minister of Transport. The Minister knows that major competing bidders on the Terminal 3 project at Toronto airport have raised serious questions about the fairness of the bidding process carried out by Transport Canada.

Both Ken Field of Bramalea Ltd., and James Bulloch of Cadillac Fairview have publicly raised questions about the $70 million in government loan guarantees made available to the successful bidder, Huang and Danczkay Ltd.

Given the serious nature of the questions that have been raised about the bidding process on a project worth $381 million, is the Minister prepared to put a freeze on negotiations to conclude a final contract with Huang and Danczkay pending a full investigation of the questions regarding the fairness of the bidding process carried out by Transport Canada?

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, I look at the same newspapers as the hon. gentleman, and I have not seen any serious questions raised about the procedure. The procedure was one of the most open and aboveboard ever used by any Government in Canada.

A committee of permanent civil servants headed by Mr. Warrick, the former manager of the Toronto airport, was in charge of the call of the proposals for the whole procedure. They made a recommendation. Four groups put in proposals, and they recommended what they said was the best proposal, after their three weeks of analysis.

Everyone was given the same chance to make a proposal and to bid. They came to me then and I approved their recommendation. I did not go against their recommendation. I did not try to overrule their recommendation. I approved their recommendation. They had very first-class advice from private consultants, the Bank of Montreal, Monenco Associates, and so on.

**Mr. Tobin:** CCI.

**Mr. Crosbie:** There have been no serious questions raised with me. There are no serious questions.

We have already gone before the House of Commons Standing Committee on Transport on December 17. The hon. gentleman was not there. This matter was discussed.

**Mr. Tobin:** I am not the critic.

**Mr. Crosbie:** I do not care if the hon. gentleman is the critic or not, I am just saying that he was not at that meeting. The matter has already been before the Standing Committee on Transport. We are quite prepared to go back. The hon. gentleman can give as much innuendo as he likes, and dig as much as he likes. He will find nothing in that decision that in any way can be attacked.

**Ms. Copps:** That's what Sirois said.

ALLEGATION MADE BY UNSUCCESSFUL BIDDERS

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, John Lundrigan, a former Newfoundland Conservative MP; Chester Burt, a former aide to the Minister of Transport; Paul Curly, a former national director of the Conservative Party, and Frank Moores, a former Conservative Premier of Newfoundland, now with a well-known consulting company in that town, all have one thing in common: they all acted for or represented the successful bidder, Huang and Danczkay, the bidder that received this $381 million contract from the Minister's Department.

Given that not opposition Parties, but the chairman of Cadillac Fairview, and a senior executive of Bramalea Ltd. have stated that they did not have information that was available to the successful bidder, and given the seriousness of that allegation on a project worth one-third of a billon dollars, does the Minister of Transport not believe it to be prudent, responsible, and appropriate to put a freeze on concluding the final contract arrangements with Huang and Danczkay and to make public all of the information that was given to all four bidders as part of the tendering process? Why will he not do that?

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, I do not know what group, except from what I see in the paper, had who representing them, because it did not matter to me a fig who they had representing them.

I met with all the developers on May 7, 1987. I said, "Don't any of you make the serious mistake of attempting to have a lobbyist approach me or anyone connected with this project".

**Some Hon. Members:** Oh, oh!

**Mr. Crosbie:** Well, you can go to the developers and ask them.

In addition to the personages that the hon. gentleman mentioned, Falconstar, for example, which was a losing bidder, is led by Donald Matthews, a former President of the Conservative Party. Imagine how the hon. gentleman would be gesticulating and going on with trumped up fury if this proposal had been awarded to Donald Matthews, President of the Progressive Conservative Party at one time. They had Public Affairs International representing them, a consulting company originally started by a group of Liberals. We do not go around attacking them and character assassinating them simply because they at one time were Liberals.

GOVERNMENT GUARANTEED LOANS

**Mr. Les Benjamin (Regina West):** Mr. Speaker, my question is directed to the Minister of Transport on the same subject. When Mr. Warrick appeared before the Standing

Committee on Transport on December 17, 1987, the question was asked:

> Are you telling me the firm that won is not supposed to receive any financial help from the government?

Mr. Warrick answered:

> Yes, sir. They are not getting anything from the Department of Transport—
>
> A total of about $4 million in capital works is all we have committed to, and that was the same for everybody.

I would like to ask the Minister, were all the four bidders, tenderers, or proposers made aware, before they submitted their proposals, that there would be government guaranteed loans available? Were they all told that, or not?

**Hon. John C. Crosbie (Minister of Transport):** That is certainly a very penetrating question, Mr. Speaker. The position is the following. Each developer, in the request for proposals that went out, was asked to deliver their financial plan. Each one of them requested certain comfort to be given to them in one way or another.

For example, here is one of the proposals that suggests that a pool of funds be created by an increase in the general terminal fees in all terminals in order to cross-subsidize the new terminal. We said no, Mr. Speaker.

**Mr. Tobin:** It's not the same, John.

**Mr. Crosbie:** No, that was $5 million a year direct funds to them that the users would pay. It certainly was not the same. It was far worse.

**Ms. Mitchell:** That's what you get when you privatize.

**Mr. Crosbie:** Each developer asked for some form of comfort from the Government, and the loan guarantee arranged in this case was the least onerous. That is the professional opinion of the committee which I accepted, which Treasury Board accepted, which everyone associated with this has accepted, except perhaps some sore heads outside the House who did not win with their proposal and therefore go around behind people's backs making slanderous accusations.

### POSITION OF DEPUTY MINISTER

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I would like to ask the Minister if he would advise the House if the application by the Deputy Minister of Transport, Mr. Withers, for an exemption from the conflict of interest guidelines has been approved, and just exactly what are those exemptions?

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, with respect to Mr. Ramsey Withers, this gentleman has just completed 40 years of highly distinguished service with the Government of Canada.

**Some Hon. Members:** Hear, hear!

**Mr. Crosbie:** Chief of the Defence Staff, Deputy Minister of Transport for the last five or six years, the soul of honour and rectitude, but some people will stoop at nothing to try to get at the Government.

**Mr. Benjamin:** I just asked a question, that's all. What are you getting excited about?

**Mr. Crosbie:** Mr. Ramsey Withers has complied with every dot, comma, and full stop of the conflict of interest regulations. He had absolutely nothing to do with the decision with respect to the third terminal at Toronto airport.

**Mr. Benjamin:** That was not what I asked you.

**Mr. Crosbie:** He was not on the committee. They made the recommendation. I approved it, Treasury Board approved it, and he had nothing to do with Government Consultants Ltd. before that time.

**Mr. Benjamin:** Did he get an exemption?

**Mr. Crosbie:** He has complied, I am informed, with the conflict of interest rules.

I would vouch for Ramsey Withers lock, stock, and barrel, any day of the year.

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## AUTOMOTIVE INDUSTRY

### NATIONAL AUTOMOBILE POLICY

**Mr. Joe Reid (St. Catharines):** Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. It relates to the troubled automobile industry, the largest industrial segment in our country.

Faced with a capacity of over-production in the near future, a decrease in sales to the United States under the Auto Pact, and the lack of a level playing field clearly setting out the rules of the game particularly between offshore manufacturers and North American manufacturers, may I ask the Minister when we might expect the national automobile policy which was promised to us before the end of December, 1987?

• (1440)

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, many of the elements of the auto policy are already covered under the FTA. I mention here issues such as access to the U.S. market, the future of the Auto Pact, the future of duty remission programs, the common rule of origin, bilateral tariffs, and used cars. Those issues which still have to be dealt with are under consideration.

In the coming months, after consulting with the industry, I will be able to bring forth a comprehensive auto policy.

## AIRPORTS

TORONTO INTERNATIONAL AIRPORT—TERMINAL 3 PROJECT—STATEMENT ATTRIBUTED TO UNSUCCESSFUL BIDDER

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I would like to go back, with the Minister of Transport, to the so-called "soreheads" and "poor losers" who did not win the contract. One of them, Mr. Ken Field, is quoted as saying, far from what the Minister said in one of his answers earlier today about everyone being given the same chance, that he was told that this type of financial assistance, the $70 million loan guarantee, would absolutely not be available, yet it was to the winning bidder.

The simple question for the Minister is this. Is that correct? Was in fact a financial consideration available to the winning bidder about which the other three were not informed? That is the only question.

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, I do not know, but perhaps I do not make myself clear. In the request for proposals each developer was asked to put in his financial plan. In their submissions they each asked for some type of financial comfort.

The Wang and Danetsky group asked for a form of guarantee that would protect them against some unexpected loss because of general economic depression or something like that, flight landings at Toronto airport, which would mean that the project could not be viable, for a guarantee in that connection. That is what they asked for. Another group asked for a pooling of funds that I just mentioned and certain other things.

They were each invited to put in their financial plan. Mr. Field will have to defend for himself what he thought or did not think. That is in all the documents.

Tomorrow afternoon in Toronto, the committee in charge of this project is having a full session with the press or anybody interested, if they are really seriously interested, to go over the whole thing in complete detail. They will do that before the standing committee of the House of Commons.

Everyone was treated fairly and equally. Some were smarter than others. Some asked for a less onerous financial provision than others did, and the winning bid was one of those—was the least onerous.

FINANCIAL COMFORT QUERY

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, when the Government decided that it was prepared to put some financial comfort on the table, were the other bidders, other than the successful bidder, told of the financial comfort that was available? Surely the Minister would be prepared to stand up and indicate clearly his answer, which seems to be no.

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, this arrangement, which is somewhat complicated as one might imagine with a 300-odd million dollar project, has been vetted not only by this committee of permanent civil servants, but by their financial consultants, the Bank of Montreal, Touche Ross, and so on.

**Mr. Kaplan:** It is a good deal. I am not saying that it is not a good deal.

**Mr. Crosbie:** Then it went through my Department. It was approved by me, which I think should be noted. I did not approve it just lightly. Then it went to Treasury Board, where they went through it with a fine-tooth comb. They came to the conclusion that this was the best offer and that this guarantee was reasonable.

The guarantee is only to come into effect if there is a sudden, tremendous drop in landings of aircraft at Toronto airport. All of the last two years indicates that there is to be a tremendous increase, so the guarantee is never going to be needed, but it is there to give comfort to those who lend money to the project.

It was the least onerous of the four, as confirmed by Treasury Board, as well as by this committee. What more? Why do you keep asking?

* * *

## TELEFILM CANADA

FORMER EXECUTIVE DIRECTOR'S RESIGNATION LETTER

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my question is directed to the Minister of Communications. It concerns the whole question of political interference by her Department.

The first item I would like to address concerns the serious allegations raised by the former Executive Director of Telefilm. Mr. Pearson's letter of resignation paints a disturbing picture of a vital cultural agency rife with infighting and political witch-hunts carried out by the Tory appointed Chairman.

What is the Minister now doing to put a stop to the gutting of this important cultural agency? Is she prepared to establish an independent inquiry to get to the bottom of this mess?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, the Hon. Member mentioned the letter from the former Executive Director of Telefilm Canada. Perhaps I should just read from his letter, because he said: "I would wish to convey to you my sincerest appreciation for your support". Not once, have you, nor your senior staff, ever interfered in any decision. or decision-making process related to the administration of moneys".

He goes on to say: "I must also note for the record the distinguished contribution of your party in the area of film and television production. From September 1984, the Progressive

Conservative government has lived up to their commitments to strengthen Canadian production with dedication and effort."

That is from the letter of the former Executive Director of Telefilm Canada.

**Mr. de Jong:** We could certainly look at other parts of the letter as well. I assume the Minister will be tabling the full letter at three o'clock.

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## CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

TREATMENT OF DECISIONS

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my supplementary question is for the same Minister. It concerns another case of political interference by her Department.

The February 20 edition of *The Financial Post* details another example. Apparently Department of Communications officials, acting with the full knowledge of the Minister, have worked closely with Bell Canada Enterprises since 1986 to find ways to get around a CRTC ruling.

The Minister has now sought to overturn more CRTC rulings in 20 months—

**Mr. Speaker:** I know the Hon. Member has a question, which I think could be asked without reading extensively from the newspaper.

**Mr. de Jong:** Mr. Speaker, given the fact that the Minister has interfered with CRTC decisions more in 20 months than did all her predecessors in the last 20 years, my question is a very simple one. When will the Government and her Ministry stop interfering with CRTC decisions?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I think you will know that legislation provides for the Government to review, to adhere to, or to change decisions of the CRTC. That is in the legislation.

Any Government has that right. I may say, because the Hon. Member raised a question about Call-Net the other day, that once again we have reconfirmed the decision of the CRTC.

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## TRADE

EXPORT OF CEDAR PRODUCTS—LOOPHOLE IN REGULATION

**Mr. Gerry St. Germain (Mission—Port Moody):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister for International Trade. It relates to the shake and shingle industry in my riding.

As a result of a request I made in the House of the Secretary of State for External Affairs on May 26, 1986, regarding a prohibition on the export of raw cedar logs, bolts, blocks, and blanks, the Minister for International Trade brought in an Order in Council in June, 1986.

Today, we find that there is a legal loophole in the Order in Council and that there is a serious threat to jobs in the shake and shingle industry in British Columbia.

My question for the Parliamentary Secretary is this. What action is being taken on this very important matter?

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, this matter has been brought to the attention of the Government. I can tell the Hon. Member that steps have been taken to ensure that the B.C. Government and federal controls are updated to control this practice.

These measures should be in place very shortly. What has happened is that some exporters have found the loophole in the Order in Council and are exporting blanks and boards to the United States and, in doing so, are also exporting jobs. We are stopping this practice immediately.

**Mr. St. Germain:** A supplementary question, Mr. Speaker—

**Mr. Speaker:** The Hon. Member for Mount Royal.

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## TELEFILM CANADA

FINANCIAL CONDITION OF CORPORATION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, at Telefilm Canada there is a crisis of leadership, a crisis of credibility, and a crisis in financing. It is rather strange. Film producers are having trouble—

**Mr. Speaker:** I have just refused a request for a supplementary question from a government member, and I would ask the Hon. Member who has now been recognized not to be overly long on the preamble and to put the question.

**Mrs. Finestone:** Film producers are having trouble securing financing, while the Government has had no trouble raising and increasing the salary of the newly appointed Chairman, Mr. Sirois, from $13,300 to $64,225.

• (1450)

Last October the Minister received a detailed letter from Peter Pearson addressing the direct crisis as a result of intrusion into the administration, programs and spending by Mr. Sirois, the appointed new Chairman.

**Some Hon. Members:** Question.

**Mrs. Finestone:** My question to the Minister is—

**Some Hon. Members:** Hear, hear!

**Mrs. Finestone:** Is it true that she did not read the letter, as her staff has alleged? Was she at least aware of what the Executive Director, Mr. Pearson, was alleging with respect to gross interference? Didn't she think it was important to see—

**Mr. Speaker:** It would seem that the Hon. Member has a list of questions. I will take the ones that she has put and invite the Hon. Minister to respond.

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, certainly I saw the signed letter of resignation from Mr. Pearson. I responded to it and issued a press release at the same time.

May I also say that I agree with the Hon. Member that there was financial difficulty in Telefilm last year. We moved quickly to do something about it. In July of last year, Telefilm reported that it felt it would not spend its funds to the tune of $53 million. Three months later the Executive Director reported that Telefilm was overcommitted to the tune of $48 million. I may say it was because of that that the auditors were brought in, a new interim management team was put in place, and for the first time cash flow management systems have been put in place. I am very happy to report to you, Mr. Speaker, that fiscal stability and fiscal management have been restored to Telefilm.

REQUEST FOR INVESTIGATION

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, that is a direct whitewash.

**Some Hon. Members:** Question.

**Mrs. Finestone:** The Standing Committee on Communications and Culture has proved that those statements about the $48 million were inaccurate. The Minister knows that, and the Minister has been trying to cover up.

**Mr. Speaker:** I am sure the Hon. Member can put her question without getting into an argument. Please put the question.

**Mrs. Finestone:** Mr. Speaker, the question is pretty obvious, seeing how on September 30 of last year there was—

**Some Hon. Members:** Question.

**Mrs. Finestone:** Mr. Speaker, will the Minister put an end to the rumours which are creating financial risk to this industry and creating a black mark against the name of someone who did not earn that black mark? Will she call for an investigation into the Telefilm financing, or does she plan to be judge and jury to the whole thing?

**Hon. Flora MacDonald (Minister of Communications):** Of course, Mr. Speaker, I am not sure that I would ever convince this Member but I would like to quote from a letter from the interim Executive Director of Telefilm Canada dated February 19, which reads:

[*Translation*]

—you will certainly be glad to learn that essentially most of the financial situation of the corporation will now be on a sound basis, and that management have been able to resume normal operations. This is why we are confident we will be able to complete with success the necessary review and restoration program so as to end the current fiscal year without unduly affecting next year's appropriations.

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[*English*]

## HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF THE FINNISH PARLIAMENT

**Mr. Speaker:** I wish to draw to Members' attention the presence in the gallery of Mr. Matti Ahde, Speaker of the Finnish Parliament.

**Some Hon. Members:** Hear, hear!

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## PHARMACEUTICAL INDUSTRY

DRUG PRICE INCREASES IN ONTARIO

**Mr. Neil Young (Beaches):** Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Last year when the Government changed the Patent Act to give multinational drug companies greater patent protection, the Minister assured Canadians and this House that drug prices would not be allowed to increase at a rapid rate. We now know that in Ontario alone since January 1 some 1,100 drugs have increased in price at an unacceptable rate.

What assurance will the Minister give to Canada's elderly, the sick and the disabled, that that kind of price gouging will not be permitted by the Government?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, as the Hon. Member knows or should know, there is absolutely nothing in Bill C-22 that could cause the price increase in drugs. He is well aware of that. Even the most severe critics were aware of that. His attempt to show that these price increases in Ontario somehow relate to Bill C-22 is an exercise in mischief, as he well knows.

I should also point out that it is within the constitutional authority of the Government of Ontario to prevent those price increases from going through if it chooses.

I should also point out that 55 per cent of those price increases that were higher than the cost of living were for generic drugs, not for brand name drugs. In addition, if the New Democratic Party had not filibustered Bill C-22, the Prices Review Board would now be in place exercising downward pressure—

**Mr. Speaker:** A short supplemental. The Hon. Member.

PROTECTION OF CONSUMERS AND MANUFACTURERS

**Mr. Neil Young (Beaches):** Mr. Speaker, what we have heard is just a load of nonsense. The Minister knows that we told the Government during the debate that there was nothing in the Bill to control prices yet the Minister did nothing about it.

Since it is the same brand name manufacturers which are now producing generic drugs to drive Canadian manufacturers out of business, what will the Government do to protect not only Canadian consumers but Canadian manufacturers and Canadian jobs?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, the Hon. Member's first question was that prices have risen too high and that that is costing consumers. His second question that drug manufacturers are selling drugs at prices too low, and that that is harming generic companies. That was the substance of the Hon. Member's second question.

If the Hon. Member is suggesting that some company or companies are engaged in predatory pricing then he ought to refer the matter to the director of the Combines Investigation Branch because that is an illegal activity.

**An Hon. Member:** That is your job.

**Mr. Andre:** If the Member is making that accusation, let him make that accusation of criminal activity and let him defend it.

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## NATIONAL PAROLE BOARD

ESCAPES BY PAROLEES FROM HALF-WAY HOUSES

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my question is for the Solicitor General. It concerns the serious problems with parole supervision in half-way houses.

The Minister knows that another dangerous inmate escaped from a half-way house on the weekend. That makes four dangerous inmates who have escaped from half-way houses in the last few weeks. Will the Minister immediately order that all dangerous inmates be returned to prison pending a full public inquiry into the operations of the National Parole Board and half-way houses?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, as the Hon. Member well knows, immediately following the first incident I ordered an inquiry under Section 12 of the Penitentiaries Act. This independent inquiry is being chaired by Miss Jane Pepino, a lawyer from Toronto, who is also chairperson of the Metro Toronto Police Commission.

I understand that the inquiry has been completed and the report is presently being typed. I expect that it will be given to me shortly and I will act on it in a very expeditious manner.

REQUEST THAT DANGEROUS PAROLEES BE RETURNED TO PRISON

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, the Solicitor General knows that that particular inquiry is looking into one particular case involving inmate Stanton.

In view of the other escapes from half-way houses in Metropolitan Toronto, indeed, throughout the country, will the Minister immediately order all dangerous inmates—and I am speaking only of the dangerous ones—to be returned to prison pending a full public inquiry into the operations of the National Parole Board and all half-way houses in Canada, in order to ensure the safety and security of residents?

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I would like to advise the Hon. Member that I too am very concerned about the safety of residents in the area and generally citizens of Canada.

The terms of inquiry that were given to Miss Pepino's committee are extremely broad. They do not deal just with the escape from a particular half-way house but deal with a very broad range of matters, including the management of half-way homes and the kinds of people who should be there. I expect to receive that report this week and will act upon it very expeditiously.

• (1500)

**Mr. Speaker:** Given the time, I will ask the Hon. Member for Vancouver East to ask a single question, followed by the Hon. Member for York East.

* * *

## ABORTION

ACCESS TO SERVICES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, my question is directed to the Minister of Health. The B.C. Government has adopted procedures resulting in unequal access to abortion services in that province. The medical profession predicts an increase in infection, haemorrhaging, and even death, as a result. As well, the Canadian Advisory Council on the Status of Women has called on the Government to ensure that all women have access to abortion and reproductive health services. In view of all that, is the Minister

now prepared to admit that the Canada Health Act is being violated by such unequal access, and what is he prepared to do about it?

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, the Hon. Member asked me questions about this issue earlier and my answer remains the same. I say to her that she should cite not only one province with respect to the present situation. One could look at a whole range of provincial responses both before the January 28 decision and after.

The other point I would make, as I said earlier, is that members of the Cabinet are looking at various options—

**Ms. Mitchell:** Waffling again, Jake.

**Mr. Epp (Provencher):** We are not waffling. I think we should take the kind of responsible approach the Government is taking—

**Ms. Mitchell:** No guts.

**Mr. Epp (Provencher):** —rather than the position she takes which I understand is also opposed by some members of her own caucus.

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## NATIONAL PAROLE BOARD

VIOLENT OFFENDERS—RETENTION IN PRISON

**Mr. Alan Redway (York East):** Mr. Speaker, my question is directed to the Solicitor General and concerns escapes from half-way houses.

One year ago last summer Parliament was recalled in order to pass a law to allow the National Parole Board to ensure that violent offenders could be kept in prison for the full length of their sentences. On four separate occasions recently violent offenders have escaped from half-way houses in Toronto. Will the Minister tell this House why Parliament was recalled one year ago if the law is virtually meaningless, and how can I and other Canadians be expected to have any confidence whatsoever in the National Parole Board?

**Mr. Thacker:** The NDP and the Liberals filibustered it.

**Hon. James Kelleher (Solicitor General of Canada):** Mr. Speaker, I can advise the Hon. Member that indeed the provisions of Bill C-67 are being enforced. Approximately 350 inmates have been reviewed and approximately 25 per cent have been gated, to use the phrase, and kept in prison. Another 25 per cent have been let out on one-chance supervision. The provisions are being enforced and it is my belief that it is working extremely well.



## POINT OF ORDER

REQUEST FOR TABLING OF QUOTED DOCUMENT

**Mr. Simon de Jong (Regina East):** Mr. Speaker, in response to a question I addressed to the Minister of Communications (Miss MacDonald) she quoted from a letter and I wonder if she is prepared to table it.

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I was about to follow up the point by offering to table the letter in the House. I am glad to do so.

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# GOVERNMENT ORDERS

[*English*]

## THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government and the amendment of Mr. Garneau (p. 12860) and the amendment to the amendment of Mr. Cassidy (p. 12883).

**Mr. Speaker:** When the House rose at 1.37 p.m.—

[*Translation*]

—there were eight minutes left in the question and comment period following the speech by the Hon. Member for Winnipeg North Centre (Mr. Keeper).

[*English*]

I will now recognize Hon. Members who wish to continue the question and comment period.

**Mr. Keeper:** Mr. Speaker, I was replying to a question.

**Mr. Speaker:** The Hon. Member for Winnipeg North Centre (Mr. Keeper) has the floor.

**Mr. Keeper:** Mr. Speaker, I was about to reply to a question when we broke for lunch. I am not sure that the Hon. Member is here now, but he asked that I address the question of Cominco with regard to my comments on taxes.

Budget statistics show that corporate profits grew faster than any other economic indicator in 1987. They were up by 25.6 per cent over the previous year. Corporate taxes went up by only 15 per cent. At the same time, while personal income was creeping up, taxes on personal income rose by a full 16 per cent. I then pointed out to my hon. colleague that in 1986 Alcan Aluminum received a tax credit from the Government rather than paying taxes on profits totalling $220 million. I then referred to other companies, including Brascan, Hees International, Power Financial, Xerox Canada, Total Petroleum, Wardair and PWA. The list goes on.

I assume from the question that my hon. friend was saying that Cominco made a profit during the years I referred to. Assuming the company made a profit, then I assume he is saying as well that they paid no taxes on that profit. I have no information in that regard and if my hon. friend does I wish he would table it in the House. If that is what he is saying, is he also saying that companies that make profits ought to pay no taxes, that that is the Conservative policy simply because those companies provide some employment?

I am wondering if he is aware of the experience in South America over the last little while with respect to the production of nickel. While nickel prices are soaring, the company exploiting the resource in a South American country right now has said no to taxes. We give you jobs, they say, and that is enough. Is that the standard of corporate behaviour that my Conservative colleague is recommending for Canada? Does he expect us to get down on our knees to corporations just because they provide employment?

I just want to point out again that I did not mention Cominco, but I have mentioned other corporations that made millions of dollars and profits and paid no income tax while at the same time the burden of taxes on ordinary Canadians is increasing.

**Mr. Hawkes:** Mr. Speaker, I listened with interest to my colleague. I suggested to him that the income tax mess on the corporate side started back in 1972 or 1973 when a Liberal minority Government, in bed with the NDP, developed policies based on a set of principles which have caused us increasing difficulty and deficits and so on.

My question is, how does the Hon. Member reconcile the attitude of his Party in Question Period today on the textile issue, which is consistent with Shirley Carr and the CLC's position, with his Party's policies on external affairs dealing with the same issue? How does he reconcile the contradiction?

**Mr. Keeper:** Mr. Speaker, I must say that my friend has failed to elaborate a contradiction. He has certainly left me, and I am sure most of those watching the debate today, completely baffled. We are consistent in our position of speaking up for ordinary Canadians. We are saying that Canadian jobs should not be put at risk because the Conservatives want a platform for the next election, the Mulroney trade deal. We are saying that while ordinary Canadian families are hit hard by tax increases, large corporations which make millions of dollars in profits should not go scot-free. We are speaking to the interests of ordinary Canadians. I ask the Hon. Member to do the same thing.

**Mr. Hawkes:** Mr. Speaker, it is nice to have such confirmation of the Budget of the Minister of Finance (Mr. Wilson). We have been saying in our fiscal plan since 1984 that previous government policies, supported by his Party, produced an undue tax burden on individuals and far too little on corporations. This Budget addresses that concern. It moves us one step closer to commercial corporations paying a fair share of tax.

• (1510)

I am absolutely astonished, given previous comments made by this Member of the House, that he has not read his own Party's policy documents relating to external affairs and the repercussions and implications for Canadian jobs of the position his Party is taking, specifically in the textile industry.

**Mr. Keeper:** Mr. Speaker, I am, of course, happy that my colleague on the other side of the House is taking the time to read our policy statements on economic initiatives. I am sure that if he does that consistently he will be a much better informed Member of Parliament and may even make a positive contribution to this House.

I want to make it clear that the Budget which the Government brought down, as thin as it was and as do-nothing a Budget as it was, still managed to raise taxes to ordinary Canadians. In fact, because of the trade deal the Government negotiated with the United States and because of the loss of roughly $500 million of tariff revenues, the Government had to raise sales taxes in the Budget.

The Government is placing greater and greater burdens on the backs of ordinary Canadians. Ordinary Canadians are saying that enough is enough. They want the Government to stop putting the burden on their backs and to develop a fair taxation system. They want the Government to stop letting its friends get off scott-free, to stop letting the large corporations which make millions of dollars of profit get off with paying no income tax.

Even President Ronald Reagan has had the courage to impose a minimum income tax on large corporations. Why can a Canadian Government not assure Canadians that profitable corporations will pay some tax and that all of the burden will not be put on the backs of ordinary Canadian families?

**Mr. Hawkes:** Mr. Speaker, I would feel much better about the level of debate if the Member opposite would acknowledge that there will be a minimum tax on banks, as an example, something which his support of the Liberal Party over 15 or 20 years did not accomplish. Of course individual Canadians through income tax and sales tax are paying more tax. After all, after three and a half years of Conservative Government 1.25 million more Canadians have jobs today and are in a position to pay tax and buy things. Of course that produces more tax. Leave us in power for another 10 years and we will have two million or three million more Canadians with jobs in a position to buy things and pay tax and the whole country will be better off.

**The Acting Speaker (Mr. Paproski):** I will allow a one-minute rebuttal.

**Mr. Keeper:** Mr. Speaker, I resent this broad generalization that we support the Liberal Party. What kind of garbage is

this? It is the Member's Party that supported the changes in the Bank Act moved by the Liberal Party. It is the Liberal Party which supports the Conservative Party on changes in the Bank Act. Stop this tomfoolery of saying that the NDP supports the Liberal Party. That simply is not true.

While the Member takes credit for jobs, let him also take credit for the fact that the weekly income earned from jobs is dropping and people are earning less. Let him also acknowledge the fact that taxes under his Government to ordinary middle class families have increased.

**The Acting Speaker (Mr. Paproski):** In that spirit of debate, questions and comments are now terminated.

[*Translation*]

**Mrs. Thérèse Killens (Saint-Michel—Ahuntsic):** Mr. Speaker, I am standing in my place today to address certain issues which were omitted by the Minister of Finance in his Budget, more specifically with regard to the homeless and those who live in inadequate housing. I have risen on several occasions in this House to remind the government that in 1987, the International Year of the Homeless, over 100 000 people have slept in the streets in this fine country of ours. This situation is unacceptable in a country as rich as Canada and one where winters are so harsh.

Since the right hon. leader of the official Opposition has made me housing critic, I have been monitoring the results of policies put forward by this government, mainly because this Government had promised so much before the 1984 election. I have before me, Mr. Speaker, the Government's campaign commitment as stated in the manual for Tory candidates entitled "Pocket Politics '84", with regard to those who are the most in need in our country. In the area of social programs, the Conservative Government promised assistance to Canadians who are unable to meet their own needs. The Government's intentions were made even more interesting by the fact that it announced at the same time a new orientation of its efforts in the area of housing, to assist the poorest and the neediest. According to the new policies announced in 1985, the Government regrouped planning activities at the Canadian Mortgage and Housing Corporation under three different headings: market housing, social housing and housing assistance. Actually, the Government also used this opportunity to transfer to provinces the administration of some programs, under the pretext that program delivery would be improved.

We in the Liberal Party always have had reservations as to the wisdom of that move. Indeed, my colleague for Hamilton East (Ms. Copps) always questioned the move, and rightly so. What the Government did is not simply an administrative decision to improve program delivery, but as we now realize, it abdicated its responsibility as a Federal Government to exercize leadership, and to determine criteria and policies in the face of problems of a national nature such as the homeless.

The Government also imposed budgetary cut back on the Canadian Mortgage and Housing Corporation, to avoid what the Conservatives called wastage.

Before going any further, I would like to indicate it is the opinion of the Liberal Party that no further cuts should be made to the Corporation's operating budget. It is our view that any additional cut would jeopardize the Corporation's ability to fulfill its basic mandate.

This Budget is important also in that the Minister of Finance already informed the House of his intention to implement his famous tax reform. The reform's second stage could impact negatively on home building. New provisions for a yearly tax on land developers will lead to increased costs that will have to be borne by tenants and new home buyers. This is the view of a number of groups such as the Canadian Home Builders' Association who are concerned with that new tax, and more still by the way it will be implemented. At any rate, the Standing Committee on tax reform already has been made aware of that problem. This is an example of a counter-productive move by the Government.

This Budget is a clear statement that the Conservative vision of finance is loaded. Because we now see that the Government has not reached its goal of helping the most in need.

Let us pore over the results together. The International Year of Shelter for the Homeless was meant first to awaken us to that still serious problem in developing countries, but it had a boomerang effect in making us aware of the phenomenon in developed countries, Canada included, unfortunately. The Government's response, in 1987, was to organize studies and conferences on that phenomenon. That was done in September 1987. Six months later the Government has not yet solved the problem. It could at least show leadership and bring all parties around the same table, so they could acknowledge the report and make sure the federal Government will find someone to look after the homeless. The federal Government must take the lead and identify policies, responsibilities, the various levels of government and the necessary funding of various parties in that issue.

In the United States, two examples show that despite a budgetary deficit, it is still possible to put into place measures to solve the problem of the homeless. One example comes from the Government of the United States and the other from the State of Massachusetts. First, in the remarks of Congressman Lyndy Boggs before the National Social Service Conference of the American Salvation Army, we read the following, and I quote:

• (1520)

[*English*]

Federal level of response to homelessness has had an important and probably critical boost from the energetic urging of the new Speaker of the House of Representatives— representative Jim Wright of Texas. In the first days of the 100th Congress in January, he visited a shelter for homeless men in the District of Columbia, met with Mitch Snyder, the well known advocate for the homeless, and spoke out with urgency and compassion about the need to

act quickly in support of a bill that would provide $500 million for shelters and an additional measure providing emergency food aid.

The House passed that Bill, H.R. 558, on March 5, 1987, by a vote of 264 to 121.

[*Translation*]

Everything is possible to those determined enough who also consider housing as a necessity of life. The Americans went even further. There is the following in that same speech, and I quote:

[*English*]

This Bill represents the fact that the federal government does have a moral and legal obligation to feed, clothe, and house homeless people who are in every community across this country both urban and rural.

[*Translation*]

That obligation does not seem to exist in Canada. There is more. The Chairman of the Banking Committee, Mr. St. Germain, added, and I quote:

[*English*]

—this is only a preliminary response and an emergency one at that. The failure of the Administration and the Congress to continue to provide the absolutely essential housing assistance to low and moderate income people has directly resulted in the homeless situation that we see in all our communities.

[*Translation*]

A few Tory Members must be thinking that this poor Liberal Member is making up stories and does not understand the need for deficit reduction. This same need for deficit reduction argument is also invoked in the United States. Fortunately for our neighbors South of the border, on the housing issue, good sense prevails, and we can understand that it is sometime necessary to forget about budgetary deficit when dealing with Canadian men and women who have no roofs over their heads.

Lyndy Boggs also stated:

[*English*]

The program cut-backs in recent years due to the federal budget deficit and policies of the current Administration have, I am afraid, contributed to the problem of homelessness. Other problems such as economic distress in certain parts of the country as well as widespread de-institutionalization of the mentally ill have also played a part in creating the problem we now face.

[*Translation*]

Do you believe that the situation in Canada is quite different? It would be unwise to extrapolate and say: Such being the case in the United States, such must be the case also in Canada. There are several things in both countries which are different, including our social security systems which are quite superior to those in existence in the United States.

What should be emphasized here is the initiative taken by the House of Representatives which has clearly established the American administration's responsibility for homeless people in the United States, declaring at the same time: No matter the extent of our deficit, it is more important to provide a roof over the head of each American citizen.

The experience carried out in Massachussett is also quite convincing, because it demonstrates what can be done where there is a political will.

The Governor of that State had established a committee made up of people involved in providing shelters for the homeless to determine first how to provide emergency shelters to the homeless, and second how to develop strategies aimed at ensuring the social rehabilitation of the homeless in this New England State.

In the United States, there is, on the one hand, a federal administration which is faced with a huge deficit and, on the other, the State of Massachussett's Government which has no deficit at all. Both Government have decided to deal, together with the interested parties, with the problem of the homeless and to do so openly.

In Canada, during the International Year of the Shelter for the Homeless, various conferences were held, and funds for short term or emergency facilities were collected.

But if we do not address the long term problem, these measures will be nothing but band-aids which will not solve the problem. I am aware that it is difficult to address this problem, but nobody expects miracles. The Minister of Finance (Mr. Wilson) missed a fine opportunity to demonstrate to us that his Government has the political will to remedy the situation.

I do not question the need for the Government to reduce the deficit, but I feel there are items in the Budget which are more important than others, including the need for a home. The Government should behave like every ordinary citizen who makes cuts in his personal budget because of dicreased revenues. Such a citizen would reasonably cut such items as entertainment; he would put little or no money in his saving account; he would not change his car every year and would postpone his trip down South.

However, he would not forego the amounts needed for food, clothing and housing. He would not cut back on health care either since he has access to health insurance anywhere in Canada. He might cut back on food, find a less expensive appartment, pospone the purchase of luxury clothing items, but he would always make sure of having the strict minimum. But what does the Canadian Government do?

It says that, for all practical purposes, the budgetary deficit has to be brought down by all means available, and this includes ignoring the fact that 100 000 Canadians are homeless. The Government also ignores all the problems related to that fact.

Moreover, Mr. Speaker, the Conservative Government is discriminating against the homeless. When our fellow citizens in Alberta were hit by a tornado and a few communities were razed to the ground, we immediately took action to help those who needed it the most.

I ask you, Mr. Speaker, is there any difference between losing your home because of a tornado and losing it because of

a lay-off, family violence, a series of misfortunes or your inability to cope with them?

The result is the same: You find yourself without a home.

Why this lack of interest for the homeless? This issue is extremely important. There is no discrimination against the sick. If someone has spent his entire life smoking and having activities which were harmful to his health, will he be refused treatment because he was not careful? Of course not. When it comes to meeting basic needs, there can be no discrimination.

Yet, in its Budget, the Government hides behind budgetary cut-backs to justify what cannot be justified, its abandonment of poor Canadians whose only home is the street. They cannot even receive their welfare cheques as they do not have an address.

Mr. Speaker, is the Government as hard on itself as on the homeless? Apparently not. It applies a double standard. If we add everything up, we see the true face of this Government. If you add the $1.6 billion used to bail out the CCB and Northland Bank, the cost of the Estey Commission, the cost incurred in moving the jail to Port Cartier and, worst of all, the judicial expenses for the defence of a previous Regional Development Minister who keeps pretending he is innocent despite the evidence to the contrary, you readily realize that the Government is not working for the poor. On the contrary, the cuts made at the expense of the needy are used to finance the Government's gigantic blunders.

In fact, every social program in the housing area is under attack. Among the most striking needs is housing for the native peoples. In a press release commenting the last Budget, George Erasmus, head of the First Nations Assembly, stated that the non-statutary cuts of $300 million were geared to native people programs. These cuts did not affect the Defence nor the External Affairs budgets, which were exempted. Chief Erasmus took this opportunity to underline the fact that with a submarine costing $1 billion, the First Nations could build 16,333 houses, while creating 200,000 full time jobs on the reserves and house 68,000 persons there.

I ask you, Mr. Speaker, where do we place our priorities at a time of budget restraints? Is it to put a roof over the head of our fellow Canadians or to give us the luxury of a nuclear submarines fleet? I realize that while this comparison may look ridiculous to some of our colleagues, it points to the main question: Where are the true priorities of this Government that claims it wants to help those who need it most?

Now, who are the homeless? Who do we deprive of a roof over their head and of the possibility of reintegrating our society? They are mothers such as Mrs. Heather Walker who was forced to place her two daughters with Toronto's Children Aid Society before going to the St-Michael Hospital to get psychiatric help. Mrs. Walker, a 30 years old woman who received no financial support from her husband, was living with her two little daughters in a 7 by 14 foot bachelor apartment. She was paying $400 a month for that bachelor furnished only with a small desk, a chair and two small tables. The place was infested to such a point that cockroaches would crawl over the little girls' body while they were asleep at night on the floor. One can imagine the bad effect of such an environment on the health of those two children, one of which has now developed suicidal tendencies. Unable to afford a healthy home large enough for their needs and at an affordable rate, this family is now materially apart, mentally affected and on the verge of becoming homeless. And their story is one of the many paths to a homeless situation.

Let me remind the House that 22 percent of the homeless in Canada are women in a difficult situation. They are either old, head of a single parent family or sick. I would also point out that many homeless are persons with psychiatric problems who were released from institution for all sorts of good common sense administrative reasons which were to save us large amounts of money. But we only forgot one thing, that is to provide proper accommodations for them. Now they are left alone and distraught on the street.

Last Fall, my colleague, the Hon. Member for Bourassa (Mr. Rossi) talked about the case of a homeless woman who was attacked in the Jeanne-Mance Park in Montreal during the night, while sleeping. A few days later, she died as a result of her wounds.

Another example mentioned to the house by my colleague the Hon. Member for Bourassa was the case of Kenneth Ryan, 42 years old, who lived in Halifax and became homeless as a result of difficulties which he could not solve. He too was found dead early September, also victim of an attack apparently.

The homeless are at the mercy of everything. This is an aspect that we, Hon. Members, in the safety of our homes, cannot realize. Without fixed address, there is no welfare cheque, there are no walls to protect you from the wind, from the cold, from the rain or there is even less protection from individuals who will shamelessly rob you of the little you own.

The Right Hon. Leader of the Official Opposition (Mr. Turner) stressed in a statement he made in this House on September 15 last that 57 percent of the homeless in the province of Manitoba were natives.

The Hon. Member for Saint-Maurice (Mr. Grondin) also mentioned the case of young homeless people. According to a study about young drifters in Montreal made in 1985, in the 18 to 30 age group, one in two had previously lived in a foster home or in an institution; 80.3 percent do not have any contacts with their families and are generally faced with two serious problems: alcohol and drug abuse as well as mental illnesses; 23 percent of those studied had already been hospitalized in psychiatric wards. There are many suicide attempts, and it is of course very difficult to keep a job in those conditions.

In an article published in the *Mail Star*, we learned of the plight of two teenagers without a home, Bill, 15 and Eric, 16.

They were fleeing from family problems and were lured by a possible job in a large center. We are told that Bill has not been sleeping for 36 hours and talks now with difficulty, which reveals extreme fatigue. Examples are numerous. All across the country, each case is more dramatic than the other.

Sometimes, government decisions have contributed to the problem, the renovation of popular neighbourhoods of Vancouver for Expo 1987 being a real example of that. Sometimes, people have had a hard life and could not or would not cope with it. In either case... Mr. Speaker, you are signalling me that my time is over. I will conclude momentarily.

There are, clearly, in the problem of the homeless, things that the federal Government can change. Homeless people and those who help them are not expecting miracles and are not asking much. They want the Government to show leadership in the coordination of policies and solutions, in bringing together, at the same table, all the people involved with this problem. We have to start talking to one another.

It is important to allow all the participants— municipalities, provincial governments, voluntary agencies, the homeless themselves—to seek and find the problems that can be solved and to do it as quickly as possible, before they become even more serious than they already are.

On January 25, 1987, the Liberal Caucus had the privilege to hear Theodore Sorensen who, for 11 years, wrote the speeches of John F. Kennedy. During the last 30 years, Mr. Sorensen had the opportunity to meet most American and Canadian leaders. That night he was asked to elaborate on what is leadership in a free society. He said that to be a good leader you did not have to be a good manager anymore, but also that it was not enough to be at the top to be a leader. He said, and I quote:

• (1530)

[*English*]

Effective political leadership is not a science but an art, requiring not calculation but judgment, not accurate measurements but wise choices.

[*Translation*]

I wonder, today, whether it is wise to ignore the problem of the homeless and I urge the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) to think about that problem. I wonder why the homeless were ignored.

[*English*]

**The Acting Speaker (Mr. Paproski):** Since there are no more questions or comments, debate.

• (1540)

**Mr. Ross Belsher (Fraser Valley East):** Mr. Speaker, today we are discussing amendments that have been put forward by members of the New Democratic Party and the Official Opposition. The amendment put forward to the Budget of the Minister of Finance (Mr. Wilson), the motion which is before the House put by the Official Opposition, states that we have failed to put forward a credible plan to deal with the national debt. It also states that we have failed to specify a Canadian approach for dealing with the instabilities of the international monetary system. They regret this. I point out that this is part of their preamble.

The amendment put forward by the NDP condemns the Government for introducing a Budget that ignores the real economic needs of the country and for the elimination of costly tax breaks. Members of that Party state that the Government should be condemned for maintaining a policy of high interest rates begun by previous Liberal Governments and for failing to introduce a system of universal child care.

I am very pleased to be able to speak in the House this afternoon. I welcome the opportunity to speak in support of the Budget recently tabled in the House by the Minister of Finance. This Budget clearly indicates that we are on the right track with regard to securing the economic renewal of Canada, a promise that was made in 1984 by our Prime Minister (Mr. Mulroney).

Members on this side of the House are proud of the statistics that prove that in three and a half years of solid fiscal management the Government has turned our economy around and has put Canada into the top spot among major industrialized countries in terms of economic growth and jobs. As Canadians, members of the Opposition should also welcome this news.

In our *Agenda for Economic Renewal* tabled in November of 1984 the Minister of Finance stated, "First, we must put our own fiscal house in order so that we can limit and ultimately reverse the massive build-up in public debt and the damaging impact this has on confidence and growth." It is obvious that we have followed through with this principle.

In the four years ending in 1984-85 the deficit rose steadily from $14.9 billion to $38.3 billion. This was an increase of 150 per cent in just three years. In contrast, in 1988-89, the budgetary deficit will have been reduced for the fourth consecutive year, declining to $28.9 billion. In 1989-90 the budgetary deficit will be down to $28.6 billion. Relative to the size of the economy, the deficit will have been cut in half over this five-year period. We are still not satisfied, however, with what the deficit is going to be. There is much work that has to be done.

Of equal significance is the number of jobs that have been created in Canada as a result of increased confidence in the economy. Since the election of 1984 more than 1.1 million jobs have come about, and the unemployment rate has dropped to 8.1 per cent, the lowest level since September, 1981.

In my Province of British Columbia five times as many jobs have been created in the 40 months since we were elected than were created in total between the 1980 and the 1984 elections. The facts are clear—the Canadian economy has not looked this healthy in years.

Continuing on this path, the Budget includes a $300 million reduction in non-statutory spending by government Departments beginning in 1989-90. This will allow the Government to lower the deficit mainly through the control of expenditures.

In the most recent report of the Auditor General, Kenneth Dye stated that there have been significant improvements made in financial controls. He stated that the Government now has systems and procedures that provide essential financial controls. With expenditures by our federal Government exceeding $100 billion a year, protecting the public purse demands that the correct amounts be paid out to the intended recipients at the right time, he said. "A decade ago the Auditor General could provide no such assurance that this was happening. Today, I can do so," he stated.

The Budget reviews the fact that the average annual rate of increase in program spending has been cut to 3.5 per cent, less than the rate of inflation. When this is compared with the four fiscal years ending in 1984-85, when government spending increased at an average annual rate of 14 per cent, it is evident that we are on the right track.

From international comparisons of deficits, debt and interest payments it can be seen that there has been extremely promising news in controlling our deficit, particularly when we compare our figures with those of other OECD countries. Relative to the other OECD countries Canada has undertaken substantial actions to reduce its deficit in the last three years. The improvement in Canada's total government structural balance since 1985 exceeds that of the other countries. Our total government deficit as a proportion of the Gross Domestic Product in 1987 remained above the average of the G-7 countries.

At the federal level of government Canada has made extensive progress in reducing the deficit to GDP ratio. By 1988 this ratio is expected to be roughly equal to the G-7 average, in comparison to 1985 when the ratio was over two percentage points higher in Canada.

The word is out and the news is good. Canada's position in the international economic sphere is dynamic and well respected. An advertisement in *The Sunday Times* of London stated, for example:

> Toronto: The fifth largest stockmarket in the world. For years it has been closed to overseas investors, but now, in the post-Liberal era, it is opening up and changes in political and economic conditions are now combining to create some of the most exciting growth opportunities in the world.

The Government has worked vigorously for a new round of multilateral trade negotiations under the GATT. Our trade agreement with the United States is a major building block in strategy to continue to strengthen our competitive position. As our largest trading partner and with a population of over 250 million, as compared to ours of just over 25 million, it is evident that access to this market by our goods and services will boost our economy and help to create a tremendous number of jobs in many sectors of the economy.

Our NDP friends have said that we are not doing anything about child care. Nothing could be further from the truth. I might add that the amendments to the Income Tax Act are proposed to implement the taxation aspects of our Government's new policy on child care. The maximum child care expense deduction will be increased from $2,000 to $4,000 for each eligible child who is under seven at the end of the year or who has a severe and prolonged mental or physical impairment. In addition, the over-all maximum limit of $8,000 per taxpayer for child care expense deductions will be abolished.

With respect to the refundable child tax credits, as proposed in the tax reform, the maximum amount of this credit for 1988 is $559 per child. A new $200 supplement in respect of children six years and under for families with low and middle incomes, to recognize the contribution made by the parent who cares for the child at home, will be added to the refundable child tax credit, some $100 for the 1988 tax year and some $200 for subsequent years.

Prepayment of the refundable tax credit was limited to families whose net income did not exceed $15,000. Proposed amendments will increase this income level to a rate that is two-thirds of the threshold level. This means that for 1988 the threshold for basic credit is $24,090, and two-thirds of that is $16,060. Anyone earning less than this amount of net income will receive the payment. In other words, the level is being raised by $1,060.

For 1988 the prepayment will be $100, but in subsequent years the prepayment will include two-thirds of the $200 supplement. Also, in 1990 and thereafter the amount of the $200 supplement will be adjusted to reflect increases in the Consumer Price Index greater than three per cent.

When we look at child care strategy we see that we are committed to spending $5.4 billion over seven years. We estimate that this will create at least 200,000 new child care spaces.

The proposed Canada child care legislation is a new cost-sharing program with the provinces to create 200,000 new, quality child care spaces. It will provide cost sharing for both non-profit and commercial child care. We are proposing this legislation to facilitate and to promote rapid development in the non-profit sector. It will be cost-shared to the tune of 75 per cent federal and 25 per cent provincial.

Details of the federal-provincial financial arrangements will be negotiated with provincial and territorial Governments. The federal Government will work with the provinces to ensure the development and implementation of the necessary standards for quality in a jointly funded child care system.

• (1550)

Under the heading of new tax assistance to families with young children, over 1.3 million families with pre-school aged children will receive increased benefits through changes to the child tax credit or the child care expense deduction. For

families with receipted child care expenses there is an increased tax deduction of up to $4,000 per child for children six years and under or with special care needs. For low and middle-income families there is a phased-in $200 per year supplement to the child tax credit for children six and under. For children over six years the tax deduction stays the same at $2,000 per year. The limit of $8,000 on allowable deductions per family will be removed.

There also is a special initiatives fund in the child care strategy. There is an estimated $100 million to promote research and development in child care, for example, in rural communities and for special projects that should be tried out.

Why did the Government establish this child care strategy? It is because child care is a priority issue for the Government and for Canadians. The Government promised Canadians a comprehensive child care system that would meet the needs of our families.

Last year I sat on the Special Committee on Child Care which had a mandate to examine the issue of child care and provide the Government with an indication of the needs of Canadian families.

This strategy could lead to as many as 40,000 jobs in the child care field itself and offer substantial training opportunities for child care workers.

I wish to take another few minutes to deal with cutting down loopholes in the tax system. I feel that the opposition Parties do the Canadian people a disservice when they fail to acknowledge the various things that have already been cut out. For instance, over the past three years a number of measures have been introduced to protect the integrity of personal and corporate tax systems. Some of those measures include the following.

The Government has put an end to the abuse of the scientific research tax credit, which cost the economy billions of dollars. The Government has eliminated tax shelters based on investments in yachts and recreational vehicles; eliminated the use of trusts to distribute investment income tax free; terminated the use of partnerships in corporate takeovers to increase tax deductions; introduced a minimum tax for high income individuals; and introduced measures which significantly restrict the ability of corporations to transfer losses and unused deductions.

There are still things that need to be done, but we are on the right track. Furthermore, the Government has said that there are income tax remission orders, but in an effort to enhance the accountability of those remission orders the Government has undertaken to do the following in the current fiscal year. It has undertaken to table in the House all income tax remission orders exceeding $20 million. The Government has also undertaken to provide periodic reports to Parliament of all orders and to publish all orders in the *The Canada Gazette*. This Government is not afraid to go to the people for accountability.

This afternoon it is my pleasure to say that I endorse what the Finance Minister has given to this House by way of his Budget address, and I deplore the two amendments put forward by the opposition Parties.

**Ms. Mitchell:** As my colleague will know, I was listening particularly to his comments on child care in which we both have a great interest. The Hon. Member referred to the special initiative fund for child care for research and development. I wish to ask him, in all sincerity, if he is not disappointed that this is not in the Budget. Can he explain why it is not in the Budget? Since it is completely within federal jurisdiction, why is it not possible to have that money there now in order that we can see some action? In that manner, all the groups across the country from which we heard witnesses would not feel so disappointed that nothing tangible is happening to help get some things going in the child care field. This would allow some special projects. For example, the Hon. Member mentioned some in rural areas, disabled children, multicultural needs, northern developments and native communities that we know have such a need.

The Hon. Member talks as if 200,000 spaces over seven years would fulfil the need. When we looked at that very closely, our projections indicated that, even under the present situation with no intervention, there would be that many created. It is really a very small amount. It looks as if it could be several years in the future before there is any federal funding for beginning those 200,000 new day care spaces.

Is the Hon. Member not disappointed that there has not been any action in helping to create the type of supply that we heard over and over again was so urgently needed, and which the Prime Minister (Mr. Mulroney) promised Canadians approximately three years ago?

**Mr. Belsher:** I welcome the question from the Hon. Member for Vancouver East (Ms. Mitchell). I know that she has a caring heart and wants to see the most done. However, I would point out to the Hon. Member that on December 1, 1987, the Hon. Minister of National Health and Welfare (Mr. Epp) tabled his strategy report. He tabled a report of what he would be working with with each of the provinces. Those negotiations are presently taking place.

The Hon. Member is stating that, because there are no specific lines in this Budget that deal with child care, that that report is being ignored. Nothing could be further from the truth. That is the point that I am trying to get across.

**Ms. Mitchell:** Let's see the proof of it.

**Mr. Belsher:** The Hon. Member wants to see the money. We will be seeing the money come Wednesday when the spending Estimates are tabled.

The Minister of National Health and Welfare has made a commitment to the House. He has put in progress the line of communications of what he will be working with with each of the provinces and the territories. The Hon. Member wants to

see a line that states that $100 million will be attached to the special initiatives. That will come in time. Some of those will happen in the present year of 1988.

I can tell the Hon. Member that this program is well in hand. The tax measures themselves have already been introduced to the House for part of that $5.4 billion, and the remaining part of it will take place on a gradual scale. This is taking place.

I say to the Hon. Member that the opposition Parties do a disservice when they say to the Canadian public that because the Budget did not have a line that spelled that out, suddenly it is not being looked after. There was money in the Budget for growth, and there will be more expenditures than there were last year. I can assure the Hon. Member that she will see results in this year.

**Mr. Gagliano:** I wish to take this opportunity to ask a question of the Hon. Member. Quite a few times in his speech he stated that the Government is on the right track. He also mentioned that the Canadian economy has not looked healthier for years. We still have an annual deficit close to $30 billion. Our national debt is 60 per cent higher than it was in 1984. We all agree that during the last six years there was a tremendous economic recovery. One does not have to be a statistician to add that something is wrong here. The economy was good for six years. Every Minister of the Government stands up in the House and says, "We brought the interest rate down". That is good. It means that it costs us less to finance our national debt. However, why is that not reflected in the reduction of the annual deficit? Every expert, after February 10, agreed that if there had not been a change in accounting methods, the annual deficit would have been $32 billion, as it was on March 31, 1984, just before the election.

• (1600)

We have had economic recovery for six years, and the national debt has gone up by 60 per cent. The national deficit, taking into account what I call creative accounting—

**Mr. Boudria:** Creative bookkeeping.

**Mr. Gagliano:** Yes, creative bookkeeping. We must remember that the Minister of Finance (Mr. Wilson) said last year that instead of remitting payroll deductions once a month they must be remitted every two weeks, which automatically provided $1 billion. It did not change anything, but naturally the deficit looked good at the first of the year.

Could the Hon. Member tell the House what the Government did? I do not want him to say that they created jobs. Yes, they created jobs, but how many jobs did Canadians lose during that period of time? It is very nice to say that jobs have been created, but in 1974 there were 1.5 million unemployed people in Canada and today there are still 1.2 million unemployed. This means that with the economic boom, only 300,000 jobs have been created, but they are saying that they created a million. I mean, two and two make four. Could we have a more concrete explanation from the Hon. Member?

**Mr. Belsher:** Mr. Speaker, the Hon. Member makes much ado about there still being one million people unemployed. I acknowledge that one million people are still unemployed, but the point is that one million more people are working now than were working three and a half years ago.

**Mr. Gagliano:** They are not on the unemployment list. That is why.

**Mr. Belsher:** No, the Hon. Member is trying to work the figures to suit his own means. There are more people working now than there were in 1984. Some 80 per cent of the additional money being collected through the income tax system is from more people being employed and people having higher wages.

We started from a point where we had a deficit of $38 billion.

**Mr. Boudria:** No, sir.

**Mr. Belsher:** That was the 1984-85 year.

**Mr. Boudria:** You were in power most of that year.

**Mr. Belsher:** The Hon. Member will find—

**Mr. Andre:** It was based upon Lalonde's Budget.

**Mr. Belsher:** The Budget had been tabled many months before we came to power. It was already in place.

Cutting expenditures is a difficult proposition. Nonetheless, we have been doing it. On every target the Minister of Finance has tabled in the House since the fall of 1984 he has delivered.

The Hon. Member was quite right when he said that the accumulated deficit is still growing. Yes, it is, but it is growing at a much lower rate than it was. By the middle of the 1990s our Minister of Finance is projecting that we will reach a balanced Budget. The carrying charges on the accumulated deficit will be about $30 billion this year.

Everything the Minister of Finance has mentioned in the House with regard to setting targets, he has accomplished. I am willing to side with a Minister of Finance who has already delivered five successive times. He has risen in the House and has given targets on which he has already delivered.

**Mr. Les Benjamin (Regina West):** Mr. Speaker, I have been in this place enough years and have been through enough Budgets to know that faces might change but the direction of Budgets and the priorities in them have not.

My colleagues and I have called this a Budget of lost opportunities. What would happen if one were to grant all the claims of the Government and to say that all its claims were accurate, appropriate, and everything else? What would happen if one were to say that, even though it stretches

credulity? First we would have to take a look at what is happening in the economy across the country and at everything that needs to be done as a necessary investment on behalf of the people of the country and the country as a whole. We would also have to look at what has really happened over the last several years. We say that this is a Budget of lost opportunities because the Government has missed a golden chance to do that which needs to be done.

Everyone agrees that we need more employment and more revenues for the national Treasury. However, this administration and the previous one, at least in their last two years in office, were so hypnotized by the deficit that they proceeded to give it priority over anything else in the nation. They felt that a supreme effort had to be made to reduce the deficit.

We have been accused of being big spenders, debt loaders, and so forth. However, we must look at the history of my Party whenever it has been in government. We have always operated on the basis that every Government goes into debt most of the time, but we have always said—and we still say it—that a nation has different kinds of debts. There is constructive debt, what we have always called self-liquidating debt. There is destructive debt, what we call dead weight debt. Mr. Speaker, I would not want you to think for a moment, seeing as where you come from, that I am expounding some kind of Social Credit ideology. Far be it for me to say anything that would give credibility to that unlamented philosophy, but the fact of the matter is that when a nation goes into debt, the methods it uses to pay off those debts indicate its priorities.

Let us talk about the lost opportunities in the Budget. The Government had the opportunity to provide at least half a billion dollars a year more in housing of all kinds, even if it meant increased borrowings, which would have been constructive debt. As I have said repeatedly in the House over a number of years, in every city in the nation there is a waiting list as long as one's arm of people who need hospital beds, chronic care beds, and home care assistance. There are thousands of older homes of senior citizens that need fixing. There is a need for low income and co-operative housing. When one looks at housing, one realizes that it goes through the entire economy, all the way from the forest industry to the final forest products which are used in homes. It does not matter whether it is in the plumbing industry, the electrical industry or in all the other things that go into housing. The tens of thousands of people you put to work will start paying taxes. That is why we call it a self-liquidating debt. That kind of an investment—it is not a debt really but an investment—not only repays itself in a very short period of time, in two or three years, but it is a constructive kind of way to borrow and expend moneys on behalf of the nation as a whole.

• (1610)

In environment, we could put 100,000 young people to work starting yesterday with a few hundred million dollars a year just cleaning up our air and water. We have no right, none of us from any Party, as a nation to leave the kind of mess we are leaving for others to clean up. The longer we take to clean it up, the more it will cost. Here is a constructive kind of debt not only to clean up the environment but which will put people to work who will pay taxes.

Let me come to municipal works. There are tens of thousands of needed necessary projects in the plans and desires of municipalities all over Canada, urban and rural. I do not mean luxury hotels and shopping centres; I mean necessary and needed public works, some of which are so dilapidated and worn out that they are becoming a disgrace in our communities. That is an investment, Mr. Speaker. It is not a loss or a straight out expenditure. Again, the federal authorities should be providing the leadership and getting the provinces to join in. A consortium of three levels of Government could put another 100,000 or 200,000 people to work who pay taxes, and the debt will liquidate itself. So much of our debt—as my hon. friend mentioned when he was speaking about the billions of dollars we have to put out just to service the present debt—is what I call a dead-weight debt, that is, moneys that are paid in interest charges.

In my own area of transportation, we need to invest $500 million to $1 billion per year over the next six or seven years. I think of urban transportation. I think of improvements to the St. Lawrence Seaway. I think of what is not happening and should be, and I think particularly about western Canada, but the same is true all over Canada in our railway industry. I was at a meeting of some 250 to 300 rural people, mostly farmers and their wives in Minton, Saskatchewan, a community in the riding of my good friend, the Hon. Member for Assiniboia (Mr. Gustafson), who were fed up and angry about two railway branch lines that the Government has still not finished rehabilitating, even though those lines are guaranteed in the basic network to the year 2000. Some $11 million was spent a few years ago getting the job started, and another $14 million is needed to finish it. That puts a lot of people to work. It also lives up to a commitment by the Parliament of Canada, this Government and the previous Government, on railway branch lines in Canada, particularly in western Canada. In order for our railway operations to move faster and more efficiently, we have to deal with a mundane subject like the tens of thousands of level crossings where several hundred people get killed and a few thousand get injured each year. A few hundred millions of dollars in investment is needed there. It is an investment, not an expense. The fact that this Government and the previous Government have thrown hundreds of millions of dollars away, down the drain, refurbishing old worn out rolling stock for VIA Rail is terrible.

The Conservatives talk about bringing some sound business practices into Government. If you were to go to a banker and say, "I am going to start up this railway passenger corporation. I have no money. The youngest piece of equipment is 25 years old and some of it is 40 or 50 years old. I want some money to fix up the equipment and to operate a national passenger train service", every banker in this country would laugh you out of his office. But what does the Government do? It refuses to

order new equipment. Some of that equipment is to be refurbished for the third time since 1977. Talking about throwing good money after bad and talk about terrible business practices, that has to be it. I would not hire the Minister of Finance (Mr. Wilson) to run my chicken coop. If he calls that a sound business practice the way VIA Rail has been treated, then he does not deserve the portfolio of the Minister of Finance.

We have heard all the talk about employment and job creation and I have listened to government Members saying how many more jobs there are than there were four or five years ago. That is nice. But the Government would be in an even worse condition if that were not the case. Still, when you look at the whole country, unemployment in eight of the provinces is worse now than it was in 1984.

**Mr. Redway:** It is not. Be honest.

**Mr. Benjamin:** I think the Government and the Minister of Finance have to be reminded that there is more to Canada than Toronto and parts of southern Ontario. When you look at the different regions of this country, the provinces and the territories, and what has happened to unemployment in those areas, these fellows have nothing to brag about.

The other thing is that we need to lower the interest rate immediately by at least 1 per cent. As far as I am concerned, I don't particularly care what the value of the Canadian dollar is compared to the U.S. dollar. In fact, I hope the Canadian dollar goes down to 65 cents or 70 cents versus the U.S. dollar. I would follow the practices of Mr. Pearson and Mr. Diefenbaker. They slapped on foreign exchange controls, and hundreds of millions of dollars were not moving over the Canadian and United States border overnight for someone to make a fast buck on foreign exchange speculation. We had foreign exchange controls during the Second World War, the Korean War, in the middle 1950s, and in 1961, and we can have them again.

**Mr. Andre:** And they failed.

**Mr. Benjamin:** We can lower our interest rate, and if people who make a profit in Canada are not prepared to invest in Canada, then we should not let them ship the money out. It is as simple as that. If the country is good enough to make a profit in, it is good enough to invest in. This running off to other parts of the world is not what I call good citizenship.

This brings me to another item. The Government needs more revenues to reduce the deficit. I will repeat for about the twelfth time that there is a good, neat way to get some revenue, would you believe, of at least $3 billion a year? The amount of deferred corporation taxes on the books of Canada now is approaching $40 billion, spelled with a "b" as in Benjamin dollars. If you were to charge even a modest 8 per cent interest, which is lower than the bank rate, on those deferred taxes—

• (1620)

**Mr. Redway:** What would happen to unemployment in your riding if you did?

**Mr. Benjamin:** —you would not only pick up an extra $3 billion in revenue, you would be surprised how fast outfits like Inco, Canadian Pacific, General Electric and Bell Canada, all of whom owe $2 billion or more to the people of Canada which they will never pay, would start paying those taxes back.

**Mr. Redway:** They would be laying people off.

**Mr. Benjamin:** It is an interest-free loan, and I do not know how other Canadians can get an interest-free loan when they want to buy a home, start up a business, or keep their farm going.

The theory was that if you allowed these corporations to defer taxes they would reinvest that money in fixing up their plant, increasing production and creating more jobs. Great theory. We started deferring corporate taxes in the early 1950s, I think, during the Korean War, and we got lots of investment. Look at International Nickel and Canadian Pacific. They invested all right. They invested in Guatemala, Australia, Indonesia, and lots of other places. Oh, yes! If the Government is so anxious about the deficit, this is an area where it can raise some revenue.

The whole thrust of this Budget, the philosophy behind it and of every Budget I have seen in this place, particularly over the last five years, and most particularly since 1984, is what I call the bottom line syndrome; the so-called market forces and free enterprise principles; the market-place should govern. All that has done, as far as I can see, is to appeal to greed, selfishness, and mediocrity. It is the philosophy, imported from south of the 49th parallel, of: What is in it for me? How many fast bucks can I make and the heck with everyone else. If I can make a buck, I do not care. That is the philosophy behind this Budget and the four others before it.

**Mr. Oberle:** Oh, you have that all wrong. That is Bob White.

**Mr. Benjamin:** They talk about bringing business ethics to government. What these Tories have never learned is that you cannot bring business ethics into government. Look at all the trouble they got themselves into with their so-called business ethics. A lot of businesses have ethics they have not even used yet, especially the good ones. The ones they do use may not be illegal but they are the kind of ethics a back alley tomcat would use.

In a nation with all the needs I referred to earlier in housing, transportation, the environment, and municipal works, just those four areas alone, we still have tens of thousands of people lining up at food banks. When I was a kid they were called soup kitchens. Now some Tory wants to get up and tell me how great things are! Like R. B. Bennett and "prosperity is just around the corner". Really, it is a disgrace and a blot on this

nation. Given the fact that tens of thousands of people are lining up at food banks and thousands of people do not have a home, we have no business sitting around here patting ourselves on the back, the Government or the Opposition. Let us get a fair tax system.

The Prime Minister (Mr. Mulroney), when he was Leader of the Opposition, said on television to my leader, talking about a fair tax system: "You're right, Ed". That is what he said. We are still waiting. We have a system so intrinsically unfair that it will allow tens of thousands of profitable corporations to avoid paying taxes, and that surely means some kind of political chicanery, free enterprise robbery, and a betrayal of our nationhood. It is nothing less than that. If the Government does not put a stop to it, the day will come when another Government will. The people are not going to take that kind of nonsense any more. They do not deserve that kind of treatment, that kind of unfairness and lack of integrity and honesty, which is the opposite of what they thought they were going to get when they elected the Government.

**The Acting Speaker (Mr. Paproski):** Questions or comments.

**Mr. Redway:** Mr. Speaker, I was most interested in the Hon. Member's comments, particularly with respect to the deficit and his feeling that more money should be spent rather than that an effort be made to reduce the deficit. I happen to have read an article in one of today's papers, *The Toronto Star*.

**Mr. Boudria:** An excellent newspaper.

**Mr. Redway:** That is right. The article is written by an economist by the name of Mr. Arthur Donner. To the best of my knowledge he has never been a great fan of this Government. I think I heard the Hon. Member and his leader quoting Mr. Donner with great vigour on occasion.

**Mr. Benjamin:** Never heard of him.

**Mr. Redway:** Mr. Donner has some interesting things to say and I would just like to read two or three of those comments and ask the Hon. Member a question.

First, Mr. Donner says that while most economists believe the Government should not need to balance its books in any particular year, nevertheless it should be able to do so over the longer term. He goes on to say that despite tax reform—and I think the Hon. Member was talking about a fairer system of taxes—Canada continues to have an extensive structural or non-cyclical deficit built into the system. That does not involve the question of putting people back to work and paying taxes and reducing the deficit. What that means is that there is just too much money being spent in relation to potential income.

Mr. Donner goes on and to say that the Canadian Government has gone about as far as it can go in controlling discretionary spending. If the structural deficit is to shrink further it will require additional taxes, perhaps via the soon-to-be-introduced national sales tax or via a reduction in transfer payments to provincial Governments or individuals. Nevertheless, he says, the structural or non-cyclical component of the deficit remains quite large. This issue will be on the political agenda of whatever Party wins the next federal election.

Bearing in mind that the Hon. Member seems to think his Party may very well win the next federal election—

**Mr. Boudria:** Don't exaggerate.

**Mr. Redway:** —I would like to ask him whether or not he truly believes that the way to reduce that structural deficit, which is going to be on the agenda of whatever Party forms the next Government, is either to call in all those deferred corporate taxes or else nationalize a bank in accordance with NDP policy.

**Mr. Benjamin:** Mr. Speaker, the Hon. Member quotes a Mr. Donner. I never heard of him before.

**Mr. Redway:** I am shocked. He is a well-known economist.

**Mr. Benjamin:** The fact that he does so proves my case. He made reference to balancing the Budget over the longer term.

**Mr. Redway:** How long is your term?

**Mr. Benjamin:** We agree with that. I want to recite a little bit of history for my hon. friend.

• (1630)

In Saskatchewan we took over a Government that was bankrupt from a Liberal administration and before that a Tory administration. It was absolutely bankrupt and had a debt which we were never going to be able to get out of. We increased the debt in the first four years of office from 1944 to 1948. We increased the debt and took electricity to 60,000 farms. We brought in hospitalization and medicare. We rebuilt the whole highway system. We built hospitals and schools. We borrowed the money. We cancelled the seed grain debts and the farm relief debts and we put the people of Saskatchewan to work. By 1952 we had balanced Budgets and we had balanced Budgets every year thereafter. That was a bankrupt province.

We will have to clean up that mess for the third time. The Liberals got back in in 1964 and we got back in in 1971. We had to clean that mess up again. Now the Tories got us in debt in spades in Saskatchewan to the tune of $2 billion.

**Mr. Boudria:** Mr. Speaker, I want to ask a question of the Member who just made a very eloquent speech. He was sort of getting carried away at the end but I want to congratulate him on his speech.

My question pertains to rural Canada. I invite the Member for Argenteuil—Papineau (Miss Bourgault) to pay attention because we will ask questions later. The Province of Saskatchewan has the highest concentration of rural residents of any province in the country. What does the Member think of the

five-cent-per-litre or twenty-three-cent-per-gallon tax increase on gasoline since 1984? People living in rural communities, including those in my riding, in western Canada, and in the riding of Argenteuil—Papineau, have to pay the gasoline tax. There is no TTC, no Metro, no OC Transpo or any such method of transportation in the rural communities. In order to get to work or to go to the doctor, whether you are a farmer or anyone else, you have to pay the tax when the fuel is used for a motor vehicle driven on the road.

Could the Member also comment on the tax on rural Canada which is also called the tax on long distance phone calls? In rural areas across Canada in order to phone the doctor, the farm machinery dealer and so on, one has to make long distance phone calls. This unprecedented tax on free speech is now in the order of 10 per cent.

**The Acting Speaker (Mr. Paproski):** The Member for Regina West (Mr. Benjamin) will have one minute to respond.

**Mr. Benjamin:** Mr. Speaker, one minute is a lot for the Chair to ask of me. I have always thought that sales taxes were mostly in the jurisdiction of the provinces and the municipalities. There has been a fair amount of invasion by the federal authority. Although we have always had some federal sales taxes and excise taxes at the manufacturers' level we are now into sales taxes at the retail level by the federal authority. Surely that is an area in which the provinces and municipalities need funding for roads, streets, and other things which they must build and maintain. I would personally rather see an export tax on the export of energy resources from Canada.

**Mr. Boudria:** You can't do that with free trade.

**Mr. Benjamin:** That has been sold out as well, but that would seem to me a proper place. They are our resources that are worth so much to us. That is an area in which revenue could be picked up.

There is a vast difference, not so much in what the taxes are but in what they are for. If the Government expended the revenues from a sales tax on gasoline on rebuilding the TransCanada Highway or providing toll free ferry services on the East and West Coasts and the nation as a whole shared in the cost of transportation, I would see some point in it. If federal taxes on gasoline were being spent on transportation by way of roads and ferry services one could forgive the national Government. However, the Government taxes gasoline, not for those services but to reduce the deficit and pacify the Yankees while we all pay.

**Mr. Alan Redway (York East):** Mr. Speaker, when you were a boy did your mother ever give you advice? I will bet she did, Mr. Speaker. My mother used to give me advice too.

**Mr. Guilbault (Saint-Jacques):** Not enough.

**Mr. Redway:** When I was a boy she used to give me advice, and even later on she used to give me a lot of advice. I always listened carefully to what she had to say. I do not know what sort of advice your mother gave you when you were a boy, Mr. Speaker, but I will never forget one of the things that my mother said to me. She said that I should never, never accept the job of Finance Minister of Canada if it were ever offered to me.

She said that because she honestly believed that if I became the Finance Minister of this country I would be very much disliked. Actually, she used a somewhat stronger word than that and that is because that is the way she felt about it, as did her friends and most other people.

She was not talking, of course, about our present Finance Minister. She was thinking of some of the former ones such as Mr. J. L. Ilsley, Mr. Douglas Abbott, and Mr. Walter Harris, who in our household was known as "Six-buck Harris". Those are the sorts of Finance Ministers about whom my mother was thinking when she gave me that advice. She was not thinking about the present Minister of Finance (Mr. Wilson) because she did not know him. She passed away before he became the Minister of Finance.

It is interesting that, in spite of those comments which my mother made to me, which have always stuck in my mind, the present Minister of Finance seems to hold a great deal of respect in this country, unlike so many of his predecessors. That is in spite of the fact that he has now been the Minister of Finance for three and a half years. As you will recall, he brought down an Economic Statement in November, 1984. He brought down a Budget in February, 1985, a Budget in February, 1986, another Budget in February, 1987, and a Budget in this year, 1988. That is four Budgets by my arithmetic. There has been the Economic Statement and four Budgets. On top of that he brought out a White Paper on tax reform and an actual tax reform package.

Normally that sort of thing done by one person in the job of Finance Minister would get a lot of people upset. With all those shots that he has had at the taxpayers of Canada, if my mother's advice was correct, just about everyone in this country would be hopping up and down mad at our Finance Minister by this time. However, that is not the case. In spite of all that, he is still a very highly respected person. Daily we read fine comments about him by all sorts of commentators. As a matter of fact, just over the noon hour my French teacher had me read some passages from the Quebec press, *en francais*, and some fine things were said about our Minister of Finance. That suggests to me that there is something different about the present Minister of Finance from the kinds of Finance Ministers we have had in the past.

• (1640)

That is also quite surprising when one considers the problems that faced the Minister of Finance when he came into office. He had to deal with an economic situation in September, 1984, in which unemployment was extremely high.

I recall the time when I was campaigning during and before the 1984 election, knocking virtually on every door in my

constituency. If there was one thing that struck me more than anything else, it was that virtually everyone at every door I knocked was touched in some way by unemployment. There was either someone in the household itself who was unemployed, or a relative, neighbour or friend who was unemployed. Virtually everyone to whom I spoke when I campaigned throughout 1983 and 1984, was touched by the economic recession which was its worst since the Great Depression of the 1930s.

Since September, 1984, there has been a very substantial change. I need not remind you, Mr. Speaker, that the unemployment rate across the country has fallen very substantially, from some 12 per cent down to 8.1 per cent. While I am concerned about the economic situation in Canada as a whole, I suppose it is quite natural that I be more concerned about my constituency where we have gone from a dreadful unemployment situation which approached that of the Great Depression to a condition of virtual full employment. The unemployment rate in my constituency in Metro Toronto is around 4 per cent and perhaps lower. Traditionally, economists have said that an unemployment rate of around that figure is virtually full employment, because there are always people who change jobs no matter how good the economic times.

That situation of virtual full employment in my constituency in Metropolitan Toronto is quite evident when one visits any of the businesses or looks in any of the store windows. Inevitably one finds help wanted signs in those businesses or sees help wanted advertisements in the papers throughout the area.

I do not suggest for a moment that this is a general condition across Canada, but it is a very substantial step forward and one for which I think the Government can take an enormous amount of credit.

This situation has not developed as a result of the Government creating jobs in itself. It has been brought about by the creation of a climate in which the private sector can create those jobs. In his address the Minister touched on a number of reasons why the private sector has been able to create those jobs. He referred to the deregulation that has taken place in energy, transportation, and financial services. He referred to the new Competition Act, modernizing our combines investigation laws that had not really been dramatically changed for some 20 or 30 years. The Government brought in the new competition laws, which again helped to set the climate for creating jobs and bringing about that dramatic change in the unemployment situation.

In addition, there has been privatization of many of the Crown corporations and undertakings. During the weekend we heard about problems in Manitoba where the Crown corporation administering automobile insurance has been accused of not operating fairly or properly. People are saying that this proves that Governments really should get out of the business of being in business and should leave that to the private sector. If that is the case under an NDP Government in Manitoba, it makes sense that the privatization that has taken place so far has also helped stimulate the economy.

Another area which has helped to set the climate for an improved economic situation is the change in investment policy through Investment Canada. We are looking forward to the tax reform package that the Minister of Finance presented to the House a few months ago. That is one aspect of the economic situation that has changed dramatically as a result of the policies of the Government and the Minister of Finance.

Inflation is another consideration. Prior to the 1984 election there was galloping inflation. During my days of municipal Government at that time, inflation was rising dramatically. I recall that we had to contemplate paying inflation bonuses to our employees to make up for that inflationary rate because we knew that they could not afford to exist on the wage rates they were being paid before that inflationary rate suddenly started to take off.

I recall that when we wanted to give an inflationary bonus to unionized workers in our municipality there was a great problem with management just giving that inflationary bonus without actually negotiating with the union. The unions were upset that management should be giving a raise to their members without actually having had a say in that as well. This is what happened prior to 1984 during that dramatic period of wildly escalating inflation.

The situation has changed since the Government has been in office. While inflation certainly has not disappeared, it has become stable, at a greatly lower rate compared to what it was in the years prior to 1984. We now have the promise of the Canada-U.S. trade agreement which will help to hold down prices and the inflation rate. For the first time a federal Government is implementing a positive policy that will deal with inflation and help to hold down prices. This is something for which people on fixed incomes have been crying for years.

I constantly receive calls and letters from senior citizens in my constituency complaining about even a modest increase in the inflationary rate we have now as compared to that in the early 1980s. I get these letters and complaints all the time. Now for the first time we have a Government which is taking some positive initiative to counteract that inflation rate through the free trade agreement.

• (1650)

We have heard in the House this afternoon about what the deficit situation was like prior to 1984. We know that when the Government took office, between everything the Government took in in the way of revenue and everything the Government paid out in the way of expenditures, there was a shortfall of almost $40 billion. As my colleague in the NDP said, that is "billion" spelled with a "b". That is a lot of money. That deficit has not been eliminated. No one is suggesting that for a moment, but the annual spending deficit is now at least $10 billion less than when the Government took office.

You and I know, Mr. Speaker, how hard it is to cut back on our own expenditures and to balance our own books when they get out of whack. We know very well that it ain't easy to cut back expenditures by $10 billion.

If we had continued with the economic policies we had prior to 1984, we would be in a state, as we were prior to 1984, of economic chaos. Many people ask what that has to do with the Government. Times are relatively good now. Things have improved, unemployment is down, inflation is down and the deficit is down. What does that have to do with the present Government?

People who ask that question, including the Leader of the Official Opposition and the Leader of the NDP, are the people who say: "Look, this is just a world trend we are following here, Canada is just tagging along on the coattails of everyone else. The Government has not done anything to create the situation, it has all happened on its own". However, you and I know, Mr. Speaker, that every single economic indicator in Canada shows that Canada is the leading industrial nation now. Our economy is the leading economy in the industrialized world. We are not following anyone. In fact, we are dragging everyone else along. We are the leaders. Some of that has to be due to the policies of the Government and of the Minister of Finance, and I think it is quite clear that that is the case.

Having said all that, one would wonder if I had not been trying to prove that my mother was wrong when she said that everyone dislikes Ministers of Finance and one should never be a Minister of Finance. On occasion we all hear people saying that we would be better off if we did not have some of the policies that had been followed during the last three and a half years. For instance, we have heard senior citizens say that they should have more money in their pockets, their pensions should be bigger and the economic policies that have been followed have had a bad effect on senior citizens. I was thinking about that too, and I just wondered what has happened to senior citizens over the last three and a half years. I wondered whether or not the Minister of Finance has been awfully tough on senior citizens.

I am not saying that all senior citizens are doing well, but when I thought about it, I thought, first, that the Old Age Security, the one that starts at age 65—you are a long way from that, Mr. Speaker, and you will not qualify for that for a long time—continues to be fully indexed. That has increased every year since the Government has been in office. Senior citizens who are receiving Old Age Security benefits certainly have more money in their pockets now than they had back in 1984.

Then I thought of the Guaranteed Income Supplement. That is the one that provides for those who have no income or limited incomes, and that too continues to be fully indexed. All of those senior citizens who receive Guaranteed Income Supplement payments are receiving more money now than they were in 1984.

Then I thought of the spouse's allowance, the one that is geared to income. As you know, Mr. Speaker, the Government introduced an extension of the spouse's allowance. On top of that, there were improved benefits under the Canada Pension Plan, improved benefits under the Canada Assistance Plan, increases in the New Horizons grants, new senior citizens' housing, particularly in my riding, and new benefits for veterans and for veterans' widows.

When I look at all of those things, I have to think that although I believe my mother has always been right, if she looked at the performance of this Government and of the Minister of Finance today, I think she would have to admit as well that the record has not been too bad at all, in spite of the fact that this has been a period of restraint.

**Mr. Berger:** Mr. Speaker, I listened with interest, as I usually do, to the comments of the Hon. Member. His comments are usually entertaining and I often find myself agreeing with his kind of easy going way of putting forward the facts. However, I was following his comments very closely today and I must admit that I detected what I considered to be several factual errors in his presentation, errors which I feel ought to be pointed out to the Hon. Member. I think he ought to have the opportunity to—

**Mr. Belsher:** Are you saying his mother wasn't right?

**Mr. Berger:** Perhaps his mother wasn't right, that's correct. There were several factual errors in his presentation which I feel duty bound to present to the Hon. Member and ask him to reflect upon.

First, I recall that he said that prior to the 1984 election, Canada had experienced a period of galloping inflation. I think the Hon. Member would probably agree with me that that statement really requires a bit of qualification. I do not think it is entirely correct to say that just prior to the 1984 election, which is perhaps what the Hon. Member was implying, we had experienced a period of galloping inflation. It is true that in 1981 and 1982, Canada, like many other countries in the world, had experienced a period of galloping inflation. We had to raise interest rates in Canada to very high levels and, again, this was not something that was particular to Canada but it was common to many countries in the OECD, the United States, Great Britain, France, West Germany and the like.

In 1982 or 1983, the previous Government introduced the policy known as the six and five policy. Its goal was the reduction of inflation to 6 per cent in the first year of the policy and 5 per cent in the second year. As I recall, and I would put it to the Hon. Member, those targets were not only met but were exceeded to the point that in 1984, the rate of inflation, for probably the first eight or nine months of the year prior to the current Government taking office, had come down to below 5 per cent. I think it was four per cent or something in that neighborhood, if I am not mistaken.

• (1700)

A second error, if I may call it that, in the Hon. Member's presentation was when he referred to the fact that every single economic indicator shows that we are among the leaders. It is true that Canada's economy has performed very well in the past several years. The Minister of Finance (Mr. Wilson) in his speech indicated that we were in the sixth year of an economic recovery period. That in itself indicates that the recovery began prior to the present Government taking office. But one indicator which the Minister did not refer to in his speech was the indicator that is known as the percentage of the GROSS National Product spent on research and development. It is sometimes referred to as the GERD to GNP ratio. The Minister of State for Science and Technology (Mr. Oberle) is in the House. Perhaps he could add a few words to this debate.

The GERD to GNP ratio, or the gross expenditures on research and development as a percentage of GNP, has come down in Canada since the last election. We are moving up toward the target that had been set by the previous Government of 1.5 per cent of Gross National Product. Again, the figures from Statistics Canada indicate that since the last election this indicator has dropped to approximately 1.3 per cent. It was getting close to about 1.4 per cent prior to the last election. I suggest to the Hon. Member that these are several areas in which he might wish to qualify, perhaps, the statements that he made during his presentation.

To conclude I would like to say that what we are probably seeing is a situation in which, superficially, our country is basking in a period of economic growth. I ask myself serious questions about what kind of a country we are preparing for our children and our grandchildren 10, 15 or 20 years down the road if we are not taking steps to invest in research and development which will provide us with the kind of competitive economy that we need to compete in a global market.

**Mr. Redway:** Mr. Speaker, I appreciate the comments and the questions of my hon. friend. I have to say that my mother lived through the Great Depression. One thing that she knew about was a devastated economy. If there was one lasting impression that she conveyed to me it was those impressions of a devastated economy during the 1930s.

The Hon. Member talked about the inflation rate and the unemployment situation prior to the 1984 election. He talked about how the former Government dealt with inflation. He is quite right, that Government certainly did deal with inflation. It dealt with it in such a way that it raised interest rates to 20 per cent or more. It bankrupted an enormous number of companies. The result of that was massive unemployment. It is this unemployment from which we are still struggling to recover.

The message that I have been trying to get across is the message that my mother conveyed to me. I wish to convey that message from her to you, Mr. Speaker, and to other Members of the House. This sort of thing is unacceptable. We need a Government and a Minister of Finance who know how to manage the economy properly. If there is one thing that can be said about the last three and a half years it is that the Minister of Finance and the Government have been doing just that, managing the economy properly. Thus we do not have either skyrocketing inflation or great depths of unemployment. What we have is a balanced and stable rate of inflation. We have a growing employment situation. That is good economic management.

You seem to be giving me the message, Mr. Speaker, that I should wind up my remarks. I would like to comment further on the other part of the Hon. Member's question. If you would like to recognize me after the next speaker has finished, Mr. Speaker, I would be pleased to respond then.

**The Acting Speaker (Mr. Paproski):** I regret that the Hon. Member's time has expired. The time allotted for questions and comments has now terminated. The Chair recognizes the Hon. Member for Mount Royal (Mrs. Finestone) on debate.

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, I welcome the opportunity to rise today to speak to the Budget of the Minister of Finance (Mr. Wilson) which he tabled on February 10. I must say that if Canadians are wondering what this Budget does for them as individuals and as families they will have to look long and hard. It is not surprising that the only measure that comes quickly to mind is yet another tax increase by the Government. This time I refer to the 1 cent per litre on gasoline to take another $300 million out of our pockets. I am sure that this increase bothers most Canadians as it bothers me when we go to fill up our tanks. The Budget will no doubt be remembered in history as a do-nothing Budget, although being able to refer to it as the last Conservative do-nothing Budget is somewhat comforting. No matter what one calls it the truth remains that despite the many significant challenges facing Canada the Minister of Finance had surprisingly little hesitation to say on budget day that Conservative policies and initiatives have worked and that holding the course was his plan of action as though there was nothing at all that he and his colleagues needed to do. Unfortunately, this is the wrong view of what is happening out in the real Canada. The Conservatives seem to be looking out of a rose-coloured window pane. I suggest most of it is centred on central Canada. They fail to see the numerous challenges facing us as a nation. The Government would do well to open the window and to peer out across the land to see what is really happening.

I put forth a challenge to the Government here today. I challenge it to do some checking and to take note of the many needs facing the country instead of sitting back with that everything-is-fine attitude it demonstrated so clearly in the Budget, proposing no new action plans to help those who need help, including relief and housing needs for low income families, displaced workers, illiterates or people in need of job skills retraining. I do not know where the Government went or

with whom it consulted to discover that on budget day all it had to do was stay the course.

However, I put it to the Minister of Finance that his Budget was inadequate. Staying the course is not good enough for Canadians. Just buying nuclear submarines certainly will not answer the needs that we see in our society. Canadians expected more from their Government, more than mere attempts at cutting the deficit to please Bay Street, while placing the burden of the deficit battle on the backs of families and middle-income earners. Canadians have a right to better treatment than that.

One of the few actions the Government did take in the Budget was the writing of its own report card. However, as one would expect from a youngster permitted to write his or her own report card, he or she would probably tend to stretch the truth, play up the good news and downplay the bad news. In the same way I am afraid that the Minister of Finance has fallen victim to the same type of trap.

For example, the Government was quick to take credit for a fairly healthy economy, yet it failed to take notice of, or to take the blame for, the unequal distribution of the economic upturn among the different regions of the country. We still have widespread unemployment. The 1.1 million people who are unemployed are concerned, as are those who are underemployed.

The Budget also went to great lengths to paint a rosy economic future for Canada but, alas, in the days since the Minister of Finance put his brush to the canvas to paint this rosy scenario and take credit for having created it Canadians have seen a far different picture. Representatives from some of the nation's largest and most respected financial institutions have expressed serious misgivings about the Government's dreamy economic scenario.

• (1710)

As I mentioned earlier, the Budget contains the Conservative's pursuit of a lower deficit by placing an increased burden on individual taxpayers and families while thousands of corporations pay little or no tax whatsoever.

The Tory attempts at cutting the deficit on the backs of Canadians began not long after they came to power. I am sure that we all remember well the summer of 1985 when seniors were forced to descend upon Parliament Hill and confront the Prime Minister (Mr. Mulroney) about his plans to remove inflation protection from their pensions. I would say that there is one rosy view that we can all take from that, and that is the fact that "grey power" is now in, and it is to the peril of any Government if it does not listen. From that point of view there is a rosy picture for all of us who are approaching those senior years.

An attack on income security for seniors, that is how the Conservatives have taken up the challenge of fighting the deficit, by showing complete disregard for the type of income security for seniors that a nation such as Canada, with all its wealth, has long held to be a basic tenet of our social fabric. Those seniors who have been planning and preparing for their retirement years in order that they can live all of their lives in comfort as planned were damaged by the Government.

It was no surprise that seniors reacted strongly to this early item on the Tory agenda. It came out of nowhere, and fortunately it was beaten back. Yet it stands to this day as a symbol of the Government's lack of sensitivity and compassion for Canadians at all points on the income ladder.

Since coming into office the Tories have hit Canadians with dozens of new taxes. It reminds me of something that Adam Smith said which reflects the Tory view of who should shoulder the tax burden in this country. Adam Smith concluded that, "There is no art which one Government sooner learns of another than that of draining money from the people". Draining money from the people, how about that for a Conservative epitaph!

The facts speak for themselves. Today individual Canadians pay a greater share of the total tax bill in this country than they did when the Conservatives came into office, while corporations pay an even smaller share of the bill. It's that simple; it's that unfair.

Unlike its campaign promise not to raise taxes, the Government has seen fit to hit Canadians with more than $22 billion in new taxes, and then claim that it was its own ingenious management of Government that led to a lower deficit.

Let us take a look at the tax bill that the Tories have sent to Canadians since they came into office. It began with three consecutive increases in the sales tax. Starting from the word "go" in October, 1984, probably even before the first set of Ministers had found their offices, the Conservatives hit Canadians with their first tax bite which would, with subsequent increases, take another $3 billion from Canadians.

The Tories have extended the tax on candy, soft drinks and snacks. The cost to Canadians is $460 million. To this, one can add another $60 million for increased paint and wallpaper tax. Imagine what this tax did to the redecorating bills at 24 Sussex! This adds up to another $0.5 billion out of the pockets of Canadians.

As we were reminded in the latest Budget, there have been the Tory taxes on gasoline. There have been three increases here as well, one for $900 million, another for $450 million, and one more for $450 million. As if that were not enough, there was another increase of $300 million in the latest Budget. The grand total for the tax on driving, the gasoline tax, is $2.1 billion.

At least another $700 million was taken by the Government by increasing taxes on alcohol and tobacco.

Then there is the tax on talking, which came quietly into effect on January 1, 1988. Long distance telephone charges are

now subject to a 10 per cent tax. The cost to Canadians is $945 million.

Let us not forget the tax changes either, Mr. Speaker. Canadians have not been able to forget the deindexing of the whole tax system. The bill for that is $635 million. Killing the Registered Home Ownership Savings Plan, which had helped so many young Canadian families get their start, was at a cost of $105 million to those families.

Temporary income surtaxes earned the Government $1.7 billion. A change in the tax treatment of dividend income earned the Government another $300 million.

These taxes that I have mentioned are only a sprinkling of the dozens of tax grabs by the Government, which total more than $22 billion from average Canadians, individuals, families, and seniors.

I feel that once again I should mention these tax grabs alongside the fact that so many thousands of corporations in this country are still paying no tax. It does not take long to see who the friends of this Government truly are.

If it is true that Canadians often vote from their pocket books, they will surely remember how the Government has treated them the next time that they go to the polls. If they do not, they might get what they deserve.

So far I have spoken only about the taxes that the Government has introduced. What we do not have the numbers on as yet are the costs to taxpayers of one of the worst of the Tory tax proposals, a tax on food. In my view, the idea symbolizes the cold-hearted Conservative view of Canada that nothing is sacred in the deficit battle, not even food. That can be divided between the edibles and the inedibles, and I still think that it is reprehensible.

The tax on food met with significant opposition from many sectors of our society because of its regressiveness. This tax would cost the same to a $200,000 a year person, for example, the bank president we heard so much about from the Prime Minister as it would to a senior on a fixed income, or a single parent family. The idea is ludicrous. What were the Conservatives thinking about when they came up with that particular tax?

Fortunately, the Government did see the light and it rejected the idea outright. It took an awful lot of reading into the record here in the House, and a lot of noise outside for the Conservatives to be sensitized to this inhuman approach. With its mere suggestion of a tax on food the Government demonstrated its insensitivity to the needs of Canadians across the income spectrum.

It has taken a good deal of time to sample the Government's record of increasing taxes on Canadians. From the pockets of hard working Canadians more than $22 billion has been taken by the Minister of Finance. On February 10 the same Minister stood in his place and told the House that all the Government needed to do was to "stay the course". That does not sound to me like a plan of action. Staying the course certainly will not help the 3.7 million Canadians who are living below the poverty line in this country, nor will it bring any comfort to the 851,000 families existing below the poverty line. The suggestion of staying the course and offering no plan of action is an affront to the many Canadians who have a right to look to the Government for leadership. I am truly saddened by the Government's inadequate response to the despair being experienced in this country. I suggest again that the Government wake up to the reality of the difficult situations in which so many Canadians find themselves.

The Government has, with little hesitation, drained billions of dollars from the pockets of Canadians. Yet after 3.5 years in office it found it in itself to deliver a do-nothing, stay-the-course Budget with no new initiatives or measures to assist the needy who are among us.

While on the subject of taxes, I would like to take this opportunity to address the Government's tax reform package. If we drop all the optics, we know that Canadians have yet to see the whole tax reform package. Some would say that what we have seen so far is the good news on tax reform, although I would argue that one has yet to see the bad news side, the national sales tax. What we have seen so far is the Minister of Finance offering to return to Canadians $5 billion over the next five years under his tax reform plan. What Canadians will remember is the $22 billion that the Government has already taken. In my books a reprieve of $5 billion on an increase of $22 billion sounds an awful lot like a tax grab and not a tax reform.

I would like to suggest that there exists a real world out there, the challenge facing many Canadians and challenges that the Finance Minister saw no need to address in this Budget. I am sad to say that we have been treated with a cavalier indifference since the Conservatives came into office. Poverty is at the heart of most of our social problems in Canada: ill health, crime, poor housing conditions, and family violence. The Government cannot continue to say that the poverty gap will be closed as economic conditions improve. The "trickle down" theory of economic growth simply does not work in the world in which we live. I would add that, when we speak of the poor in Canada, we are not referring to the unemployed alone. Indeed, we must also consider the working poor to be part of this category. It remains a fact that well over half of Canada's poor families do earn an income.

• (1720)

We need a program to address the serious needs of the working poor, a program of income supplementation for families who were hit hardest in the Government's 1985 Budget and tax reform package by the deindexing of family allowances, the reduction of the threshold level at which parents become eligible for the child tax credit, and the slashing of the child exemption.

This do-nothing Budget also marks the passing of another missed opportunity for the Government to introduce its long promised older workers' adjustment program. It has been two years since the previous labour adjustment benefits expired. With each passing day we have displaced workers facing growing despair. Many of them are unfortunately falling into the discouraged worker category of people who have given up looking for jobs because they believe none are available. The 1.2 million figure for unemployed people is certainly not a true reflection of all those who are unemployed. I call upon the Minister of Finance to go back to the drawing-board and find the missing pieces of his Budget, the ones that will address the problems of the chronically unemployed.

We need a strategy in Canada which incorporates job skill training, income supplementation, and tax credits, all tied to job creation. The Government has failed to fulfil the leadership role Canadians had every right to expect. It demonstrated this failure no more clearly than in the Budget of February 10.

The Minister failed to address a very significant area in his Budget. Since the Conservatives took office in 1984, the youth of the nation has been sadly neglected. This is unacceptable, for we all know that our young people are our most valuable resource. It is an undeniable truth that expenditures on their behalf are investments in the future not only of our young people but of our nation. Despite a huge influx of young people into the job market, the Conservatives have slashed and cut when it comes to programs aimed at giving them a boost.

Cuts to Challenge programs stand as a symbol of the Government's inattention to the needs of our youth. In 1985, $3 million was cut from the program, leaving a $205 million allocation. This is a lot of money, but obviously the program had come to be considered very worth-while. However, the very next year, 1986, there was an additional $17 million cut to $186 million. By 1988 we had seen plans to cut it back another $6 million to $180 million. The real irony is that in all the time since the Conservatives came into office the demand for this kind of youth program has only increased.

What is worse is that the cuts to the Challenge programs are but one example of the low priority the Government has placed in the future of our young people. I could give other examples, such as the 1985 freeze of the Canada Student Loans Program and a cut of $5 million; the cancelling of the Young Workers Exchange Program and a cut of $3 million; and the 29 per cent cut in the funding of on-campus Canada Employment Centres for students to $4 million to which soon to be graduates and summer students look for help and information about where to find jobs.

What is completely incomprehensible is that we have not likely seen the end of bad news for youth programs, for indeed one of the few commitments of the Minister of Finance in his Budget was a further $300 million cut from programs. We have yet to see where they will hit but, if the record shows us anything, youth programs are certainly not safe from the Conservative wield of the axe. These youth cuts symbolize in a straightforward manner the Government's unwillingness to help directly our youth get off to a strong start. Its attitude seems to be: let the market-place take care of that. I say again that that is just not good enough for Canadians, not only young Canadians but every Canadian who wants to see our youth develop.

One thing included in the Budget was the Government's detailed plans for a national child care program. We in the Official Opposition fully support the fundamental idea, that is, the provision of more child care spaces for Canadians across the country. However, there is a great deal of concern among experts in the field of child care that the Conservative child care proposals will actually result in less money going to child care over the next seven years than would have been available had the Tories taken no action at all. They argue that what the Government has labelled as an increased commitment to child care is in fact a hidden long-term capping of child care expenditures. To be honest, they have called it much worse, but I need not repeat those kinds of words in this place.

These concerns may very well reveal that the Tories have found their perfect public policy—package initiatives that actually cut program spending but find a way to gift wrap the package in grandiose style and try to make it look like an increased commitment.

In participating here today in the budget debate, I cannot help but wonder what Canadians are thinking about the Government, a Government that swept into office in 1984 promising not to raise taxes but has overseen the largest tax grab Canadians have ever known. I hope Canadians will remember that the present Minister said on behalf of his Party, while sitting on this side of the House, that they would cut spending and not raise taxes, that tax levels in Canada were already too high. The Prime Minister repeated those promises soon after the 1984 election. I am sure Canadians are wondering where all this good will has gone and what has happened to the promises. These words and promises are coming back to haunt the Conservatives, and well they should. Canadians will not soon forget the Government going back on its word, and its failure to live up to the commitments it made before the election.

I take this opportunity to point out today that many Canadians are feeling a sense of unease and frustration about the Government's record, a record which will establish the Government in history for its failure to show strong, credible leadership on the many challenges facing us as a nation. Nothing was clearer than when the Minister stood and said: "We will stay the course".

It is appalling that a modern Canadian Government, after three and a half years in office, taxing Canadians more than they had ever been taxed before and fighting the deficit on the backs of families and middle-income Canadians, can come forward with a Budget with no pledge of action for addressing priorities such as the income gap between the rich and the poor and regional disparities.

I suggest that there are real challenges out there, and it is too bad the Minister's Budget has not dealt with them.

**Mr. Althouse:** Mr. Speaker, I noted that the Hon. Member for Westmount (Mrs. Finestone) mentioned that the Minister of Finance (Mr. Wilson) had called this a "stay the course" Budget. I could not help but look at the *Budget Papers*, particularly Table III on page 88 of *The Fiscal Plan*, whereby this "stay the course" Minister has increased sales and excise taxes from some $12 billion when he became Minister to the current level of $19 billion. He has increased personal income tax from some $26 billion or $27 billion to more than $37 billion. Unemployment insurance contributions have gone from something in the area of $7.2 billion to $9.5 billion. However, the Minister has stayed the course on corporate income tax, which is still somewhere in the $9 billion range.

Does the Hon. Member have some comments about this since it seems that the Minister kept his promise at least to his corporate friends? Could she perhaps tell us why he was unable to stay the course and had to raise taxes by some 15 per cent to 30 per cent for people who are simply wage earners and pay income tax or ordinary consumers who must pay great increases in sales tax?

**Mrs. Finestone:** Mr. Speaker, I think I addressed that issue in my comments. It becomes pretty obvious that the Minister and the blue Tories looked at the upper income level, treated them with great favour, and forgot about the rest of the people out there who put some confidence in them and obviously put them into power, thinking that they were going to undertake proper corrective measures. Unfortunately, I guess they were cheated with their choice of government.

During a very good era of economic prosperity, world prosperity, Canada has been a leader due to some very careful planning over a long period of time. Businessmen plan ahead. The Government has just spread the net very wide, picked up large numbers of people to pay taxes who never paid them before, and found ways to gouge middle and low-income people.

**The Acting Speaker (Mr. Paproski):** I will allow the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) a very short question.

• (1730)

**Mr. Boudria:** Mr. Speaker, I have a question for my very distinguished colleague and I want to congratulate her for her remarks in so doing. She is an expert on communications matters as the opposition critic. Will she further expound on the issue of the 10 per cent tax on long distance telephone calls? Does she agree with me that this tax is particularly unfair to rural Canadians who have to make long distance phone calls for such basic things as phoning hospitals, doctors and other very important calls? Does she not agree with me that this tax is totally unfair and reprehensible?

**Mrs. Finestone:** Mr. Speaker, I thank you for allowing me a short response. This is another smoke and mirrors action. The Government supposedly reduced taxes and then increased them. Yes, Canadians of all stripes, particularly those in outlying areas, will suffer as a result of this tax on talking.

**Mr. David Daubney (Ottawa West):** Mr. Speaker, I am very happy to take part in this debate this afternoon on a Budget which demonstrates that the long-term plan laid down by the Minister of Finance (Mr. Wilson) in November, 1984 is working. His policies were right then and the Government's policies are right now.

In 1984, the Government brought to office a vision for a stronger, more prosperous Canada now and into the next century, a vision that was rooted in our belief in Canadians themselves, their capacity to innovate and produce, their desire to excel, and their determination to build greater opportunities for the future. To make this vision a reality, we set out our agenda for economic renewal to transform the economy so that it could meet the challenges of a more competitive world. We have put in place a wide ranging series of actions that complement one another. We have revitalized the private sector and positioned Canada's economy to meet the challenges of international competition in the 1990s and beyond. We have restored fiscal responsibility by reducing the deficit and cutting the growth of the national debt. We have implemented priority programs and we have helped regions and sectors hurt by unexpected developments in the world economy.

The driving force behind productive growth and job creation is a dynamic private sector. To encourage this dynamism, the Government has taken far-reaching measures to modernize the regulatory environment for business. We deregulated the energy and transportation sectors. We opened financial markets to global opportunities and stimulated greater competition in financial services. We have modernized our competition policy, our copyright and patent legislation, providing better protection for the public interest. We also privatized some Crown corporations where it was clear that public ownership of part of the market-place was no longer justifiable or necessary. We created Investment Canada to encourage and welcome investment capital from abroad and to keep Canadian investment capital here, investment that is creating jobs for Canadians.

The Government has also taken far-reaching measures to reform the federal tax system. We are making the tax system fairer for individual Canadians and we are making it more effective in supporting growth and job creation. We are creating a system that helps our businesses and industries to compete in the world. On January 1 our reforms to the personal and corporate income tax systems went into effect. The key to these reforms is our belief that lower tax rates are the best possible tax incentives for productive activity. For individuals, three federal tax brackets are replacing ten. To make the system fairer we are converting personal exemptions and many deductions to tax credits. We are reducing and

eliminating many special tax breaks that permit upper income earners to avoid paying their fair share. The results are compelling. More than eight out of 10 households will see their personal income tax reduced. About 850,000 lower income Canadians will have their income tax reduced to zero. Almost nine out of 10 Canadians aged 65 and over will have income tax reductions. The vast majority of families with children will pay noticeably less personal income tax. For the corporate sector, many special tax breaks are being eliminated or reduced to permit lower tax rates. This will mean that the corporate tax system will be more competitive with systems in other countries. There is much more to be done, Mr. Speaker, and we will replace an archaic federal tax system with a new system that will be effective in supporting growth and job creation.

We have been working with the provinces and others to develop the most effective means of implementing this new system, particularly the opportunity to have an integrated national sales tax. So far, our progress with the provinces has been encouraging, but we have more work to do.

Another key element of our strategy for the 1990s is to secure improved access to world markets for Canada's exporters. We are working, as you know, Mr. Speaker, to resist the forces of protectionism wherever they are found. That is why we worked so vigorously for a new round of multilateral trade negotiations under the General Agreement on Tariffs and Trade. Our free trade agreement with the United States is a major building block in the Government's strategy to strengthen Canada's competitive position in the world and to enhance the prosperity of our people. The free trade agreement will provide greater opportunities for economies of scale in Canadian production and marketing. It will encourage greater productivity and stimulate innovation. It will lead to a more efficient and lower cost Canadian economy.

The economic benefits of the free trade agreement will start to be realized shortly after its implementation on January 1, 1989. Consumer prices will continue to decline, expanding the purchasing power of Canadians. Investment in plant and equipment will expand as Canadian firms move to take advantage of their enhanced access to the huge U.S. market.

The phase-out of tariffs in the free trade agreement will not only mean lower consumer prices, they will give our industries an advantage over the rest of the world in the U.S. market. They will allow integrated North American industries to become more competitive against overseas competition. They will also end a major barrier to value-added processing prior to export, something we sought in the last round of GATT negotiations. The agreement also achieves important new progress in the area of government procurement by expanding the opportunities for suppliers of goods to government markets. The further opening up of government procurement means a new $3 billion market for Canadian business, with the potential for further liberalization in the GATT or future bilateral negotiations.

I would like to say a word about productivity and how it relates to the free trade initiatives, to the economic performance of the country and the economic leadership of the Government. As you know, Mr. Speaker, improvements in productivity brought us the surplus which transformed the western world from agrarian to industrial and then to post-industrial society. In our periods of most rapid productivity growth, government services and our personal wealth increased the most rapidly. Since 1973, a period which coincides with the growth in the Canadian deficit from zero to its current levels, Canadian productivity grew very slowly. The result? A sharp jump in unemployment; increased levels of poverty in the country, specifically in the regions; slow growth in personal income, and growing pessimism about our ability to compete with the rest of the world.

If Canada is to increase its national wealth, we need to go beyond our own borders, to sell our services and our products to the rest of the world and to make a profit on the deal. Canadian business cannot, with our small population and fragmented domestic market, grow quickly enough to create the new wealth we need as a nation. Because our markets are small, per capita production in Canada has not matched that in the United States. American industry, of course, can afford to specialize and invest in huge production runs. By the nature of the size of our domestic markets, Canadian productivity begins with a disadvantage, and that is why our output per worker has traditionally been lower than that in the United States.

Can Government help increase productivity? I think the answer to that is yes. It will not do it, however—and I think the record is clear on this—by coddling Canadian industry, by providing it with endless protection against the reality of world competition.

Canadian workers are generally productive, but Canadian managers have tended to be unimaginative and cautious, turning to Government for protection at every ripple in the international economic system. Canadian manufacturing managers in the past have seen threats where they should have seen challenges and opportunities.

• (1740)

There are things the Government can do to improve our economic performance and our chances of creating new wealth. I think the Minister, in his budget speech, spoke about our record of accomplishments to date, a record of which we can be proud. Free trade is part of that record. It is one opportunity, and only an opportunity in my view, not a sure thing, for Canadian industry to improve its productivity. Our productivity is at present 9 per cent behind the American level. If we had unrestricted access to the American market, making use of the same economies of scale which have given them an advantage over us in the past, the best of our companies would be much better off. There is good reason to believe that our productivity and per capita wealth would exceed American levels.

I want to return briefly to the free trade agreement which is such an integral part of this Government's economic strategy. I want to refer in particular to the energy sector where we have secured access for our hydro, uranium, oil and gas exports to the lucrative U.S. market. This is a critical step, as you would know as an Albertan, Mr. Speaker, in ensuring our own energy security. After price, economies of scale made possible by secure access to the U.S. market are the most important factors in allowing us to develop our huge hydro, tar sands and frontier resources. If we do not develop those supplies, we will be the ones who are increasingly reliant on offshore supplies.

In other areas of the agreement we have built on the GATT Standards Code, attacking some of the most devious non-tariff barriers to trade like artificial health standards. We have also created greater certainty for Canadian and U.S. investors. We have retained the right to review significant direct invest proposals. Current restrictions in key sectors remain. The special status of our cultural industries has been entrenched. Perhaps just as important, our own investors will be protected from potential U.S. restrictions. That is clearly important when you consider the extent of our own investment in the U.S. In fact, few Canadians understand that for the past decade we have invested $3 in the U.S. for every $1 invested here by Americans. At the current rate, that means we will soon have as much invested in the U.S. as they have up here, despite the fact they are 10 times our size.

Even more important for future investment patterns is the greater access for Canadian-made goods made possible by the agreement. Increased access for Canadian imports will limit the need for our companies to jump U.S. trade barriers and set up shop in the U.S. We believe it will also allow third country investors to contemplate Canada as the location for their North American facilities.

The economic record of the last three and a half years is one of which we can be proud. The Canadian economy is growing stronger, more dynamic, and better able to compete. In those three and a half years since we set out our agenda for economic renewal, our progress has been dramatic. Over-all, we have done better than any of the other major industrialized nations. We have been number one in economic growth since 1984. We have been number one in employment growth. More than 1,150,000 jobs have been created since we came into office. The great majority of those jobs are full-time in occupations with above average salary levels. The unemployment rate today is the lowest in six years. Economic and employment growth last year was more evenly balanced among the regions. Mortgage rates are three percentage points lower, saving home owners $1,200 a year on a $50,000 mortgage amortized over 25 years. Housing starts have reached a 10-year high. Business is confident. The pace of investment has increased sharply. Consumers are confident. Consumer spending has continued to grow steadily. We have built a solid record of progress, a record of how our policies and initiatives have worked in building the framework for the economic success we now enjoy.

For 1988 the economy is on course for a sixth consecutive year of expansion. The outlook for 1989 is even more encouraging. Canadians have good reason to look forward to the next decade with confidence.

**The Acting Speaker (Mr. Paproski):** Order. It being 5.45 o'clock p.m., it is my duty to interrupt the proceedings pursuant to Standing Order 84(6) and put forthwith any question to dispose of any subamendment which is before the House.

Mr. Wilson (Etobicoke Centre), seconded by Mr. Lewis, has moved:

That this House approves in general the budgetary policy of the Government.

In amendment thereto, Mr. Garneau, seconded by Miss Nicholson (Trinity), has moved:

That the motion be amended by deleting all of the words after the word "That" and substituting the following therefor:

"this House regrets that the Budget

1. failed to redress the inequities of the tax system created by Government policies put forward during the last three and one half years;

2. failed to put into place a regional development policy to compensate for the high interest rate policy of the Government;

3. failed to put forward a credible plan to deal with the national debt that does not unduly punish lower and middle income Canadians; and

4. failed to specify a Canadian approach for dealing with the instabilities of the international monetary system."

In amendment to the amendment, Mr. Cassidy, seconded by Mr. Riis, has moved:

That the amendment be amended by adding immediately thereafter the following words:

"and this House further condemns the Government for introducing a budget that ignores the real economic needs of the country in which over 1.1 million Canadians are unemployed and eight out of ten provinces and the territories continue to experience employment and income disparities equal to those of the 1981-83 recession;

—for increasing the tax burden of average Canadian families to a level of $1,125.00 over the 1984 level through yet another increase in gas taxes;

—for failing to bring fairness to the tax system through the elimination of costly tax breaks and the introduction of a corporate minimum tax that would ensure fair and regular tax payment from those 60,000 profitable corporations that will pay no tax following Conservative tax reform;

—for maintaining a policy of high interest rates begun by previous Liberal governments; and

—for failing to introduce a system of universal child care that would assist average Canadian families and create jobs."

All those in favour of the amendment to the amendment will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed to the amendment to the amendment will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

*And more than five Members having risen:*

**The Acting Speaker (Mr. Paproski):** Call in the Members.

The House divided on the amendment to the amendment (Mr. Cassidy), which was negatived on the following division:

• (1750)

*(Division No. 310)*

YEAS

Members

Althouse
Benjamin
Blackburn (Brant)
Broadbent
de Jong
Harris
Keeper
Mitchell
Murphy
Parry
Riis
Robinson
Waddell
Young—14

NAYS

Members

Allmand
Andre
Belsher
Berger
Bernier
Bertrand
Blais
Blais-Grenier
Blouin
Bosley
Boudria
Bourgault
Bradley
Brisco
Caccia
Caldwell
Cardiff
Charest
Chartrand
Clark (Brandon—Souris)
Clifford
Coates
Collins
Copps
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Desjardins
Desrosiers
Domm
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Finestone
Forrestall
Fretz
Friesen
Gagliano
Gauthier
Girard
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)
Grisé
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hockin
Horner
Hudon
James
Jardine
Jepson
Johnson (Bonavista—Trinity—Conception)
Kelleher
Kempling
Killens
Kindy
Ladouceur
Landry
Lanthier
La Salle
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
MacLellan
Malone
Mantha
Masse
Mazankowski
McCain
McDermid
McKenzie
McKinnon
Merrithew
Mitges
Moore
Nicholson (Trinity)
Nicholson (Niagara Falls)
Nickerson
Nunziata
Oberle
O'Neil
Oostrom
Penner
Pietz
Prud'homme
Ravis
Redway
Reid
St. Germain
St-Julien
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Speyer
Stackhouse
Stevens
Taylor
Thacker
Towers
Tupper
Turner (Ottawa—Carleton)
Turner (Vancouver Quadra)
Van De Walle
Vankoughnet
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Winegard—126

• (1810)

**The Acting Speaker (Mr. Paproski):** I declare the motion lost.

**The Acting Speaker (Mr. Paproski):** It being 6.11 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.11 p.m.

# HOUSE OF COMMONS

**Tuesday, February 23, 1988**

The House met at 11 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*English*]

### MAIN ESTIMATES, 1988-89

A message from Her Excellency the Governor General transmitting Estimates for the financial year ending March 31, 1989, was presented by the Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council) and read by Mr. Speaker to the House.

REFERENCE TO STANDING COMMITTEES

**Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council):** Mr. Speaker, I would also like to table in support of the Estimates, Part I, the Government Expenditure Plan. In addition, I have tabled with the Clerk of the House, on behalf of my colleagues, Part III of the Estimates consisting of 78 department expenditure plans. These documents will be distributed to members of the standing committees to assist in their consideration of the spending authorities sought in Part II of the Estimates.

Pursuant to the provisions of Standing Order 83 I move:

That the Main Estimates for the fiscal year ending March 31, 1989, laid upon the Table earlier this day, be referred to the several Standing Committees of the House as follows:

Since the list is rather long and there is a detailed allocation of the Estimates to the committees, if it is agreeable with the House I would ask that the list be printed in *Hansard* as if it were read.

**Mr. Speaker:** The House has heard the suggestion of the Hon. Deputy Prime Minister (Mr. Mazankowski). Is that agreed?

**Some Hon. Members:** Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Aboriginal Affairs and Northern Development

Indian Affairs and Northern Development, Votes 1, 5, 10, 15, L20, L25, 30, 35, 40, 45, 50 and L55.

To the Standing Committee on Agriculture

Agriculture, Votes 1, 5, 10, 15, 35, 40, 45, 50, 55 and 60.

To the Standing Committee on Communications and Culture

Communications, Votes 1, 5, 10, 15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75 and 80.

To the Standing Committee on Consumer and Corporate Affairs

Consumer and Corporate Affairs, Votes 1, 5, 15, 20 and 25.

To the Standing Committee on Elections, Privileges and Procedure

Privy Council, Vote 10.

To the Standing Committee on Energy, Mines and Resources

Energy, Mines and Resources, Votes 1, 5, 10, 15, L20, 25, 30, 35, 40, 45, 50 and 55.

To the Standing Committee on Environment and Forestry

Agriculture, Votes 20, 25 and 30.

Environment, Votes 1, 5, 10, 15, 20, 25 and 30.

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1, 5, 10, 15, 20, 25, 30, L35, L40, 45, 50 and 55.

To the Standing Committee on Finance and Economic Affairs

Finance, Votes 1, L5, L10, 15, 20, L25, 35 and 40.

National Revenue, Votes 1, 5, 10 and 15.

Privy Council, Vote 20.

To the Standing Committee on Fisheries and Oceans

Fisheries and Oceans, Votes 1, 5 and 10.

To the Standing Committee on Government Operations

Consumer and Corporate Affairs, Vote 10.

Governor General, Vote 1.

Parliament, Vote 1.

Privy Council, Votes 1, 5 and 25.

Public Works, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, L55, L60, 65, 70 and 75.

Secretary of State, Vote 15.

Supply and Services, Votes 1, 5 and 10.

Treasury Board, Votes 1, 5, 10, 15, 20, 25 and 30.

To the Standing Committee on Human Rights

Justice, Vote 10.

To the Standing Committee on Justice and Solicitor General

Justice, Votes 1, 5, 15, 20, 25, 30, 35, 40 and 45.

Solicitor General, Votes 1, 5, 10, 15, 20, 25, 30 and 35.

Privy Council, Vote 30.

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 1, 5, 10, 15, 20, 25 and 30.

Labour, Votes 1, 5, 10 and 15.

To the Standing Committee on Management and Members' Services

*Tabling of Documents*

Parliament, Votes 5 and 10.

To the Standing Committee on Multiculturalism

Secretary of State, Votes 1 and 5 (portions dealing with Multiculturalism).

To the Standing Committee on National Defence

National Defence, Votes 1, 5 and 10.

To the Standing Committee on National Health and Welfare

National Health and Welfare, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65 and 70.

To the Standing Committee on Public Accounts

Finance, Vote 30.

To the Standing Committee on Regional Industrial Expansion

Atlantic Canada Opportunities Agency, Votes 1, 5 and L10.

Indian Affairs and Northern Development, Votes 60 and 65.

Regional Industrial Expansion, Votes 1, 5, 10, 15, L20, L25, 30, 35, 40 and 45.

To the Standing Committee on Research, Science and Technology

Science and Technology, Votes 1, 5, 10, 15, 20, 25, 30 and 35.

To the Standing Committee on Secretary of State

Secretary of State, Votes 1 and 5 (except Multiculturalism portions) and Votes 10, 20, 25 and 30.

To the Standing Committee on Transport

Transport, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, L50, 55, 60, 65, 70, 75, 80 and 85.

To the Standing Committee on Veterans Affairs

Veterans Affairs, Votes 1, 5, 10, 15 and 20.

That the Privy Council Vote 15 be referred to the Standing Joint Committee on Official Languages.

That a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

* * *

• (1110)

## THE ESTIMATES

OUTLINE BY MINISTER OF GOVERNMENT EXPENDITURES

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I am pleased to table the Main Estimates for 1988-89, which total $119 billion. These estimates support what my colleague, the Minister of Finance (Mr. Wilson), said in his recent Budget speech about the fiscal intentions of this Government.

We are firmly committed to restraint through good management of the public's resources while responding with positive actions to introduce new initiatives in high priority areas. These Main Estimates are consistent with the planned expenditure levels outlined in the Budget earlier this month.

Our total spending plan for 1988-89, which includes these Main Estimates and reserves for Supplementary Estimates, totals $132 billion. That is 5.5 per cent above planned spending in 1987-88. If we exclude public debt charges and look at program expenditures, the growth is only 4.3 per cent.

The average annual increase in budgetary expenditures of 4.9 per cent over the last four years contrasts sharply with the average increases of more than 15 per cent in the preceding five years. Excluding public debt charges, we are looking at an average increase of 3.7 per cent versus 14 per cent in the previous period.

The Main Estimates increase by 7.7 per cent over the comparable 1987-88 level. This growth rate is accommodated within the over-all 5.5 per cent growth in planned budgetary expenditures.

The growth in Main Estimates is larger than that targeted for total spending for the year because the Government has built a greater portion of its new spending initiatives into the Main Estimates than it was able to last year, leaving fewer resources for in-year adjustments through Supplementary Estimates in 1988-89.

These Main Estimates provide for a number of new initiatives that the Government has announced over the past few months to respond to the pressing needs of Canadians. They include $306 million for the Atlantic Canada Opportunities Agency, $312 million for the western diversification office, a $197 million increase for other regional development initiatives such as that for northern Ontario, $296 million to complete the $1.1 billion special grains program for the 1987 crop year, and $40 million of the $210 million to be spent on the National Drug Strategy over a five-year period.

The Government has recently announced a number of new initiatives which are not included in these Main Estimates. Further endeavours in the area of science and technology and increased programming for the elderly will appear in Supplementary Estimates over the course of 1988-89.

The Government's child care strategy will be built into estimates following further discussion with provincial governments and the passage of legislation. Funding for all of these is incorporated in the $132 billion expenditure plan within the growth of 4.3 per cent in program expenditures.

Apart from the new initiatives, I would like to outline briefly where the growth in estimates has occurred. Public debt charges are $3.9 billion or 13.7 per cent higher than last year. This burden can be lightened only over the long term through good fiscal management and continued reductions in the level of the deficit.

As well, we are providing an additional one-half billion dollars to the provinces to help finance health, educational and welfare services.

In addition, direct transfer payments to the provincial and territorial governments will rise by almost $1 billion under equalization and other programs.

Direct payments to elderly Canadians will rise through an additional $860 million in old age security payments and a further $134 million in Guaranteed Income Supplements.

Thus, of the $8.5 billion increase in these Main Estimates, $3.9 billion or 45 per cent is accounted for by public debt charges and $2.4 billion or 28 per cent relates to increased expenditures for large social programs, including support for health care and education and the direct support to the provinces and territories which I have just mentioned.

The Main Estimates can be divided into two categories: statutory and voted expenditures. The statutory items, totalling $78.5 billion, are programs whose spending is covered by separate legislation. Public debt charges, to which I have already referred, account for $32 billion or 40 per cent of that.

The remaining $46.5 billion includes over $20 billion in transfer payments to individual Canadians and more than $20 billion in transfers to provincial governments. Elderly Canadians receive about three-quarters of all the transfer payments to individuals.

Payments to the provinces provide funding for health care, post-secondary education, and welfare assistance and enable provinces to provide their residents with a reasonable level of public services at reasonable comparable levels of taxation.

In addition to those cash payments, the Government provides assistance to the provinces in the form of tax transfers which, in 1988-89, will exceed $9 billion, bringing total financing for health, education, social assistance and other public services to some $30 billion.

The other $41 billion of these Main Estimates, which Parliament will be asked to authorize through the appropriation Bill, reflects a wide variety of expenditures across all departments.

These voted appropriations include $10 billion out of a total Defence spending budget of $11.2 billion, most of the regional development expenditures through the Department of Regional Industrial Expansion, the Atlantic Opportunities Agency, the western diversification office, as well as the special grains program and other recent initiatives such as the Drug Strategy.

Over the past four years, voted appropriations have risen on average by less than 3 per cent a year in comparison with an average of almost 13 per cent through the early 1980s. This low rate of growth, maintained over four years, reflects our real achievement in managing government more efficiently and sustaining fiscal restraint. Public spending is firmly under control.

As Hon. Members are aware, the estimates also set out the person-year authorities allocated to departments and agencies. In May, 1985, the Government introduced a plan to reduce the size of the Public Service by 15,000 person-years over a five-year period.

We began in 1986-87 with the reduction of some 5,500 person-years. This was followed by a further 3,100 last year and over 1,900 for 1988-89. While we have downsized the Public Service by more than 10,000 person-years, as of February 12, only 634 of the employees affected had actually been laid off.

Over the remaining two years of the program, the Government will reduce its person-year authorities by about one per cent each year and I fully expect that the redeployment efforts which are integral to the workforce adjustment policy will continue to be successful in relocating affected employees.

I want to stress that these Main Estimates reflect this Government's efforts to maintain a balance between spending restraint and the introduction of new initiatives aimed at responding to the needs of the average Canadian.

In accordance with the normal procedures of the House, these estimates will be referred to the appropriate standing committees which will have ample opportunity to review the estimates and report to the House. In June, we will again discuss the estimates in the House before the passage of an appropriation Bill granting full supply.

As my colleague, the Minister of Finance, emphasized, we established a financial plan in 1984, and we have stuck to it, reducing the deficit, controlling expenditures, eliminating waste and duplication, and scaling down the burden of Government.

Within this fiscal framework we have found the necessary resources to meet our policy commitments on regional development, defence, child care, science and technology. We will continue the same prudent course in 1988-89.

**Some Hon. Members:** Hear, hear.

• (1120)

**Mr. Len Hopkins (Renfrew—Nipissing—Pembroke):** Mr. Speaker, as I rise today to comment on the Treasury Board Estimates and on the Minister's statement, I simply want to say that of all the Estimates that I have seen brought down in this House, none have been brought in to paint over the cracks in the plaster more so than these Estimates today.

We were talking about fiscal responsibility, and the Minister has sat down after making what he thinks are some very constructive comments and which he hopes will wash. The fact of life is that since the Government came to power in September, 1984 the national debt of this country has increased by 66 per cent. Indeed, it has increased by $116.6 billion in 3.5 years.

The Government campaigned in 1984 on fiscal responsibility, and it is still talking in that tone today. For example, in the Government's June White Paper on Tax Reform, it stated in the Estimates that it would only cost $30.1 billion to service the national debt. The Government has since found that it will cost another $2 billion to finance or carry the national debt, because it has not been keeping interest rates under control in

the manner in which it has been telling the Canadian public that it has been doing so. The Canadian dollar is increasing in value, but Canadian interest rates are going up.

The Prime Minister (Mr. Mulroney) and members of the Government have bragged in the House about keeping interest rates under control. Today the Canadian public must come up with $2 billion more in interest rates alone simply because the Government has not been able to keep its financial and fiscal responsibility under control. That is a fact of life.

Six months ago the Government announced that it could finance and carry the national debt for this year for $30.1 billion. Today it will cost $32.1 billion, only six months later. The Government talks about keeping interest rates down and it has failed to do so. What I have just mentioned is the proof.

The Premier of Ontario wants to see interest rates kept down. Premier Bourassa, who has been friendly with the Prime Minister in certain cases, wants to keep interest rates down. The Prime Minister is letting down the Premier and the Province of Quebec. The Canadian Chambers of Commerce and the Canadian Manufacturers' Association all want to see the Government keep interest rates down.

**Mr. Mazankowski:** What did you do when interest rates were at 23 per cent? You have a lot of nerve.

**Mr. Hopkins:** The Minister asks, "What did you do?" A little while ago very self-righteously he mentioned that he was comparing it to the early 1980s. That is what I mean by the facade that the Government carries on. The Minister knows full well, as does every Canadian, that in the early 1980s there was one of the greatest recessions that this world has had since the 1930s—under a Tory Government at that time—and that is a fact of life too.

**Mr. Mazankowski:** Blame someone else.

**Mr. Hopkins:** Let us talk about the details of the expenditure plan tabled today by the Government. What about the reserves in this money not allocated for 1988-89? When one takes a look at that, one wonders just when the election call will be. In the envelope on specific reserves the Government has labelled $1.7 billion. As you know, Mr. Speaker, since you are a long-time Member of this House, in general reserves the money can go almost anywhere. What a nice slush fund for an election campaign. Under that envelope the Government has allocated $2.5 billion. The Government talks about fiscal responsibility and it has sitting in the reserves, in the slush fund for the next election, a total of $4.2 billion.

**Mr. Boudria:** Shame!

**Mr. Mazankowski:** It was 6.1 last year. What are you talking about?

**Mr. Hopkins:** One must ask, is this an election year? What are the goodies? Where is all the fiscal responsibility that we heard about in 1984, and in the rhetoric of this Government ever since 1984?

**Mr. Boudria:** Talk about Sinc Stevens.

**Mr. Hopkins:** There is another one, Mr. Speaker. My hon. colleague from Glengarry—Prescott—Russell (Mr. Boudria) says to talk about the Hon. Member for York—Peel (Mr. Stevens). I just happen to have that as my next comment.

On page 24 of the Estimates on the Privy Council under the commission of inquiry with regard to the former Minister of Regional Industrial Expansion, the Hon. Member for York—Peel, we see that the Government has paid out $2.9 million for that commission of inquiry. That is for one investigation into one Minister in the Government, and the Government talks about fiscal responsibility. We built the Pembroke and area airport for almost that amount of money. Some community is going without another airport or without something else because of the $2.9 million that this Government has spent on the Hon. Member for York—Peel, the former Minister of Regional Industrial Expansion.

The Government talks about down-sizing the Public Service. For heaven's sakes, let's be realistic and honest with the Canadian people. The Government down-sizes the Public Service one day and the next day it hires people back on contract to do the same work that the people did when they were on staff. If the job is not done properly, what happens? Someone else has to come along and finish the job and there is an overcharge. While the Government is attempting to down-size the Public Service it is contracting work out just as fast.

I could talk about agriculture, and I am sure our critic on agriculture would want me to mention that it is obvious that the Government is in the process of finally destroying the Farm Credit Corporation.

**Mr. Boudria:** They are dismantling it.

**Mr. Hopkins:** They are dismantling it. There is no question about it, it is right here.

Let us talk about all this great work on national defence. I have never seen such a sham in my life. The Government has made a commitment to increase the National Defence budget by 3 per cent annually in real terms. The Government has only done that once in the four years that it has brought down Budgets in this House. Only once out of four years, and in the other three years it did not meet its NATO commitment. Yet here is a Government that talks about doing such great things for national defence.

We heard a lot about the reserves lately, and I want to read a comment here from the *Winnipeg Free Press* about neglecting the reserves in the Armed Forces. The article states:

> When Defence Minister Perrin Beatty introduced his white paper last June, he said, of Canada's reserves: "They have been gravely neglected in recent years. We intend to see these citizens—soldiers, sailors and aviators—receive the recognition they deserve and we will give them a priority that they have not had for several decades."

They have certainly been given a priority, Mr. Speaker, because the article further states:

> Evidence of this new priority was received by reserve units in Winnipeg this week. They have been told that in the coming year they will have to get by with 12.5 per cent less training time than they had this year.

On research and development the Government talks about all the money that it has put out in special programs in research and development. I have figures which show, despite all their rhetoric, that they have actually spent less on research and development than was being spent before.

• (1130)

The Government is not keeping its commitments in that regard. It has downgraded all major research facilities like NRC, NSERC, Science Council, Medical Research Council, agriculture, and forestry. It has downgraded them, cut them by $75 million over the last three years or four years. Then it comes along with a $112.7 million increase and says, "What great people are we".

However, what government Members forgot to mention was that they had cut $60 million from AECL and $70 million from the reserves, which means that they have actually put $93 million less into R and D than they are claiming they did, that they promised to do, and that in fact was there before.

**The Acting Speaker (Mr. Paproski):** I regret the Hon. Member's time has expired.

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, I want to say a few words about the Estimates that are before us and about the possibility, as the Deputy Prime Minister (Mr. Mazankowski) has said, of spending $132 billion in the next fiscal year. I want to make two major points. They are questions of fairness about how the Government is planning expenditures in 1988-89.

First, Mr. Speaker, I think you would be very interested in Part I of the 1988-89 Estimates, "The Government Expenditure Plan". If we look at the record of what the Conservative Government has been doing, we see that the Government is now spending more money in terms of percentage of its expenditures on the public debt than it was some four years ago. Back in 1984-85 some 20.6 per cent of government expenditures was on interest on the national debt. Some 24.6 per cent of the expenditures of the Government now will be on our national debt. This is an increase of 4 per cent, from 20.6 per cent to 24.6 per cent since the Conservative Party took office in 1984. It is the largest expenditure in any single envelope in the Government of Canada, and it is an increase of some 4 per cent. It is very, very high.

There has been argument in the House about why interest rates in the country should be brought down. If interest rates could be brought down we would save an awful lot of money. If interest rates were to drop by only 1 per cent, the Government of Canada would save $1.4 billion per year. Over four years, with a drop of 1 per cent, the Government of Canada would save some $9.5 billion.

[*Translation*]

Mr. Speaker, now that one-quarter of the Government of Canada's expenditures are being used to pay off this country's deficit, to the interest on the deficit, we have now spent about $32 billion of the Estimates for next year.

Mr. Speaker, if the interest rate were to be reduced by 1 per cent, there would be another $4 billion for the Government to spend on Canadians in just one year, and in four years there would be a total of $9.5 billion more.

[*English*]

If the Government would bring down the interest rate, we could use that extra $1.4 billion next year, or the $9.5 billion in four years, for regional development programs.

Second, since the Conservative Party has come to power, the amount of money, in terms of a percentage of the national expenditure, has gone down in regional development. Back in 1984-85, according to the Estimates, some 13.6 per cent of the expenditures of the Canadian Government went to regional development and economic development in Canada. In 1988-89 it will be down from 13.6 per cent to 10.3 per cent. That is a drop of some 24 per cent in the envelope for economic and regional development, a drop of some 24 per cent. That is not good enough.

If one were to exclude the Special Canadian Grains Program, a program which is very useful in western Canada, for the other regional and economic development programs, the expenditure drop is even greater in terms of a percentage of what the Government spends. It then goes down to some 10 per cent of the national Budget. We are now spending 10 per cent of the national Budget on economic and regional development, compared with 13.6 per cent when the Conservative Party took office some three and a half years ago. It is a drop of 26 per cent in terms of the over-all share which regional development is getting from the Conservative Party across the way.

I make the argument very simply this morning that the Government should be spending a greater share of the expenditures of the people of Canada on economic and regional development.

In the last year some 47 per cent of jobs created in Canada were created in the Province of Ontario. I am very pleased that the Province of Ontario has a lot of job creation, but even in Ontario the vast number of these jobs are located in the area around Toronto. The unemployment rate is high in Windsor. It is high in northern Ontario. There are problems in the City of Hamilton and problems in other areas. Some 47 per cent of the jobs are being created in one province.

What I am arguing today is that we must allocate a greater share of the national expenditure to regional and economic development so that western Canada, the North, parts of

Ontario, Quebec, and the Atlantic provinces, share in the economic recovery. Is that too much to ask of the Government across the way?

I repeat the point that when they came to power three and a half years ago, 13.6 per cent of expenditures went to economic and regional development. Now, some three or four years later, they are budgeting for only 10 per cent if we do not include the Special Canadian Grains Program. It is 10.3 per cent, if we include the grains program, for regional and economic development.

[*Translation*]

Mr. Speaker, federal spending on regional economic development programs has dropped substantially by about 24 per cent, I believe—programs that are vital to Quebec, to western Canada, to the North, to the Atlantic Provinces and to Northern Ontario. This Government is now spending less, percentage wise, then it was spending four years ago on regional economic development. This is unfair to our regions here in Canada.

[*English*]

In addition to an interest rate that is too high, which means that we are using some 25 per cent of our money to pay off the national debt; in addition to spending a diminishing share of our national money on regional economic development, I also notice, in terms of fairness, that the Government estimates that it will be spending less on contributions to native economic development programs. I see the Minister responsible in the House. I wonder, in terms of fairness to our native, Indian, and aboriginal people, why the Government across the way is cutting down by about 8 per cent or some $6.25 million its contributions to native economic development programs.

We do not have fairness to our native people. We do not have fairness to the regions of the country. Finally, we do not have fairness in the Estimates in terms of older workers. There will be no new adjustments or designations of regions or industries for older workers. As a result of the February 1986 Budget the labour adjustment benefits program is gone, and older workers who were eligible for training are no longer getting the money they need in order to retrain. The new program which was announced, a program for older worker adjustment, still must receive some provincial-federal agreement, and therefore money is not being spent in that area. Thus older workers who are thrown on to the labour market have nowhere to turn in terms of retraining.

In conclusion, what we have before us today are the Estimates which will see us spending a greater and greater proportion of the Government's money, the taxpayers' money, the people's money in paying off the debt. The reason is that the Government across the way—and I am sure you share my concern, Mr. Speaker—has allowed the interest rate to get too high. If it would bring down the interest rate, we could save money and we could use that money in terms of regional economic development programs. This would be better for average Canadians or ordinary Canadians. It would mean more fairness for each and everyone from one part of the country to another.

[*Translation*]

Mr. Speaker, we need and the Government of Canada needs new policies like this one.

• (1140)

[*English*]

I understand that in the Estimates, there is nothing at all to show an allocation of moneys for child care services. This, of course, was promised by certain Members across the way as recently as yesterday. That is another broken promise by the Government across the way which shows that it is a Government for the wealthy, for millionaires, for big shots and for big corporations. Years ago, my grandfather used to say that Tory times are tough times for ordinary Canadians, and they certainly are. It is the Party that brought us into the Dirty Thirties and it is the Party that once again is bringing regional inequity to this country.

* * *

[*Translation*]

## EXTERNAL RELATIONS

### REPORT OF MINISTER ON HER TRIP TO AFRICA

**Hon. Monique Landry (Minister for External Relations):** Mr. Speaker, I have just returned from Ethiopia. I appreciate this opportunity to report to Members, at the earliest possible moment, on what is happening there, and what role Canada is playing . . . More specifically, to share with you some of my findings . . . and some of my feelings.

Whenever I travel to Africa, it is always a privilege to represent the Government and the people of Canada. Mr. Speaker, I am very proud of what we are doing in Africa.

And I was relieved and pleased to see many positive things in Ethiopia—our close cooperation with the people of that country . . . the deep involvement of local people in the struggle for development . . . and encouraging signs of progress in the fight against famine.

[*English*]

My trip allowed me to meet with a wide variety of our partners. I met people from Canadian NGOs such as the World University Service of Canada, Canadian Physicians for Aid and Relief, the Sudan Interior Mission and McGill University as well as Ethiopian officials and senior representatives of United Nations agencies including Michael Priestley who is the special representative of the Secretary General of the United Nations, and the resident representative for the United Nations Development Program.

[*Translation*]

I had the opportunity to visit the north. At Mekele, I saw the food airlift in operation, and at the nearby settlement of Wukro, I watched the food being distributed.

What I saw in the north was, above all, the color brown—rough terrain, terrible roads, barren land, parched soil . . . everything brown, and incredibly dry. The earth, boiled and baked by the sun, was mere dust, dry and dead. But I also saw a very effective airlift hard at work, with Belgian hercules, Russian antonovs, small planes and helicopters all working together effectively.

I saw unloading operations at Mekele, and it was inspiring. Up to twenty big planes come in each day, bearing up to twenty tonnes of food per plane—much of it Canadian grain. I saw the hardworking teams of about eighteen Ethiopians who meet each plane and unload that twenty-tonne cargo into trucks, by hand, in as little as twelve minutes. Anyone who witnessed their energy and efficiency, under trying conditions, would never speak lightly about people not trying to help themselves.

At Wukro, I saw a well-organized food distribution effort, which was operating very smoothly. Non-governmental organizations—particularly *médecins sans frontières belges*—and the relief and rehabilitation commission were working closely together.

The names of recipients were recorded, village by village, on a register . . . and checked off as the people collected their rations—thirty kilos per family member, enough for two months.

This time, Mr. Speaker, unlike 1984-85, people are taking the food back to their village—walking as far as fifty or sixty kilometres—rather than gathering in huge feeding camps at the distribution site.

[*English*]

Three years ago when famine struck, we saw images of despair and scenes of human suffering that haunted our minds: men and women reduced to skeletons and, the ultimate horror, children dying on camera. This time, though lives are certainly at risk, the condition of the people seems much better. In general, they appear to be in fair physical shape and in good spirits. It was encouraging to note that this time there is an organized baby-weighing program to detect signs of malnutrition.

Famine relief was not the only way I saw food aid being used. It is also serving the cause of longer-term development. Specifically, we visited a food-for-work project also at Wukro. Three thousand people are working with hand tools building earth dams about six metres high and 200 to 300 metres long. These dams will turn depressions in the terrain into reservoirs to hold the run off when the rains do come. The work of these 3,000 people is paid in food which keeps 3,000 families going, and at the same time, these people are creating a basic system to irrigate more than 70 hectares of land.

[*Translation*]

I also went south, to Wanda Genet, and then to Awassa to visit a Canadian-sponsored water project. Mr. Speaker, I can report seeing much that gave me a feeling of relief—and of hope. I saw excellent cooperation between Canadians and Ethiopians—real involvement of the local communities in the projects—and fine work by NGOs (notably the Vancouver-based Hope International). True enough, I had seen evidence of these things in the north, too . . . But in a setting where hostile nature and civil strife made progress virtually impossible.

In the south, the same factors, working in a more benign environment, were producing visible progress. I was very impressed by the degree of organization and determination shown by the Ethiopians. Their concern for the longer term was quite obvious—in, for instance, their creation of a water training institute. The most striking thing about the trip to the south was the physical contrast with conditions in the north. Brown gave way to green. We saw fertile land again. And we realized that, compared to the dry, brown north, other parts of Ethiopia have much better agricultural and water potential.

I am grateful to have had the opportunity to see for myself, first-hand, some of the realities of a most difficult and often tragic situation. I learned some valuable things—some of them cause for concern, others cause for hope and even a degree of satisfaction.

First, overall conditions are much better than in 1984-85. A good basic organization is in place to cope with the present emergency. In general, it is working effectively—although there are places, such as Korem, where it works less well.

Enough food is flowing into Ethiopia to prevent famine. Transport within Ethiopia, however, is another matter—in fact, a critical problem. The roads, where they exist, are poor to start with, and some are now impassable because they are increasingly unsafe. There are not enough trucks—many have been destroyed. There is not enough fuel—there is, for instance, none in place at the moment for the airlift. Planes have to detour to Addis Ababa to refuel, making the airlift even less efficient and more expensive as a way of carrying food—and yet it's the only way to stave off disaster.

Mr. Speaker, I learned yet again about the vital work being done by NGOs, and about the excellent level of cooperation with and among international organizations. I learned, once again, how much the world relies on the international committee of the Red Cross, which is playing a key role in this complex situation.

• (1150)

[*English*]

I saw with my own eyes that some parts of the country have extremely limited capacity to support life while other parts are fertile and productive. The rationale for Ethiopia's resettlement program, whatever the political motives, was undeniably

visible and plain as day; brown dust in the north, green land in the south.

[*Translation*]

Mr. Speaker, I was, and I remain, very concerned over persistent rumours of the use of force in the recently renewed resettlement campaign—even of shootings of people reluctant to move. Independent observers have attempted to verify these rumours on site—but so far there is no conclusive evidence to confirm or to refute the disturbing stories.

I took every opportunity to make the position of Canada—and the international community, for that matter—crystal clear. I have been assured by the Ethopian government that Ethiopia's official policy, in the resumed program, is for voluntary resettlement only.

[*English*]

I can testify, Mr. Speaker, as a firsthand witness that Canada is playing a valuable and significant part in helping to avoid a huge tragedy in Ethiopia. We did much in 1984-85. We are doing still more this time, and the Government of Canada will always be ready to aid the victims of disaster, whether the disaster is natural or man made. I can report that Canadians, along with people from many other countries, are doing marvellous work under the most difficult conditions, and I feel obliged to say that our continued help and support is a matter of life and death to millions of people whose future hangs on a precarious, knife-edge balance.

These few words can express only a fraction of my thoughts and feelings as I saw, briefly, the ordeal of the people of Ethiopia and the spirit of their struggle to survive and move ahead.

[*Translation*]

In closing, Mr. Speaker, I will just mention that, on leaving Ethiopia, I proceeded to Bamako, to take part in the fifth bilateral consultation between Canada and Mali. I was able to visit one of the many excellent grassroots projects under way there, and to have good discussions on the difficult problems facing Mali and the other countries of the Sahel. And the meeting allowed me, on African soil, to assure the people of that country and that continent, once again, of the continuing concern and support they can count on, from the government, the parliament and the people of Canada.

[*English*]

**Mr. Roland de Corneille (Eglinton—Lawrence):** Mr. Speaker, first, I want to say that I regret that I was not in receipt of a copy of the Minister's address until a very short time before the House began. Such an important subject deserves a worthy commentary from our Party and I do regret that we did not receive the text of this speech until such a late hour.

However, having said that, I want to express on behalf of our Party and of all Members of the House our sincere appreciation to the Minister for External Relations (Mrs. Landry) for having herself gone to see firsthand the circumstances and the problems facing the people of Ethiopia and the problems facing those who are trying to do something about the tragedies that are taking place. Her visit is to be commended. We also appreciate her report in the House making it the business of all of us to be concerned about the events taking place in Ethiopia.

We are also proud of the role Canada is playing. The Minister pointed out that we are taking a very vigorous role. Our NGOs as well as our government officials are actively trying to do what they can. It was also stirring to hear the Minister tell us that many countries from around the world are working together. Instead of seeing our allies coming together to fight against other nations in war we see them coming together from both sides to war against this tragedy of hunger and famine. Those are all positive things. I hope my comments will be understood in the context of my congratulations to the Minister and also in the context of being pleased to hear the positive aspects of her report.

We have much to be thankful for that things are not in the same state and condition they were several years ago when famine struck Ethiopia and the world was caught quite flat-footed and fairly unaware. The media brought to our attention so effectively and valuably the horrors and starvation facing the Ethiopians. Now that the media aroused us to that kind of common concern, questions must be discussed and I want to raise these questions in the House as part of our concern.

We are told by the Minister that right now enough food is flowing into Ethiopia to prevent famine, that is, enough food is on hand. But the Minister goes on to point out that the problem of trying to transport the food to where the people are is horrendous. It appears that the solution is not to take the food to where the people are where their homes are, where their communities and traditions are but rather to bring the people to where the food is, namely, at the depots. That seems a little strange. It is quite obvious that one clear reason is that there is drought in the north and in the areas of Eritrea and we know that in northern Ethiopia as the Minister pointed out there is brown dirt, drought and, therefore, famine, and in the south it is greener.

Regrettably there are other dynamics at play. We know there is a guerilla war going on, a revolution, or a fight for independence, whichever way you want to put it and on whose side you happen to be sitting, but the people in Eritrea and Tigre are people who are concerned about their own independence and their ability to have freedom and to have their own way of life.

This war which goes on between the Government of Ethiopia and the rebels, or the people who are seeking independence, is also tragic. In the course of this war which has been going on for many years we know that people have been brought forcefully, resettled from the north, into Ethiopia in order to take away the bases of supply for the rebels. We know that horrendous violations of human rights have taken

place—some would even say a form of genocide in years gone—on the part of the Ethiopians against the people in that area in their so-called resettlement efforts. The Minister, however, is assuring us today. She says she is hopeful that this will not take place in future resettlement patterns, and I am hopeful as well. But we are confronted by a serious question as to whether these resettlement programs can be really said to be only a matter of trying to deal with the matter of bringing the people to the food and away from the drought areas, or whether also there are certain other factors in place that involve military and other political concerns on the part of the Ethiopian Government.

What is the Minister and the Department of External Affairs going to do about these problems? Have we in the West, the more affluent countries with much wealth and power, really done enough in advance? Canada has such great abilities in transportation. Have we in the past tried to ensure better transportation systems? Is there anything we could have done about it? That is a very important question in light of the danger of starvation and the tragedy of resettlement which is at hand.

• (1200)

What are we doing to monitor the human rights situation of these people? The Minister says that there is a voluntary resettlement program. How voluntary can a resettlement program really be when army trucks drive up to a community and load people up telling them that they are going south or they will starve, that there will be no food coming in? How voluntary is such a resettlement program? How much choice do they have? That is another question we must ask ourselves searchingly.

Can Canada, with all of its ability in the field of helping out, not use some of its influence to monitor the human rights of those people? What program do we have in place to monitor human rights?

There is an underlying question. What is the Department of External Affairs doing in terms of diplomacy to try to bring the world together. We can bring food together in such a wonderful way, but what are we doing to bring the world together through the United Nations or other ways to solve quickly the tragic war that is taking place in Ethiopia? Are we showing the same kind of energetic leadership as we are showing in the field of humanitarian concern to try to bring about a solution to this tragedy in Ethiopia? Can nations as powerful as the United States, the Soviet Union, Canada, France, Britain, China and India not bring a quick solution to the suffering that is caused in large measure by the tragic problems which exist as a result of the guerrilla war and the constant conflict? Can we not step in more energetically?

These are the kinds of questions which I think Canadians would want to address to the Minister. In appreciation for her report and in thanksgiving for the things that are being done, we yet have to ask these questions searchingly. We hope to hear from her further in response.

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, in the absence of my colleagues, the Member for Cowichan—Malahat—The Islands (Mr. Manly) and the Member for Winnipeg—Birds Hill (Mr. Blaikie), I am pleased to rise today on behalf of the New Democratic Party to respond to the Minister's statement.

With respect to the specifics of the latter, I would like to start by saying that we on this side of the House are genuinely concerned by the prospect that millions of Ethiopians are again facing starvation. Canadians must respond. The question is how.

[*Translation*]

When we try to fight famine in Ethiopia, we must realize that famine and the political situation are very closely linked. Granted, drought and gradual desertification are the main causes, but it is also true that the victims of these natural disasters are too often manipulated and used as bait both by the Government and the rebels who are locked in a struggle to control the country. We, and in fact all Canadians find this state of affairs abhorrent.

Hunger knows no politics, and we cannot let food be used as an instrument to control people. The Canadian Government and the international community must state clearly to the two forces who are locked in confrontation that Ethiopians who are dying of hunger must not be used as hostages.

[*English*]

Canadians believe that the larger and more serious problems of hunger and starvation cannot be ignored and must be addressed. In this respect Canadian aid programs need to consider two interrelated problems; what can be done to alleviate the critical hunger crisis facing Ethiopia today, and what can we do to alleviate the longer-term problems at the root of the current crisis?

Insofar as the immediate crisis is concerned, we believe that Canada must continue its emergency food and medical relief efforts in order to avoid another tragedy like the one we witnessed in 1984-85. I am sure everyone in this House would share that sentiment. Where the problems arise, however, is in ensuring that our humanitarian aid reaches those most in need rather than being used for political or military purposes.

I would have hoped that the Minister would have had more concrete measures to report in this regard. In particular, she should have outlined to this House and to the Canadian people what action the Canadian Government is prepared to undertake to ensure that Canadian and, indeed, all humanitarian aid is guaranteed free and unhindered access to the needy in all parts of Ethiopia; that relief convoys are clearly identifiable as such and that verification procedures are implemented to ensure that such convoys are not used for military purposes; that food assistance and logistical support are not used directly

or indirectly for forced resettlement and villagization programs; and that food relief is not misappropriated for military forces. I think the Minister's statement would have been more useful and reassuring to Canadians if she had addressed some of these substantive issues.

With regard to the longer-term undertakings necessary to try to reverse the current cycle of famine and starvation in Ethiopia, we believe that we need to move away from the current large mega-project approach and focus more of our attention and money on smaller local aid programs geared to the population's needs and capabilities. This shift in emphasis has been under discussion for some time and I think it would be helpful, for both Ethiopia and other nations, if the Minister would finally announce the long promised new CIDA policy that so many have for so long been waiting. Unfortunately, this new policy appears to have become bogged down in Cabinet. I would like to take this opportunity to urge the Minister and her cabinet colleagues to finally outline to this House and to the country what new and hopefully decentralized CIDA policy they have in mind.

The current cycle of famine and starvation places great strains on the aid community's efforts to address the longer-term structural, agricultural and environmental problems at the heart of the problem in Ethiopia. I would caution, however, that this dilemma should not be looked at primarily as a question of the allocation of scarce financial resources. In this regard we believe that our longer-term projects should not be allowed to suffer in order to find the funds necessary to respond to current or future hunger crises. Instead, I would argue that each and every famine situation requires an infusion of significant new funds to meet the immediate threat so that many of our longer-term projects can proceed relatively unhindered. Otherwise we are merely engaged in band-aid solutions that will ultimately do little to alleviate the suffering in Ethiopia.

[*Translation*]

Finally, Mr. Speaker, I would like to talk about the problem of the Ethiopian government's population displacement program. Initially, the purpose of the program was to move residents of famine-stricken areas to the southern part of the country where the land is more fertile. However, the program has become very controversial. The Ethiopian government's approach is clumsy and dictatorial. Its intentions are far more political than humanitarian. It seems that residents of the North are being forced to move to more southerly regions which, unfortunately, are not ready to receive them.

Last week, as the Minister herself reported, there were rumours that the Ethiopian army had shot twenty people who refused to take part in the program. The Minister must try and find out whether these allegations are true.

It is also said that camps in the North, the same camps that are receiving supplies from international agencies, are being used by the Ethiopian government as transit centres for its massive displacement programs. With all these allegations, the Canadian Government is in a very uncomfortable situation. Only two countries are helping to facilitate these moves, and Canada is one of them. With these persistent rumours, the question arises whether Canada should continue to help the Ethiopian government displace all these people.

• (1210)

[*English*]

Insofar as it concerns the Canadian Government sponsored resettlement programs in Ethiopia which are run by NGO's and not the Ethiopian Government, there seems to be evidence that the result has been an appreciable improvement in living conditions. However, other resettlement programs may not have been as beneficial.

In addition, irrespective of the relative benefit of any particular resettlement program, we cannot support the forced deportation of starving Ethiopians to resettlement areas, Canadian or otherwise. As such, I welcome the Minister's statement that any resettlement program must be strictly voluntary.

However, I must also point out that she has again failed to outline exactly what steps she plans to implement to ensure that resettlement to Canadian sponsored resettlement areas or any resettlement area is done on a purely voluntary basis. Without such a clear outline of practices, guidelines and verification procedures, I fear the Minister's statement may in fact turn out to be more rhetorical than real. Once again, the Minister should have been more forthcoming on specifics.

I want to join with my Liberal colleague in recognizing the fact that it is the war, insurrection, or revolution in Ethiopia that has caused much of the difficulty we face in ensuring that aid is properly distributed in that country. I join with him, as I am sure will others in the House, in asking the Government to pursue whatever means and agencies it can find, with other nations through the UN or elsewhere, to ensure that peace is brought to Ethiopia soon as a result of international co-operation in that regard.

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## PETITIONS

### BLOCK AVERAGING OF INCOME

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, I have the honour and duty to present two petitions, one from a number of residents of Frontier, Saskatchewan, and the second from residents of the Piapot and Maple Creek districts in Saskatchewan. Both petitions concern the matter of five-year block averaging for farmers.

The petitioners note that the Minister of Finance (Mr. Wilson) in December, 1987, indicated his intention to eliminate block averaging. The petitioners humbly pray and call upon Parliament to take the necessary steps to retain block

averaging for farmers as recommended by the Standing Committee on Finance and Economic Affairs in its report on the White Paper on tax reform, stage one.

PROPOSED FREE TRADE

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, I have petitions from residents of the City of Ottawa who note that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States. The Prime Minister (Mr. Mulroney) had actually promised in the course of bilateral trade negotiations that Canadian sovereignty would not be compromised.

Whereas the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership, to develop Canadian energy resources in the best interest of Canadians, and to equalize opportunities amongst the regions; and that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future—

**Mr. Friesen:** Mr. Speaker, I rise on a point of order. Is it now permissible for Members to give speeches when submitting their petitions?

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) will complete his petition, please.

**Mr. Epp (Thunder Bay—Nipigon):** I appreciate that the presentation of petitions should be fairly brief. I am trying to do that.

Since the agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States, these petitioners call upon the House of Commons to dissolve and allow the people of Canada the opportunity to accept or reject this trade agreement in a general election.

DESIGNATION REGARDING NORTHERN TAX ALLOWANCES

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, I have the privilege and the responsibility to present a petition, duly certified as conforming to Standing Order 106, signed by approximately 140 residents mainly of Fort Frances, Ontario. I am sure this will be the first of many such petitions.

These petitioners humbly pray and call upon Parliament to redress the flagrant inequities that have been created between residents of different northern isolated communities by the introduction of the northern residents tax allowance whereby some communities are designated and residents receive tax breaks of up to $2,500 a year, while neighbouring communities, sometimes within a kilometre, are not designated. Of course this leads to significant inequities and grave economic distortions.

PROHIBITION REGARDING KNIVES

**Ms. Margaret Mitchell (Vancouver East):** Mr. Speaker, I have the honour to present several petitions from a number of citizens in Vancouver and the Lower Mainland. They state that the incidents of crimes including murder, robbery and sexual assault with knives is on the increase in all major cities across Canada. The federal Criminal Code allows citizens to carry knives for self defence, which often results in altercations where self defence is claimed.

The petitioners call upon Parliament to amend the federal Criminal Code to prohibit the carrying of knives by citizens in public places. The only exceptions would be those where a knife was an integral part of legitimate work or is being carried for religious reasons, such as with the Sikh religion.

PROPOSED FREE TRADE

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, I have the honour and duty to present a number of petitions from electors in the City of Windsor, the presentation of which I will make as brief as possible, commensurate with saving embarrassment to the Government concerning the signatories' plea that this Parliament dissolve immediately to permit an election on the issue of free trade.

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## QUESTIONS ON THE ORDER PAPER

**Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications):** Mr. Speaker, I ask that all questions on the Order Paper be allowed to stand.

**The Acting Speaker (Mr. Paproski):** Shall all questions stand?

**Some Hon. Members:** Agreed.

**The Acting Speaker (Mr. Paproski):** I wish to inform the House that, because of ministerial statements, Government Orders will be extended by 60 minutes, beginning at one o'clock.

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# GOVERNMENT ORDERS

[*English*]

## THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, February 22, consideration of the motion of Mr. Wilson (Etobicoke Centre):

That this House approves in general the budgetary policy of the Government.

And on the amendment of Mr. Garneau:

That the motion be amended by deleting all of the words after the word "That" and substituting the following therefor:

"This House regrets that the Budget

1. Failed to redress the inequities of the tax system created by Government policies put forward during the last three and one-half years;

2. failed to put into place a regional development policy to compensate for the high interest rate policy of the Government;

3. failed to put forward a credible plan to deal with the national debt that does not unduly punish lower and middle income Canadians; and

4. failed to specify a Canadian approach for dealing with the instabilities of the international monetary system."

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, it is a pleasure to participate in the Budget debate. We know that the Budget recently presented by the Government is unfair to many Canadians.

[*Translation*]

Mr. Speaker, when the Conservative Budget was brought down on February 10, it marked a day in our country's history when the Government abandoned any pretence of closing the growing gap between rich and poor in Canada. The Conservative Government is cheering so hard for the haves in our society that it is unable to hear the cries of those who have not been able to benefit from an improved economy. And, Mr. Speaker, one of the regions that has not benefited from this improved economy is the very riding I happen to represent.

Mr. Speaker, the day after the Budget, the Reeve of Cambridge Township in my riding, who happens to be Chairman of the ITAC (Industry, Tourism, Agriculture and Commerce) Committee of the United Counties of Prescott and Russell, issued a press release containing his views on the Budget. Mr. Speaker, I shall, if I may, read the very brief contents of this press release which indicates how fed up the people of Glengarry—Prescott—Russell are with this Conservative Government, and I quote:

This morning, Denis J.A. Pommainville, Chairman of the ITAC (Industry, Tourism, Agriculture and Commerce) Committee of the United Counties of Prescott and Russell and Reeve of Cambridge Township, gave his views on the Wilson Budget brought down on February 10, 1988, in the House of Commons.

First of all, he regretted that the initial economic impact of the so-called Free Trade Agreement with the United States was mainly negative for rural regions like the one he represented. In fact, the one cent per litre increase in the tax on gas was a tremendous setback for sparsely populated regions, especially those without public transit. Once again, the 12.5 per cent who are unemployed in the area (more than twice the average rate for Ontario) will be handicapped in seeking re-training and opportunities to go back to work, now that owning a car is becoming increasingly expensive.

"Nevertheless, we are delighted that the Mulroney Government has shown it is prepared to increase the private sector's responsibility for economic renewal—

• (1220)

[*English*]

**The Acting Speaker (Mr. Paproski):** Order, please. I must bring to the attention of the Hon. Member that we do not mention the "Broadbent Government", the "Turner Government", or the "Mulroney Government" in debate in the House. Hon. Members should refer to an "NDP Government", a "Liberal Government", or a "Conservative Government". The Speaker has brought this matter to the attention of the House on a number of occasions. I hope that the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) who has now been in the House for three years, will comply with the Speaker's ruling.

**Mr. Boudria:** Mr. Speaker, I accept your ruling and I thank you. I thought that it was accepted that when reading a quote from someone else the name of a Member could be mentioned. However, I will not continue to do so.

[*Translation*]

I continue:

—We are also encouraged by the sustained tax policy efforts of the Government to reduce the Federal deficit or at least to bring it down to more controlable levels.

Mr. Speaker, I quote again from the press release issued by the Chairman of my riding's ITAC Committee.

Mr. Pommainville continued to warn the Federal Government against an apparent desire not to encourage regional development. At a time when it is rumoured that the trade deal with the United States will gradually prevent Canada from favouring distant or disadvantaged areas, something it has always been forced to do especially because of our geographic and climatic conditions, it is high time for the Government to make major efforts to provide all Canadians with equal opportunities to benefit from the possible economic impact of these new markets. On behalf of the ITAC Committee and on behalf of the Joint Counties of Prescott and Russell, Mr. Pommainville deplored that nothing apparently has been done to extend such programs as the IRDP (Industrial and Regional Development Program) or at least to replace them, the result of which would be to institutionalize unemployment and social assistance in my area and therefore freeze in these economic replacement programs a significant part of the budget deficit; which would go against not only one, but two of the professed priorities of the Government itself, since any possible entrepreneur, without regional incentive, would surely establish his business in already existing regional municipalities.

Mr. Speaker, I have just read to you a statement prepared by the prefect of a major municipality in my riding and the ITAC Committee Chairman of the Joint Counties of Prescott and Russell. It is clear that the Chairman of the ITAC Committee is not at all happy with the Budget which the Minister of Finance tabled on February the 10th instant.

[*English*]

As you know, Mr. Speaker, and as I am sure many Members of the House know, Glengarry—Prescott—Russell is not a rich constituency. The western part of the constituency is made up mostly of civil servants. There are many farmers throughout the greater part of my constituency. There are small industrial towns in the eastern part of it as well. There are 25 municipalities and some 50 small towns.

The gas tax that was included in the Budget is most unfair to my rural constituents. They do not have a choice with respect to whether or not they should own an automobile. If one wants to work in a rural area then one has to find a means of getting to one's job. That means is usually an automobile. That automobile must have its tank filled with gas in order to run. People filling their tanks are now paying a higher level for

gas than they have ever paid. This is from a Government which promised prior to the 1984 election not to increase taxes. Since the Government was sworn into office gas taxes have increased 5 cents per litre. That comes out to 23 cents per gallon.

The same Conservative Party under a different leader and under a different Finance Minister was turfed out of office in 1979 for attempting to raise gasoline prices by 18 cents per gallon. Just imagine what taxpayers would do to the Tories which presently form the Government if they had a chance to vote. They will soon, and they will turf them out of office.

I wish to talk about one other tax which is equally unfair to my constituency. It is the 10 per cent tax on long distance phone calls. If one lives in Plantagenet in my riding and wants to phone Ottawa or even Rockland to talk to the doctor, the medical clinic or to gain any type of assistance at all, one has to pay a long distance telephone charge. My constituents even have to pay long distance phone charges for contacting the local welfare office, if Hon. Members can imagine that. If that was not bad enough they now must pay a 10 per cent tax on the long distance phone calls they make. That is taxing free speech, that is what it is.

My constituents are not pleased with this tax. It is an unprecedented tax. No Government in the past has ever taxed long distance phone calls, no Government of either political party, be it Liberal or Conservative. Those Governments recognized that rural Canadians would be unfairly affected by such a tax. In my constituency it is not the basic rate of the telephone that is the problem, that $6, $7 or $8 per month in rural areas. The problem is with the long distance phone charges since almost every phone call one makes is a long distance phone call.

The Government said in its tax reform proposal which it brought in just before Christmas, something that was really another Budget in disguise, that it would tax long distance phone calls. "Not to worry," said the Minister of Finance (Mr. Wilson), "we will not tax the basic rate". Who cares? For my constituents the problem is not with the basic rate, it is with the long distance phone charges which are too expensive already.

Some communities in my riding which are just on the outskirts of Ottawa have to pay long distance charges in order to phone the city. That is another matter and it is unfair. It is unfair for the people of Plantagenet, the people of Casselman, Clarence Creek and Bourget to pay long distance charges at all to phone Ottawa. To add insult to injury they now have to pay a tax on those long distance phone calls. Many of my constituents have corresponded with me about the unfairness of that tax and its impact on rural Canadians and small businesses.

[*Translation*]

Mr. Speaker, when the Prime Minister praised the so-called Free Trade Agreement, his own trade agreement, he told us and all Canadians willing to listen to him, and their number is getting increasingly smaller, that one of the great benefits of the Free Trade Agreement would be that the customs tariffs would go down and that Canadian consumers would be able to purchase products made in the United States at a lower price than those made in Canada. According to the Prime Minister, this was one of the major benefits of his trade agreement.

Yet, Mr. Speaker, we have learned differently in the recent Budget. The Budget or budgetary papers show that the bilateral agreement between Canada and the United States will result in a loss of revenue of about $460 million. In other words, because of the lower tariffs, the Government will lose $460 million in revenue.

At first glance, this seems like a bargain as Canadians will pay $460 million less. However, the facts disprove this. The Government has increased the tax on gasoline to collect an additional $300 million in revenue, which amount approaches that of the revenues lost because of the lower tariffs under the trade agreement.

Mr. Speaker, in other words, all Canadians, including the constituents of Glengarry—Prescott—Russell, especially those in rural areas, will have to pay 1 cent a litre more in taxes on gasoline this year to pay for the Free Trade Agreement of the Prime Minister.

• (1230)

[*English*]

Let it never be said that this trade agreement is free trade. Every time we fill up the gas tanks of our automobiles we will be paying one cent more per litre in taxes to fill government coffers emptied by the tariff reductions under the free trade agreement. When the Prime Minister (Mr. Mulroney) said Canadians would benefit from lower tariffs, he did not quite tell the whole story. That is not surprising because it has happened before. However, this time Canadians are going to be mad because every time they fill their tanks they will be paying more, not just for services but because the Prime Minister gave them erroneous information. He told them they were going to be getting a deal, that goods would be cheaper, but all the Government is doing is transferring the burden to rural Canadians and those who drive automobiles.

[*Translation*]

Mr. Speaker, Canadian taxpayers have certainly been treated unfairly by this Budget and by the previous budgets of the Conservative Government. For instance, since the coming to power of the Conservatives, taxes paid by Canadians have increased by 68 per cent.

Can you imagine! In 1988, with this new Budget, Canadians will pay 68 per cent more taxes than the day before this Government took its oath of office in 1984. If the taxes were applied equally to everyone, it would perhaps not be quite so bad. However, Mr. Speaker, the taxes of large companies have

increased only by 28 per cent, or half the increase which applies to individual Canadians.

[*English*]

A one-earner family of four with an income of $32,00 a year is now paying $1,200 more in taxes. That family, not having had a salary increase at all for the last four years, actually end up with $1,200 less than before the Government came into office.

[*Translation*]

Mr. Speaker, the Conservative Budget of February 10 is a plan designed to create two Canadas and two solitudes: A nation of privileged Canadians who enjoy prosperity while the poorest and neediest will suffer even more.

My colleagues in the Liberal Party and myself believe that Canada is a generous nation and that all Canadians will reject the cynical budgetary plan of the Minister of Finance and the Conservative Party.

[*English*]

**Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)):** Mr. Speaker, let me begin by quoting from our Government's agenda for economic renewal which all Hon. Members will recall was presented to the House November 8, 1984:

> We have set four challenges:
>
> first, to put our own fiscal house in order so that we can limit, and ultimately reverse, the massive build-up in public debt and the damaging impact this has on confidence and growth;
>
> second, to redefine the role of government so that it provides a better framework for growth and job creation and less of an obstacle to change and innovation;
>
> third, to foster higher investment, greater innovation, increased international competitiveness and a positive climate for the birth and growth of new enterprise; and
>
> fourth, to bring about these changes in a way that is fair, open and consistent with the basic sense of compassion, tolerance and justice that is characteristic of Canadian society.

Those were our four challenges after 25 years of Liberal profligacy, spending everything they could lay their hands on. Let us look at how we lived up to these commitments.

[*Translation*]

Our first commitment was to set our financial house in order. By 1985 the federal deficit and the national debt were practically out of control, and everyone suffers when a government loses control over its finances. It invariably leads to higher rates for mortgages as well as for corporate and consumer loans, economic faith vanishes, growth stops, and jobs get ever scarcer. That is what we inherited from the previous Liberal administration.

We believe that Canadians want their children and grandchildren to look forward to a promising and challenging future instead of saddling them with crushing debts and lost hopes.

The only way to prepare for this kind of future is to devise a medium-term financial plan geared to a steady deficit decline, and to stick to that plan.

[*English*]

That is exactly what we have done through a series of actions. Our first priority had to be to get government spending under control. In the four years prior to our coming into office, spending on programs had increased at an average annual rate of 14 per cent. Fourteen per cent! That is way ahead of the rate of inflation, enough to double spending in about five years. Since 1984 we have cut the average annual rate of increase in Government spending to just 3.5 per cent, less than the rate of inflation. We achieved this record because we put in place a new and disciplined approach to the management of Government and its finances.

• (1240)

We said that control of expenditures would be the main source of deficit reduction, and it has been. For the current fiscal year we said that we would cut the deficit to $29.3 billion, and the Minister of Finance (Mr. Wilson) has said that he will meet that target. Our Government has met every deficit reduction target that it has set. I need not remind Hon. Members of the very poor planning of previous Governments that never could meet a target.

We said that we would respond to the priorities and the real needs of Canadians in a fiscally responsible way, and we have done so. When we came into office there is no question that sound financial management was essential. It is essential now, and it will be essential in the future. It is a fact of life. It is a fiscal principle that we will adhere to.

First, we are reducing the growth rate of the national debt to no more than that of the economy by 1990-91, that massive debt that was accumulated under the Liberals. Second, we are achieving steady year-to-year declines in the deficit. The reduction projected for 1988-89 will be the first time in the post-war period that the deficit has declined four years in a row. Third, we are ensuring substantial reductions in the Government's financial requirements. Fourth, we are achieving the greater part of this progress through expenditure restraint and disciplined management. Our fiscal principles and structural improvements will ensure that we stay on our fiscal course.

Our next commitment on the agenda was to change the role of Government intervention in order to foster a climate for job creation. We recognize that the driving force behind productive growth, new jobs, is a dynamic private sector. In order to facilitate this growth our Government has undertaken many measures that have resulted in record job increases.

[*Translation*]

We have deregulated the energy and transport sectors. We have opened the financial markets to world-wide opportunities and emphasized even stronger competition in financial services. We have set up Investment Canada with a view to

promoting and welcoming foreign investment in this country, the kind of investment which create jobs for Canadians.

[*English*]

For the corporate sector many special tax breaks thoughtlessly introduced previously are being eliminated or reduced, and tax rates are being lowered. That means our corporate tax system for small businesses and others will be more competitive with those in other countries. But there is, of course, more to be done.

We are going to replace an archaic federal sales tax system with a multi-stage system which will be effective in supporting growth and job creation, and it will be fair. We have been working with the provinces and others to develop the most effective means of implementing this new system, particularly the opportunity to have an integrated national sales tax. So far progress with the provinces has been good, but we do have more work to do.

Let us look at where all this has led—massive job creation. Let us look at the record. First, contrary to all the constant whining from the other side of the House, employment under this Government has risen in every single province in Canada. That translates into 1.156 million new jobs; people who are working today who were not working in September, 1984. Those are not only temporary or part-time jobs, as was the case with the previous Government. Eighty-five per cent of these new jobs are full time. The Liberals created only 87,000 full-time jobs in 55 months. Our Government has seen to the creation of 978,000 full-time jobs in only 40 months.

In my home town, if I may be allowed to discuss the City of Toronto and the good people of St. Paul's, unemployment is only 4.4 per cent and 181,000 new jobs have been created since 1984.

**Ms. Mitchell:** It is 27.5 in Vancouver East.

**Mrs. McDougall:** Employment has increased in every province in Canada. Those people are now working because of the new climate that our Government has created in this country. We do not create the jobs. We create the climate, and the private sector, the people and businesses of Canada—

**Ms. Mitchell:** Regional blindness.

**Mrs. McDougall:** —they are the ones who create the jobs, as they have done in every region of Canada since September, 1984.

I am particularly pleased because half of the jobs created have gone to women. There have been 611,000 new jobs, and I am sure that the Hon. Members opposite will be very pleased with that. Do I hear applause?

**Ms. Mitchell:** We know what kind of jobs they are.

**Mrs. McDougall:** I am about to explain that to the Hon. Member, Mr. Speaker, if she is prepared to listen.

A large portion of those jobs, 50 per cent, have been in managerial, professional, and administrative positions. I do not need to remind the women of Canada that their unemployment rate rose by 3.4 per cent under the previous Liberal Government, and most of those jobs were part-time. This is a solid record of progress. It illustrates how our policies and our approaches work.

Our third commitment on the agenda for economic renewal, Members may recall, was to create policies to increase our international competitiveness and innovation. That we have done in three ways. Earlier I mentioned Investment Canada, and that has resulted in new job opportunities for Canadians. It has been a part of the success that we have had since taking office. We are also moving on two other fronts of enormous significance to Canadians, first, the multilateral trade negotiations under the General Agreement on Tariffs and Trade and, of course, the free trade agreement with the United States.

Our Government recognizes the dangers in protectionism in other countries, and we are pushing hard for reforms to reduce protectionist policies in those trading nations involved in the GATT. It is important for our Government to continue to work hard to this end, but it is also important to remember that there are more than 90 nations involved in this process. It takes a great deal of time, a great deal of discipline, and sometimes some compromise among such a large number of nations. That is why we decided to pursue an agreement with our largest trading partner, the United States. The free trade agreement is a major building block in the Government's strategy to strengthen Canada's competitive position, not only with the United States but in the world, and to enhance the prosperity of our people.

Canadian producers will now have access to a market of 270 million people. Canadian consumers will benefit from more competitive prices on a wider variety of goods, and both countries will be able to appeal unfair trade practices to an appeal panel. Those are important breakthroughs in the world's largest trading relationship, and breakthroughs that are being watched with great interest by other trading partners in the world. They also mean greater opportunity and prosperity for Canadians.

There are many cases. There was one profiled yesterday in a Toronto newspaper, Mr. Speaker, the *The Globe and Mail*, where a manufacturing company in Guelph, Ontario will spend $9 million on capital expenditures next year to gear up for free trade. The company stated that the $9 million would not have been spent without this agreement. These are real opportunities, real growth, real industrial expansion, and this will lead to real jobs, despite all the noise and rhetoric from the other side.

Ever since October I have been travelling across Canada talking to many Canadians about free trade. I have been struck by the amount of support for the agreement from two particular groups, the first being Canadian entrepreneurs.

They are very anxious for this agreement. When I asked a friend why they were not out making speeches on behalf of themselves and their companies, he said that they were not doing it because they were too busy getting ready. The second group with which I am particularly impressed is our young people—the future of our country. They are embracing this arrangement with enthusiasm. They are enthusiastic about the opportunity to compete and to have a prosperous future. They want this agreement.

• (1250)

Finally, our fourth commitment on the agenda for economic renewal is to bring about these changes in a way that is fair, open, and consistent with the characteristics of our Canadian society. By creating more jobs, more opportunities, and better incomes, the Government enhances its ability to do more for Canadians and to have Canadians do more for themselves, and we have done more.

[*Translation*]

I am extremely proud of the national day care strategy recently unveiled by our Government, a series of initiatives through which $5.4 billion will be channelled towards our most precious resource, our children. The approach we took gives every consideration to the various options facing families, according to their own preferences and circumstances. By means of tax credits and other incentives we will help parents who want to avail themselves of outside day care services or who would rather provide such services at home.

We have also set up a $100 million fund for special initiatives which will enable us to establish new programs for children in particular situations, including smaller localities and rural areas. We will soon release more details concerning this program.

[*English*]

We have expanded the spousal allowance to widowed persons between the ages of 60 and 64 years. We have improved the Canada Pension Plan and veterans' pensions, and we have provided assistance to the disabled.

In response to the current situation facing agricultural producers, federal government expenditures in agriculture will increase from $1.2 billion last year to over $4 billion this year.

The Government has also taken far-reaching measures to reform the federal tax system, a system which had reached a dreadful state of affairs when we took over. We are making the tax system fairer for individual Canadians. We are making it more effective in supporting job creation and growth. We are creating a system which helps our small businesses and industries to compete in the world. For individuals we are replacing 10 tax brackets with three. To make the system fairer we are converting personal exemptions and many deductions to tax credits, and we are reducing and eliminating many special tax breaks.

The results are substantial. More than eight out of ten households will see their personal income taxes reduced. Some 850,000 lower income individuals will have their income tax reduced to zero. Almost nine out of ten Canadians aged 65 years and over will have income tax reductions. The vast majority of families with children will pay noticeably less personal income tax.

We will continue the course set out three and a half years ago, because we know that it is right and Canadians know that it is working. As the Minister of Finance stated in *The Budget Speech*, "there are no short cuts to achieving Canada's economic potential".

We are heading into a new century and, as we approach its last decade, Canadians—men, women, and young people—are ready and confident. Every time a key is turned in the door of a new business, a new home, or a new factory, that confidence is shown. We are seeing more of that every day under this Government. Every time a kid passes an exam, a young couple gets married, or a family chooses Canada as their new home, it is an expression of that confidence. As a country we do not take a back seat to anybody. Government policies must reflect the confidence which Canadians have in themselves and the pride they have in our country.

These initiatives and others like them are why Canadians elected a Progressive Conservative Government in 1984. It is the reason that I am very proud to be a member of the Government. It is the record on which Canadians will vote in the next election when they re-elect a Progressive Conservative Government.

**Some Hon. Members:** Hear, hear!

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, I appreciate the opportunity to join this afternoon in the debate on the very thin budget speech which the Minister of Finance (Mr. Wilson) read on the afternoon of February 10. It was a speech full of election rhetoric and the kind of complacency which the Minister of State for Privatization and Regulatory Affairs (Mrs. McDougall) has just served up in her speech. It is the kind of pleasure people feel when they represent St. Paul's or other ridings in the metropolitan area, when they look around and see unemployment rates down to 4 per cent, when they think that all is well with the country and that their program is succeeding. They think that they simply have to stay the course and the Canadian people will re-elect them to serve up more of the high unemployment which so many regions of Canada still know, the kind of taxation which has been dumped on average and low-income Canadians over the past three years, and the kind of taxation which allows the Government to talk now about reduction of taxes for this same mass of Canadians.

Of course one can reduce taxes somewhat if one is loading thousands of dollars more on the average family. Of course one could achieve some reduction after having done so, but that is hardly real cause for complacency.

Government Members will regret the fact that election after election they served up that kind of inequity and that they ignored so much of the country in the way they have. We have commentators wondering these days whether they will make a serious try to win seats in the Metropolitan Toronto area. If they cannot win them there, they are certainly not going to win them in other parts of the country where they have done nasty things to people, ignored the regions, and neglected again in this Budget to recognize what the country needs, to take up the challenge, and to provide the kind of leadership the country wants.

What we have as a reality in much of the country is unemployment rates which are still, in eight of the ten provinces, very close to the levels they reached in the recession or the interest rate depression of the early eighties, from 1981 to 1983. There is no reason for complacency.

They have failed to come to grips with these matters or to take action for regions of the country which so desperately need it, other than press releases and the flackery of an Atlantic Opportunities Agency that is still not funded, a western development organization that is still more structure than activity, and a northern Ontario initiative that is still busy developing application forms.

This hiving off of responsibilities for the regions, which has marked the Government's policy over the last couple of years, deserves very critical and careful examination. I suspect that what it actually reveals is the constraint or the strait-jacket that the Government is taking on even before the free trade agreement has been passed by the U.S. Congress or adopted by the Canadian Parliament. It is a consequence of this action of tying Canada to the United States in so many ways.

I make that argument because we realize very well that the attack of the Americans—the American people, American industries, politicians, or U.S. administration—to facilitate the process carried out on Canadian industries was very often focused on development programs or regional development initiatives that encouraged those industries. The Government has accepted, in its free trade agreement, and not having had any success in that area, a five-year to seven-year process of negotiating its way through these matters. What the Government is desperately afraid of is that any kind of initiatives that it takes on these matters in the regions will be attacked by the American partner in this trade deal.

• (1300)

Recognizing that, what the Government has done is to put the responsibility on agencies, leaving them some money which will be in their control, not really in Ottawa's control; $3 billion has been pulled out of regional development reducing the amount that is actually spent in the hope that this will get us past the American attacks on government programs in Canada. The end result is that the Government is left hoping that the free market, to which it pays its respects time after time, the lower interest rates, for which it has precious little responsibility, will continue to allow the creation of jobs that has taken place over the last three years. Unfortunately that situation has not occurred in much of the country. In northern Ontario where my constituents live and in other regions, unemployment rates still remain very very high.

If we have a government that continues on the course which this Government has taken in the trade deal negotiation with the U.S., I do not see any way out. It only underscores our criticism of the deal, our opposition to it, and our need to find a different framework. We need desperately to come up with an economic policy that will allow us to achieve full employment in the regions of Canada and to move the country toward the balanced budget that all of us would like to see. If we are going to do that, we will have to move away from this preoccupation the Government has with deficit reduction; first and foremost with the loading on of higher taxes in a completely unbalanced way, and with the focus on the trade deal that I have already pointed out.

We might note that in all the advocacy for the trade deal which the Conservatives have put forward, the actual number of jobs we are supposed to get out of it over half a decade—or perhaps it is over 10 years—as a net result, is a very small number. One hundred and twenty thousand jobs is the net gain which is less than half of what lower interest rates allowed Canadians to achieve year by year since 1983. Fully realizing, even if the Minister of State for Privatization and Regulatory Affairs does not want to admit it in public, that there will be massive dislocations in the Canadian economy and thousands of jobs will be lost in the various industries with only the hope that the theoretical results to flow from freer trade will, in fact, bring us more employment, we are faced with the possibility that even the hope for 120,000 jobs as the net gain is a doubtful projection.

If one looks at all of that and recognizes the dislocations that will occur, the limitations the Government has accepted in the free trade agreement in dealing with those things, I can understand why the Minister does not want to admit that the Government should take action. The result for thousands of Canadians will be even more of the distress we have already known.

What should be have in these circumstances? I suggest we should be looking to opportunities within Canada as much as outside. Certainly Canadians want to trade. New Democrats are supportive of trade with the United States in our various industries, as is anyone, from the raw materials to the achievements of the automotive industry and high technology. But opportunities within Canada deserve to be emphasized, and challenges within this country as well. We want to look toward achieving full employment in every region and not be content with it in southern Ontario, particularly in the golden horseshoe and around metro Toronto.

We should be looking at a policy of fair taxation in which the burden of expenditure by the federal Government and other Governments is fairly distributed. Those who have the

wealth and the income should shoulder that burden much more fairly than is now the case. Particularly looking at fairness, we should be looking to a rebalancing from individuals to corporations so that all recipients of income—and corporations so often receive income but do not distribute it—share in tax paying far more than is now the case. All should share in carrying the burden, meeting the challenges and seeing the promise of Canada achieved.

In this policy, we should be recognizing the importance of lower interest rates and pressing the Governor of the Bank of Canada to get those interest rates down. There are only the first suspicions of this developing these days, but the Bank of Canada is maintaining a policy of fighting inflation. The governor actually suggests reducing inflation to zero which strikes me quite incredible. A dynamic private sector uses price increases as one of its responses to the market. Achieving zero inflation will have incredible costs for Canadians, the kinds of costs which the United States federal reserve system imposed on much of the world in the early 1980s. If the Governor of the Bank of Canada is going to maintain that kind of course he will ruin the country.

Why would the Minister of Finance and the Government tolerate that? Are they again, because of the free trade agreement, encouraging the governor to keep interest rates high in order to have the value of the dollar appreciate? The dollar has increased in value by pretty close to 10 per cent in the last little while against the U.S. dollar. That increase of 10 per cent strikes Americans, who are competing with Canadian producers in their market, as a real advantage. Canadian products become more expensive. Those who saw the lower valued dollar at 72 cents, or whatever value it was in the last little while, saw that as a Canadian Government subsidy and could very well think that the Canadian Government, Mr. Crowe at the Bank of Canada and the Minister of Finance, are involved in raising the value of the dollar through higher interest rates to reduce one more subsidy, so-called, to Canadian industry. These are the kinds of charges by the United States that should be forthrightly met rather than yielded to.

It is all the more important to deal with this and to get those interest rates down when we recognize what lower interest rates have made possible in the last several years. As I suggested before, we have seen something like 300,000 jobs created by Canadians year by year for the last several years. The main reason is that interest rates have been at a reasonable level. The American authorities recognized that what they did in the early 1980s could destroy the world, bringing about a global depression, and they have backed off.

It has been possible to carry on housing construction again. Industries have been prepared to invest. We have seen new plants established and so on. All of these things have made a 300,000 person year increase in employment in Canada. It is that kind of possibility within this country which within one year gives us more jobs than the trade deal the Government holds out promises over a decade. That indicates the importance of lower interest rates and other domestic policies to achieve full employment.

The fact that we still have about one million Canadians unemployed, and there are still about as many people unemployed now as have found jobs over the last three or four years, is an indication of the challenge we find in the various regions of Canada. If we had the interest rate reductions that we should have, one or two percentage points now, to bring interest rates closer to American rates, such a reduction would have a significant impact. It would have an impact first on the Estimates of the Government, which were tabled this morning, and on the finances of the country. A 1 per cent drop in interest rates on government financial obligations would save the Minister of Finance over $1.3 billion in a year. That is certainly a saving to make when there are so many needs, so many calls on the Government, in various regions of the country. It would also bring the cost of establishing businesses in Canada closer to the American level. Interest rates that are 30 per cent to 40 per cent above American interest rates clearly represent a penalty on Canadian industry and it is the very opposite of a subsidy. This is an additional cost which Canadian industry faces when it wants to compete with American industry. There is a second very sound reason for reducing the interest rate.

• (1310)

Of course, over the last three years, Canadian consumers have played an important part in the return to some prosperity in certain parts of the country and in some reduction in the unemployment rate in various places including my community where housing construction has been an important factor. The fact that consumers have been able to buy houses again is surely a factor of lower interest rates. I would suggest, particularly after the crash of last October and the impact that has had on the North American economy and the U.S. economy particularly, an impact that is being felt in Canada bit by bit, it would be very important to have a reduction in interest rates.

I think these observations suggest to us that in the fiscal and monetary policies the Government is following in its Budget, the Minister of Finance failed to come to grips with the challenge. He is prepared to let the resource hinterland of the United States, which a continental energy deal would suggest, be a basic feature of his view of Canada. Of course, he thinks there will be more industrial opportunities thanks to the trade agreement, but no one can be really sure of that. There are many questions about that.

The possibility of a Canada that is well developed, prosperous and balanced, a country in which taxation is fair so that lower and middle-income Canadians do not bear the mammoth burden they do now, is a possibility toward which changes should be made. The Minister of Finance has failed to do that. He has failed to recognize the importance of supporting prosperity across the country, of building up all the regions.

He has failed to realize the importance of initiatives by the federal Government that would assist the movement toward full employment in northern Ontario, across the West, in Quebec and in Atlantic Canada.

I think of our infrastructure needs. One such need in particular has become very important for us in northern Ontario, and that is improvements to the Trans-Canada Highway which is now a quarter century old. Quite clearly, it is inadequate to the challenge, particularly in the context of trucking deregulation. The Canadian Government is supporting highway construction in every Province of Canada but Ontario. It is supporting construction on the Yellowhead Highway in the West, of all things, not even the Trans-Canada. It is under pressure these days in New Brunswick and in Ontario to take up the challenge of improving significant sections of the Trans-Canada Highway. We in northern Ontario have a quarter of the total kilometres of the Trans-Canada Highway.

A Government that is prepared to look to the market and thinks that agreements with the United States will do it, a Government that is prepared to be complacent about the rest, given the prosperity in the Metro-Toronto area, is a Government that ignores these particular challenges. It ignores the needs of the regions which, if met, could produce better employment.

I can think of other needs for municipal infrastructure. More particularly, in northern Ontario, some of the new Indian reserves should be developed, reserves on which the Government is refusing to spend any money. These are needs that would support the prosperity of the communities and move us closer to full employment. These are real Canadian needs. Meeting them would support the good health and the safety of the Canadian people. These are actions the Government should be taking. However, there has been no such action.

There has been an obsession with the market and with the U.S. tie-in. This obsession is likely to bring us incredible uncertainties over the next years, incredible dislocations and losses of jobs. Maybe there will be some net gains at the end, but there is no assurance of that. The Government has failed to recognize the challenges which face us. It has failed to take up those challenges. That is why in the regions of the country, province after province, this Government will be defeated in the next election so that other people who recognize the need to get on with the job will actually do it.

[*Translation*]

**Mr. Ferland:** Mr. Speaker, I have a question for my socialist colleague from Thunder Bay—Nipigon (Mr. Epp). He says the Budget is unrealistic and does not reflect the real situation in this country. However, in his speech he failed to mention how his party, if it had to make the decisions and prepare a budget, would improve the lives of Canadians. I could find nothing in his speech that gave any indication of the approach his party would take. He says he would reduce unemployment, but he fails to say how. He says he would increase services to Canadians, but he doesn't say how. He says he would reduce taxes, but he doesn't say how. I would appreciate it if the Hon. Member, in the few minutes he has left, would consider this essential part he left out of his speech and inform Canadians what he would do if he were Minister of Finance and what kind of action he would take.

[*English*]

**Mr. Epp (Thunder Bay—Nipigon):** Mr. Speaker, I thank my colleague for the question. In 20 minutes one can do so little. I think I did more than he has suggested, but I appreciate an opportunity to expand somewhat.

I was suggesting that we want to achieve a full-employment and a balanced-Budget Canada, a Canada in which we would be able to begin paying off some of the national debt rather than being obsessed with deficit reduction. We want to do that through a number of different actions. We want to reduce interest rates in order to encourage economic activity and reduce the cost of Government. I think I said enough about that so I will not expand on it.

We want to have a fair tax system, a tax system in which some of the burden is taken off individual Canadians. Once upon a time, within our lifetimes, as a matter of fact, the tax balance between individuals and corporations was more or less fifty-fifty. That was back in the 1950s. But over the years, particularly through the 1970s when the Liberals were in charge and the present Right Hon. Leader of the Opposition (Mr. Turner) was Minister of Finance, things began to go badly awry. Corporations ceased to pay as much as individuals. By now, of course, individuals pay four and four and a half times as much.

I would suggest that real tax reform would get things back into balance and would reduce taxes for individual Canadians. That real tax reform supports economic activity and allows corporations to achieve profits and pay the taxes, something which they might not like initially but which would be quite bearable, given the prosperity that would follow from tax reduction. After lower interest rates, that could be the most dynamic and explosive force the Canadian economy could achieve.

When we move toward full employment, we should get budgets that are closer to balanced. When the Auditor General's Office tells us that if the Canadian economy currently were in full employment, the Budget would still be in the red by perhaps $8 billion, we can see a measure of how unbalanced and unfortunate the Canadian tax system actually is. We simply have to come to grips with bearing the load in a balanced way, not by dumping it on individual Canadians as this Government has done even more than the Liberals did before. We need to get this into balance. Having achieved that, we would then spend our money carefully in order to encourage the move toward full employment, whether it be spent on infrastructure improvements or on post-secondary education and health. Year after year, we have seen pressures to hold

back in those areas. After 10 to 15 years of inadequate funding in these areas, one wonders how many thousands of jobs could be created by doing these things properly.

These days, Ontario universities are very anxious because there is a 10 per cent increase in applications for next year. How can these applications be managed when the Canadian Government is not doing its share and the provincial Government is failing in the same way?

• (1320)

We have challenge after challenge to be met. As we do all of those things and also encourage trade within the country and realize the possibilities of energy goods across the country, rather than tying ourselves more and more firmly into the United States, I would suggest we could reach full employment, balance the Budget, and pay off the national debt instead of adding to it every year as Conservatives have been forced to do too. They have added $100 billion over their three years, plus, in power. That is hardly something to be very proud of for people who are obsessed with the national debt.

[*Translation*]

**Mr. Marc Ferland (Portneuf):** Mr. Speaker, I hope the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) will stay around for a while, because we would like to explain some of the things he does not seem to have understood about public administration and the Government of this country.

Mr. Speaker, he started earlier by saying that it was a very thin Budget Speech, a Speech that lacked substance.

I can inform the Hon. Member that the Budget brought down by the Minister of Finance (Mr. Wilson) on February 10, 1988, continued the policies in the first Budget brought down in early 1985.

Mr. Speaker, perhaps the Hon. Member would like to recall the circumstances in which Canadians, in 1984, decided to elect a Progressive Conservative Government.

I remember what the people in the riding of Portneuf wanted in 1984. And I also remember the election platform we presented to Canadians and especially to the people in the riding of Portneuf.

Mr. Speaker, we all remember that before 1984, interest rates were very high, and the annual inflation rate was around 12 per cent. We had incredible chronic unemployment. Young Canadians could not look forward to starting a family like their parents did, because there just weren't any jobs. More plants were closing than new ones starting up.

Meanwhile, we would regularly see Liberal and NDP Members attending grand openings of nature paths and small parks they were setting up all over the place, all because of these people who were being given jobs under federal programs, the so-called "twenty-week" programs dreamt up by the Liberal Government.

My father used to say that when he was a young lad, they had Valcartier's 20 cents. Some Members may recall Valcartier's 20 cents from the Depression. People were given 20 cents a day plus a package of tobacco and cigarette paper, and that is how they managed to survive.

The Liberals invented the 20-week job. Obviously, the people who worked at these jobs had a much better chance of doing so if they had the right connections.

In any case, Mr. Speaker, in 1984 Canadians were fed up with this approach. They asked the Conservatives to do what was necessary to put the economy back on its feet and create a situation in Canada where Canadians would be able to participate in the development of their country.

Mr. Speaker, that is what we did, that is what the Minister of Finance has done, that is what the Prime Minister (Mr. Mulroney) did and that is what this Government has been able to do.

On February 10, the Minister of Finance may have brought down the least spectacular Budget this Parliament has seen in decades. We have not made any rash promises during the past four years, Mr. Speaker. Maybe not four, but almost four years. What we did was to put in place the mechanisms we promised, starting in September 1984.

Recently, I met people in my riding who asked me: "Mr. Ferland we have plans for a playground in our community. It would be good for the kids". I said: "Sure, but we don't have any money". They answered: "How come the federal Government doesn't have any money? You spend $100 billion annually. You must have $25,000 or $30,000 to help build a playground". But I said: "Let me tell you that our Government has reached the objective it set for itself in 1984, which was to revive the economy and renew the hopes and dreams of Canadians, something people had lost in 1984". So they said: "Now listen, we are developing this community and we need certain facilities". So I said: "Remember, in 1984 the Conservatives said: We have to make a choice between creating permanent jobs or building playgrounds. However, to create permanent jobs, first the economy has to be in good shape. To revive the economy, we have to deal with the deficit".

The former Minister of Finance, Mr. Lalonde, used to say that an annual deficit of $50 billion should be considered normal in Canada. I may remind you that the NDP never disagreed with this stand. In any case, you can put the Liberals and the New Democrats in a box, shake well, and one comes out green and the other comes out red. Philosophically, they are all the same.

So I told these people, Mr. Speaker: "We made a choice. We made cuts in the Government's discretionary spending, cuts totalling $4 billion the first year. The following year, in the second Budget, we cut $2 billion. Last year we cut $500 million. This year, we intend to cut $300 million in discretionary spending. Mr. Speaker, we have now cut a total of $6.8 billion in our Budgets, funds I am sure could have been used

to make our backbenchers, especially, look good in their ridings. Of course it is nice for a Member to be able to tell an association or a group in his community: "We are happy to give you this cheque to develop your project. It will help the community and put people to work for eight or ten weeks". However, that is not what we had in mind in 1984, as Members of this Government. In 1984, our objective was to create permanent jobs.

When we were elected, there was a whole series of job creation programs, a total of 24, Mr. Speaker. There were all kinds of programs, except programs that provided for permanent jobs. We did some housecleaning. We eliminated 18 programs and kept six. My constituents are particularly happy with one of those programs, the Job Development Program. This government took the initiative in working with the private sector, the municipalities as well as with non-profit-making organizations in order to create permanent jobs. And it has succeeded, Mr. Speaker. In my riding, hundreds of workers now have a permanent job thanks to this Canadian government program. And I can tell you that people thank me for that. Members do not get thanks very often, but when people have been unemployed for one or two years they do not mind thanking you for helping them find a job by creating a situation conducive to job creation.

Speaking of job creation, Mr. Speaker, before 1984 in my riding plants closing and job lay-offs were almost a regular occurence. But since 1984, Mr. Speaker, the trend was reversed. Although one may want to criticize the performance of the Conservative government, one cannot deny what has been achieved in my own riding and which is there for every one to see.

• (1330)

Since 1984, we have seen 36 expansion projects and the creation of new businesses with the assistance of the Federal Government. And in my riding it was the work of only one department, the Department of Regional Industrial Expansion. The Opposition criticizes the work done by that Department but I can tell you that people in my riding are totally satisfied with the job done and they just want that Department to put even more money for development in my constituency. But from 1984 up to now the Federal Government has invested $4.056 million, thus allowing the private sector to carry out projects to the tune of $16,240,000. That is a lot of money, Mr. Speaker! Thirty-six businesses expanded or were established, and I don't mention those which did not need the help of the Government of Canada because they had enough financial backing to go at it alone, and also because as a result of the economic climate created by the Government throughout the country they could do it by themselves. They were proud to say that they did it all by themselves and they said so to the reporters. But what they don't forget to mention is the fact that if we are able today to invest without anybody's help, it is because of the policies implemented by the Conservative Government. But this is another objective, Mr. Speaker, that the people from Portneuf in my riding has asked us to reach.

The people were asking me to put pressure on my Government, on the Ministers to get action along those lines.

I think the Minister of Finance (Mr. Wilson), the Prime Minister (Mr. Mulroney) and the Governmeent delivered the goods and that we can be proud as Canadians to have such a good Government, managed by men and women who took over an administration which was really terrible and transformed it into an administration worthy of a country like Canada.

Considering how the New Democrats and the Liberals behave in this House, Mr. Speaker, I wonder if they really want fairness in Canada. In 1984, indeed, we stated that we wanted fairness for each and all in this country. The most recent example that I believe Canadians will remember, particularly those from Quebec, and I know that residents of Portneuf are still reminding me about it, concerns Bill 22. Who filibustered Bill 22? That Bill was precisely about high technology, about our future, about research. Members from the NDP and the Liberal Party say that we do nothing for research. Yet, we introduced Bill 22. The New Democrats supported it, and even though they are against the Senate, they supported the Senate as well. That is something, Mr. Speaker! I say they are whited sepulchres. What else can I say? We cannot use other terms for fear of unparliamentary language. So I shall refrain. Nonetheless, it is outrageous. It is outrageous for Canadians and especially for Quebecers, for what were the New Democrats and Liberals doing by filibustering Bill C-22? They were doing, Mr. Speaker, what the Liberals had always been doing: They were creating a strong central Canada and weak eastern and western Canada and forcing East and West to go down on their knees to central Canada, that is southern Ontario.

And that is what they have done, Mr. Speaker, for where were the copying companies? They were in Ontario, not in Quebec. On the contrary, we had in Quebec innovative companies. Hundreds of millions of dollars were contributed by the private sector and were not coming out of the taxpayers pocket, Mr. Speaker. But no! The research must be done in Canada but not by the private sector. It must be done by the Government. They would have Canadians believe that people are not the Government. Well now, Mr. Speaker, when I travel through my riding I say to them: You are the Government. You are the people from whom we get the money. We get the money from your pockets, we do not ask for your permission, but we are the ones who decide how it is going to be spent. That is reality.

Provincial and municipal administrations do exactly the same thing. All Government levels in Canada do that, but indeed they have to provide sound financial management. If we were to listen to the socialists—small-s and capital-S, minor red or green socialists—we would take even more money out of their pockets to be able to make bigger deals and thus appear to be even more important. Budgets would be much

more impressive and the state would do even more. Still, Mr. Speaker, I am not convinced that the state managed by officials would do better with the money than the private sector or the individual who had to work to earn that money.

Why would these same individuals be against free trade? It just happened that way. I am sure the leader of the New Democratic Party does not come from Canada's most destitute region. I was told that the unemployment rate in his riding is something like 3 per cent. I certainly wish it was at that level in my riding, Mr. Speaker. In spite of the hundred of jobs which have been created, the unemployment rate there is still close to 12 per cent. "If it is good for Ontario", as the Portneuf people will say, "it is good for us too". The people in my riding are not afraid of the American market. We have papermills. We have sawmills and granite processing plants. We have cement plants. And do you know to whom our people are selling? To the Americans! And it is not in their mother tongue that they do! They have learned how to speak English and even American to be able to make themselves understood. They are not afraid of that. Quite the contrary, they are saying: "We are finally going to get the same opportunities as the people in Ontario". But we hear Premier Peterson of Ontario, supported by Mr. Broadbent, the NDP Leader, and Mr. Turner, the Liberal Leader, saying: "We are going to tear up this deal". Can you imagine that, Mr. Speaker? The Liberals and the NDPs are clearly demonstrating that they do not want to give a break to Canadians, whether they live in Western, Eastern or even Central Canada. That is unacceptable. It is as though the country had been governed for 75 years by a Liberal Government only for the benefit of Ontario. It is a fact that Quebec may have been slow understanding. It may have had to wait until the Conservative Party chose a leader from Quebec before it decided to trust him and elect him as Prime Minister in Ottawa with a Conservative Government. But I can tell you something, Mr. Speaker: Ever since a Conservative Government was elected in Ottawa, Quebec has had its fair share, as evidenced by... Who are the staundest supporters of free trade, Mr. Speaker? The Governments of Quebec, Western Canada, and British Columbia. Why?

Because they are aware that their people will finally have an opportunity to make deals with the Americans, to expand and find new markets in the United States without having to go through Toronto, because we must admit, even if the NPDs and Liberals are loath to say so, that free trade has existed for twenty years in Ontario. It has clearly existed there for twenty years. So if it has been good enough for Ontario... I remember the slogan: "If it is good for Ontario, it is good for Canada". But now, they have a new Premier... It was a Conservative Premier who was saying that then. Today, the Liberal Premier is saying the reverse: "If it is not good for Ontario, it is not good for Canada". It is funny! Unfortunately, Mr. Speaker, if it is good for Canada, it must be good for Ontario, Quebec, British Columbia and New Brunswick. This is the case of the Free Trade Agreement. It is also the case of the Budgets introduced by Mr. Wilson in this House and of everything which the Governement of the Right Hon. Prime Minister, Brian Mulroney, has accomplished in the last three and a half years. This is what we have tried to do, Mr. Speaker, and it is not always easy.

I was reading an article today by Rodrigue Tremblay. He is not just anybody; he is very well-known in Quebec. This is what he had to say: Without free trade, there would be only one major centre, Toronto... The reason is quite simple: The St. Lawrence valley is now attractive to investors, and the region of Montreal becomes an ideal location to gain access to all North America, especially to the Montreal/Boston—New York—Washington/Chicagop—Toronto triangle.

I know that my time is almost up, Mr. Speaker, but I want to say that everything the Government has done was done openly. The Government had said in 1984 that it would be difficult, but that it would be done. The Opposition says that we have increased taxes. However, not a single Quebecer, not a single Canadian, even if he only has a grade one education, knows that a Governement cannot work miracles and that, when there are debts, they have to be paid. Those debts were not created by the Conservative Party, but by the mismanagement of a Liberal Government in partnership with the New Democrats. Together, they brought Canada to the brink of bankruptcy. What we have done, Mr. Speaker, is to give back some hope to our youth, to all Canadians so that they may develop this country and put it back on track. We have given them proper direction and we shall continue to do so. After the next election, Mr. Speaker, you and I will still be here in this House to protect Canada's interests.

• (1340)

[*English*]

**Ms. Mitchell:** Mr. Speaker, I would like to ask the Hon. Member a couple of questions. If I heard him correctly, he said we want a Canada that is fair to everyone. I am sure there is unanimous agreement with that statement. Then he went on to give a few statistics on unemployment. He indicated that in Oshawa the unemployment rate was about 3 per cent. In his riding he said it was about 12 per cent. I would like to add that in my riding we did a study which indicates it is 27.5 per cent. Colleagues of mine have said that in the North and on Indian reserves it is over 60 per cent in some instances.

Therefore, I think all of us would agree that we just do not have a way of coping with unemployment which is really fair to everyone. Although I agree with him that a lot of jobs have been created and we are glad that the people of Oshawa and the golden horseshoe have low unemployment, we would like to see it right across Canada. Therefore, I would like to ask him what more he thinks his Government, or indeed any Government, can do to get rid of these regional disparities and do more for all Canadians.

Secondly, he referred to the NDP opposing Bill C-22. I think he was a little unkind in some of his remarks. The main reason we opposed Bill C-22 was because drug prices, particularly prescription drugs for the elderly and the chronically ill,

will go up phenomenally. They have already gone up almost 200 per cent in some cases as indicated in a recent study in Ontario, I believe. I wonder if he thinks that is fair. Has he talked to seniors in his riding and does he know what they feel about drug prices going up to that degree?

[*Translation*]

**Mr. Ferland:** Mr. Speaker, I am always surprised to hear the socialists say that we are attacking senior citizens and that we do not take their problems into account, as though the socialists were the only ones to do so. There is no need to remind you that Old Age Security Pensions were not brought in by the New Democratic Party. As for the price of drugs, the Hon. Member for Vancouver East (Ms. Mitchell) should know that, in Canada, drugs are covered by health insurance throughout the country. There is no question of attacking senior citizens. Absolutely not! Everyone knows that. In my constituency, senior citizens were certainly not scared by Bill C-22. This is because their drugs . . . In my riding, senior citizens tell me: There is no problem; our drugs are paid for, and if we cannot afford them, they will be paid by welfare. In any case, the drugs will be paid. So, where is the problem?

As for unemployment in Vancouver, this relates to what I was saying earlier.

It is beyond me that a Member from a part of British Columbia that is one area of Canada with a very high unemployment rate would accept that her party oppose the free trade agreement, which will enable British Columbia to enjoy the same opportunities Ontario has.

Mr. Speaker, I can hardly get it into my head that a Member from an area that calls itself underpriviledged, that claims to have unemployment problems, would oppose extending the same opportunities to her constituents, the same avenues as people have in Ontario. I find that amazing, Mr. Speaker.

I can tell you that in my province of Quebec, we support free trade and will work for the agreement's enactment, for its speedy enactment because in Quebec we want to have the same opportunities as Ontario—the same opportunities for high salaries, the same opportunities to find jobs. We want to ensure we can keep the markets we already have and will not be hit at some point by an untimely tax that would eliminate our jobs. Quite the opposite!

For that reason, Mr. Speaker, it is always a surprise that on the one side of their mouths the socialists would preach virtue and on the other side they will not practice that virtue. Because where I come from practicing virtue means doing what one preaches.

And if we are really to eliminate unemployment in Canada, we must provide our young and all our people with the best tools to do their jobs. If we do not supply them with the best tools, they will have less chance of being successful. And there is no reason for not having in this country the same opportunities from sea to sea, and I will constantly fight any politician, of whatever political stripe or persuasion, who wants to oppose the free trade agreement, because in my province, in my constituency, it is essential to the survival of small businesses and to ensure . . .

[*English*]

**The Acting Speaker (Mr. Paproski):** I regret that the Hon. Member's time has expired and questions and comments are now terminated.

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, it is a pleasure for me to be able to speak in the debate on the Budget recently presented to this House by the Minister of Finance (Mr. Wilson). It is a very curious document because it says so little. One wonders what could possibly have been in the mind of the Minister in bringing out such a bland document, a do-nothing Budget, a non-event, really. Is he saying there is nothing to be done, that the situation is rolling along beautifully? If so, nothing could be further from the truth.

We hear negative comments from all over the country. The business community says the deficit is too high. People from all walks of life say the Government is not concerned about their interests. Certainly if there is one group that must be listened to it is lower-income Canadians. This Budget, like previous Budgets, increases the disparities between the wealthy and not so wealthy. It is a sad commentary on our times that a country as wealthy as Canada should be neglecting people and areas of this country which need assistance in developing their economic possibilities.

Just look at the tone of this Budget, not only what is there but what is not; for example, the child care program. The Government told us it would be bringing forward a child care credit which would apply equally no matter the income of the person claiming the deduction. But it did not do that. It created a deduction of $4,000, which will of course be more significant to wealthy Canadians than it will be to lower-income Canadians. A person in a 29 per cent federal tax bracket will be able to save as much as $1,800 under that deduction, yet someone in a 17 per cent bracket will save only $1,000. That is not what we were led to believe the Government was going to do. We were told one thing and the Government did another.

It seems as though the Government always drifts away from ordinary Canadians when it brings down a Budget or makes its economic pronouncements. Not only does the Government seem to ignore low income Canadians and areas in which economic difficulties are prevalent, it seems to make matters worse. That is not right.

• (1350)

What did the Government do with this Budget? It increased excise taxes. Who will that hit? It will hit the Canadian motorist. The excise tax on gasoline will be increased significantly. Since the Government came to power it has imposed excise taxes on gasoline amounting to 5 cents per litre,

inclusive of the tax that was imposed in this Budget. That 5 cents per litre is equivalent to 23 cents per gallon. This amount is higher than the amount of excise tax proposed by the former Minister of Finance, the Hon. Member for St. John's West (Mr. Crosbie), which he was planning to impose in his Budget in December of 1979. He wanted to impose an 18 cent per gallon excise tax. The Government has increased the sales tax. The sales tax also applies to gasoline. There will be a 1 cent per litre increase, which is incredible.

What does this mean? It means that the average Canadian family of two adults and two children will pay $1,200 more in taxes today than it was paying when the Conservative Government was elected in September, 1984. This is not getting to the problem of ordinary Canadians.

The speaker who spoke before me talked about the unemployment rate and how the Government wants to see equal opportunities throughout the country. That is not happening. There are not equal opportunities throughout the country. In fact the opportunities for certain Canadians are becoming fewer and fewer. The Member who spoke before me talked about the unemployment rate being 8.1 per cent nationally. In Nova Scotia it is 12.1 per cent. The Hon. Member for Vancouver East (Ms. Mitchell) said that according to her own tabulations in her own constituency the unemployment rate there is 27 per cent. In my constituency on Cape Breton Island the unemployment rate is 21.1 per cent. It is higher by far than when the Government took office in 1984.

Yet what do we get from the Government? We get the general pronouncements with respect to its strong economic performance. This leads to the apology that perhaps this does not apply across the country, that there are certain areas the Government would like to see a little better off economically. That is all we get.

There is always an asterisk in the Budget about how it is too bad that certain areas of the country are not doing better economically, that certain people in certain areas are more prone to unemployment than people in more prosperous economic areas. That is just not good enough. The Government has been in power now for three and a half years. It is high time that something was done to correct the regional disparities, not making them worse than they were before.

We see continuing evidence that the Government does not care. It says that it will do something and immediately thereafter it says that it forgot all about it. It says these things for public consumption hoping that certain words, phrases or promises will stay in the minds of Canadians. Canadians might have been predisposed to think of these niceties when the Government was first elected, but they will no longer. They know that the words of the Government are hollow and that it does not mean anything that it says when it comes to helping low income Canadians and those living in areas of regional disparity.

What has the Government done? The Minister of Finance started off with his first statement which was not a Budget. It was an economic statement that he put forward in November, 1984, in which he started to slash programs, including programs that were very necessary for Canadians.

One thing that bothered me in the energy field—something which bothered me then and continues to bother me now—is that the Government slashed programs which helped Canadians save on their energy expenses. Why would a Government do that? That certainly hits low income Canadians. The Government did away with those programs and said that they had never served their purpose. In effect, the Government said, "We are going to get away from actually throwing money at Canadians. We are going to promote programs but we are not going to give away money". It was right about one thing, it certainly did not give away any money. However, it has not been promoting programs either.

The difficulty is that those programs were important to Canadians. Conservation was the most successful aspect of the former Liberal Government's National Energy Program. That program saved Canada 75 million barrels of oil per year. That is something important to consider. It is important to take the strengths of a program or of a country and to build on them, not to destroy them. Destroying them not only does away with the program but hurts the people who the programs were intended to help. In most cases those people are low income Canadians. Not only does this affect the ability of people to pay for their energy, it also affects their ability to stay in their own homes. The conservation program was important in terms of allowing senior citizens and low income Canadians to remain in their own homes.

That was not the only program the Government destroyed. It reduced substantially the Registered Home Ownership Savings Plan. It also cut back on RAP which was an important program giving assistance to Canadians who wanted to stay in their own homes. Not only is my constituency an area of high unemployment, it is an older area as well. It is important that people who are in their homes are able to fund repairs for their homes because if they cannot then they cannot stay in their homes. They will be condemned. What will happen then? They will find themselves without a place to live or the Government must provide public housing. Today, public housing costs between $40,000 and $50,000 per unit. Where is the advantage to Canadians? Where is the advantage to the Government?

The Government promised jobs. It has made many statements. Yet in the Budget the Government does not say what it promises to Canadians. It does not give an accounting of what it has said, showing us what has been delivered on. The Government ignores that. It ignores the promises it has made. It has gone on to make new promises. It wants to make further promises, which of course it has no intention of keeping.

It is important that Canadians know that the Government is not resolving their predicaments at all. What the Government is doing is trying to see what is its best position before going into another election. In the upcoming election Members of the

Government will run into a great number of skeptical Canadians. Canadians will no longer take the words of the Government at face value. They will not do that. They will be prepared to accept the promises of the Government, but they will be duly skeptical.

**The Acting Speaker (Mr. Paproski):** When debate resumes at 3 p.m. the Hon. Member will have seven minutes left in which to conclude his remarks. That will be followed by a 10 minute period for questions and comments.

It now being 2 p.m. the House will proceed to Statements by Members pursuant to S. O. 21.

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• (1400)

## STATEMENTS PURSUANT TO S. O. 21

[*English*]

### ABORTION

RIGHTS OF UNBORN CHILDREN—CALL FOR INTRODUCTION OF LEGISLATION

**Mr. Roland de Corneille (Eglinton—Lawrence):** Mr. Speaker, we now have the intolerable situation that there is no federal law in place to protect in any way the rights of the unborn.

Because the right to life is obviously the supreme and highest of all human rights, the recent decision by the Supreme Court of Canada places an urgent requirement, not only on the Government which has the lead responsibility, but also on each and every parliamentarian to see to it that good legislation is passed.

As Members of Parliament we now have at last a rare opportunity, at the invitation of the Supreme Court, to pass legislation to protect the life and the rights of the unborn fetus. I want to make it clear again that I personally am opposed to abortion. But while it is obvious to me that the process of life starts at conception, I am sure that the courts will continue to argue over the legal definition as to when a human life begins, and our legislation will have to anticipate this problem.

However, I am deeply concerned that the Government may decide not to act, or that it may delay. Even if it does bring in legislation, there are dangerous signs that it will imitate a number of other countries, by only limiting protection of the fetus until after a fixed time such as 20 weeks following conception. Such legal rigidity would be tragic because it would deny the full protection of the law to the fetus at an earlier stage. We cannot afford to delay as we are talking about the survival of human life. I call upon the Government to give us an immediate commitment to a timeframe for action.

*S. O. 21*

### ABORTION

RIGHTS OF UNBORN CHILDREN—CALL FOR INTRODUCTION OF LEGISLATION

**Mr. Gerry St. Germain (Mission—Port Moody):** Mr. Speaker, I rise on the same subject which is an issue of urgent and pressing necessity. Since the recent Supreme Court decision striking down the abortion law, Canada has become the only civilized nation in the world which has no legislation protecting the unborn child.

Yet a recent Gallup poll of Canadians revealed that 53 per cent of Canadians want some legislation to protect the fetus. They are looking to the federal Government for leadership on this emotional issue.

I recognize and support the current Government on the process of consultation with the provinces prior to the introduction of legislation. Let us move with speed and deliberation. Let us take the lead and demonstrate to Canadians and to the world that we, as a nation, have the courage to balance the rights of women with the protection of human life. No group has unlimited rights.

Every civilized nation will ultimately be measured by how it treats it most vulnerable, those who cannot speak for themselves and who ask for nothing but a chance. I urge the Government to act with courage and compassion.

* * *

### ABORIGINAL PEOPLES

CALL FOR MINISTER'S RESIGNATION

**Mr. Jim Fulton (Skeena):** Mr. Speaker, I rise today to insist on the resignation of the Minister responsible for aboriginal affairs. The Minister has broken the trust relationship with Canada's first citizens.

The 1973 ruling of the Supreme Court of Canada on the Nishga case brought Canada into negotiations on the comprehensive claim to the Nass Valley. The Minister has now crushed those negotiations and refuses to act in good faith.

Since 1940 the Lubicon Band has sought the respect and assistance of the federal Crown for the historic lands of the Lubicon people. The Minister has chosen to fund the Daishawa Corporation to log the very lands that the Lubicon seek, in contravention of Cabinet requirements for an impact evaluation. This is bad faith.

Since 1985 the Lytton and Mount Currie Bands have sought to meet with the Minister for assistance in preparing their case on the Stein Valley. Even today they are here in Ottawa and the Minister has refused to see them. This is bad faith.

The Chief Justice of the Supreme Court of British Columbia has encouraged aboriginal people in British Columbia to stand up for their rights. The first citizens of Canada cannot put

trust in a Minister who will not meet and who will not negotiate. Race relations are disintegrating in British Columbia as a result of the calculated budget cuts combined with accelerated pressure on the lands and resources.

The Minister must resign because these federal policies are forcing natives and non-natives into confrontation and, potentially, violence.

* * *

[*Translation*]

## NATIVE PEOPLES

### CONTRIBUTION OF THE CREES

**Mr. Guy St. Julien (Abitibi):** Mr. Speaker, the article by Pierre Foglia published today in *La Presse* which deals with the James Bay Cree is contemptuous as well as slanderous towards this wonderful people which I have known personally for over thirty years.

Pierre Foglia should know that the white population of Abitibi has respect for this people which has greatly contributed to its economy, its knowledge of the North and its renowned arts and crafts. I have great respect for the Great Chief Matthew Coon-Come and all the chiefs of Cree communities which represent this great people.

We have here a remarkable people, recognized before the United Nations and in Geneva, and able to manage its own affairs. The Cree also have a mind for business and I might recall that they own 42 corporations and a profitable airline, Air-Creebec, in Quebec.

Mr. Speaker, I am apalled and indignant at the racism and baseness which transpire from every line in this article. For such ignorance and foolishness, I can only ask: Lord, forgive this "foolish—glia" for what he says!

* * *

[*English*]

## SCOUTING

### TRIBUTE TO BOY SCOUTS AND GIRL GUIDES MOVEMENT

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, this week is National Boy Scout and Girl Guide Week. I would like to take this opportunity to congratulate all the boy scouts and the girl guides in the federal riding of York South—Weston.

On February 12 the Hon. Member for York West (Mr. Marchi) and I had the pleasure of attending the first Weston Beaver-Cub and Scouts fund raising dance. We were extremely honoured that evening to have been made honorary scouts of Weston. Scout Leader, Mr. Kevin Breakey, administered our oath and gave us our scout scarves, which I am wearing here today in the House. I promised the boys that I would wear this scarf in the House today.

Yesterday, February 22, was Lord and Lady Baden-Powells' birthdays. Their birthdays coincidentally fall on the same day. Lord Baden-Powell was the founder of the Boy Scouts of Canada, and Lady Baden-Powell was the founder of the Girl Guides of Canada. Our Chief Scout of Canada is Her Excellency the Right Hon. Jeanne Sauvé.

The scouts and guides are a community oriented organization that unselfishly supports communities by such events as food drives for the needy and special projects for senior citizens. One of the major endeavours of the boy scouts is the "Trees for Canada" project. Over the past 15 years the boy scouts have planted more than 2 million trees across the country as a conservation project. Incidentally, 15 per cent of all funds raised on this particular project go to youth education in Third World countries.

The scouting oath is based on the following principles:

> I promise to serve my God, my Queen, my country and my fellow man and to be wise in the use of my resources.

I am sure that I speak on behalf of all Members when I say congratulations to all the boy scouts and girl guides in Canada.

* * *

## INDIAN AFFAIRS

### WITHHOLDING OF GRANTS IN LIEU OF TAXES TO MUNICIPALITIES

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, the attention of the Ministers of Public Works (Mr. McInnes) and Indian Affairs (Mr. McKnight) ought to be directed to the problems being caused by the arrears, some going back to 1985, of payments of grants in lieu of taxes to municipalities in respect of land reserve for Indians within these municipalities.

People live on the lots in question, but title to the land is held by the Department of Indian Affairs. Grants in lieu of taxes are supposed to be paid by the Department of Public Works. If it does not pay, municipalities will no longer be able to provide services to the affected residents.

In northern communities such as Fort Smith and Fort Simpson where land so designated constitutes a large proportion of the total, the burden caused by non or late payment is extremely heavy.

## POLITICAL PARTIES

CANADA-UNITED STATES FREE TRADE AGREEMENT—POSITION OF LIBERAL PARTY

**Mr. Howard McCurdy (Windsor—Walkerville):** Mr. Speaker, allow me to pose a question. When would a free trade agreement no longer be a free trade agreement? Doubtless, Mr. Speaker, your impeccable logic would conclude that if it were torn up it would no longer be a free trade agreement.

But, Mr. Speaker, Liberal utterings indicate a greater freedom in labile Liberal logic than that available to the rest of us, because there are Liberal voices who suggest that we are wrong. Perhaps we did not have the question right. Perhaps our question should have been, when is a commitment to tear up a free trade agreement no longer a commitment to tear up a free trade agreement? Perhaps the answer is when Liberal corporate donors say that such a commitment is to commit suicide. A conundrum to find an answer to which the Member for Windsor West (Mr. Gray) and the Member for Winnipeg—Fort Garry (Mr. Axworthy) were dispatched to Washington, to find a new commitment perhaps to avoid committing financial suicide.

* * *

## HUMAN RIGHTS

U.S.S.R.—PLIGHT OF UKRAINIAN YURI SHUKHEVYCH

**Mr. Jim Jepson (London East):** Mr. Speaker, the year 1988 is special to Ukrainian Canadians as it marks the millennium of Christianity in Ukraine. It also reminds us that, although the Soviet Government has claimed to have adopted a spirit of openness or "glasnost", persecution of Ukrainian Orthodox and Ukrainian Catholic clergy continues. As well, the Soviet Government has perpetrated numerous human rights violations, disregarding the statutes of the Helsinki Accord, to which it is a signatory.

An example is the case of Yuri Shukhevych who has been in prison for 36 of the last 40 years simply because he is the son of General Roman Shukhevych, the Commander in Chief of the Ukrainian insurgent army who was killed in 1950. Today Yuri Shukhevych remains in prison in very poor health.

Yuri Shukhevych's "guilt" lies not in commission, but in association. This is a travesty of human rights. Until the Soviet Government ceases human rights violations there can be no glasnost and no justice.

Lest we misinterpret the true intentions of the Soviet Government, I urge the Secretary of State for External Affairs (Mr. Clark) and the Government of Canada to pressure the Soviet Government for the release of Yuri Shukhevych and other prisoners of conscience in the Soviet Union.

We all want peace, but not without freedom.

*S. O. 21*

[*Translation*]

## CHALLENGE '88

ADMISSIBILITY OF CERTAIN INSTITUTIONS TO PROGRAM

**Mr. Gilles Grondin (Saint-Maurice):** Mr. Speaker, again this year we are faced with the same problem: homes and institutions belonging to the Social Affairs network in Quebec cannot apply to the Challenge '88 Program. Last year we were told that these institutions could not participate in the Challenge Program but, at the last minute, an agreement was reached and, had we decided then to favour those institutions, we would have had to cut help already given to organizations or other institutions in various ridings.

I am wondering, Mr. Speaker, why, this year, as soon as the Challenge '88 Program was announced, the Minister of State for Youth (Mr. Charest) did not start to negotiate quickly with the institutions which are part of the Social Affairs network, instead of waiting until the last minute and, may be, announcing the same thing as last year.

* * *

• (1410)

[*English*]

## AIRPORTS

HAMILTON AIRPORT—TEST FLIGHTS—EFFECT ON RESIDENTS' SLEEP

**Mr. Geoff Scott (Hamilton—Wentworth):** Mr. Speaker, at almost exactly this hour in Hamilton City Hall, regional councillor Ann Sloat is delivering the same message to concerned residents of Ancaster as I am telling Hon. Members in this House.

The entire Hamilton-Wentworth area desires to get as much air traffic as possible into Hamilton Airport. The just announced Pan Am express service from Hamilton to New York is great.

What we do not need, as just one example of sleep disturbing activity, is a major airline which purchases giant airbuses from France and then test flies them, with 36 take-offs and landings from one o'clock to three o'clock in the morning.

I am fully supporting a midnight to 6 a.m. curfew on all flights in and out of Mount Hope, except for unforeseen circumstances, and that is the region's problem.

To enforce the curfew, I am urging Transport Canada to consider staffing the control tower 24 hours a day with round-the-clock surveillance to monitor all air navigation and to put an end to some strange nocturnal happenings up there.

We want full use of Hamilton Airport, not flagrant abuse of our airport.

*Oral Questions*

## PRIVATIZATION

MERGER AND SALE OF ELDORADO NUCLEAR AND SASKATCHEWAN MINING DEVELOPMENT CORPORATION

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, our billion dollar Minister of State for Privatization and Regulatory Affairs (Mrs. McDougall) has struck again. Perhaps the most disturbing part of the Minister's press conference yesterday in Saskatoon was her statement that the proceeds of the sale of a merged Eldorado Nuclear and Saskatchewan Mining Development Corporation would go toward retiring the debt of the two companies.

What this means is that the people of Canada will be forced to assume $600 million in debt, and the people of Saskatchewan another $450 million, for a total of over $1 billion. The only people who will benefit will be those able to buy shares, not the ordinary citizens of Canada who advanced the hundreds of millions of dollars necessary to establish both these public enterprises.

Since both Eldorado and Saskatchewan Mining Development Corporation have been presented to the public as viable, well managed companies, why do the purchasers need an additional public subsidy of $1 billion in order to be persuaded to buy?

Clearly the Government wants future high share prices and increased profits for its private sector friends. Under this proposal future profits will be paid for, in advance, by the Canadian public, thanks to the Conservative Government.

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## POLITICAL PARTIES

CONFLICT OF INTEREST LEGISLATION—POSITION OF PROGRESSIVE CONSERVATIVE PARTY COMMITTEE

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, the "BBC" is at it again. The Back Bench Committee, not content with its attempts to scuttle bilingualism in Canada, has now decided to stop the new conflict of interest Bill. Those remnants from the Neanderthal and brontosauras era do not want the new "ease the sleaze" legislation. They say: "It is not our fault if Tory cabinet Ministers cannot keep their dirty paws out of the public trough".

In 1984 the Tories won an election, not a lottery. Let us have the new Bill. We can live with the rules on this side of the House. The question is: Can the Tories do likewise, for a change?

[*Translation*]

## HOUSING

GOVERNMENT'S PERFORMANCE

**Mr. Marcel R. Tremblay (Québec-Est):** Mr. Speaker, the housing sector is given a very high priority by the Conservative government because many Canadians have trouble finding affordable housing. For example, in my Québec-Est riding, since September 1984, the federal government has allocated over $2 million to build close to 500 public and private nonprofit housing units. On top of that, our government spent, under the nonprofit housing program, $13 million on guaranteed loans for homeowners as well as $3 million on rental housing.

Whether they live in the city or in the countryside, Quebecers are very attached to their neighbourhood. Our policies, Mr. Speaker, are people-oriented. They are humane and respectful of individual liberties.

The Progressive Conservative party, Mr. Speaker, has revived the Canadian economy, thus guaranteeing our social initiatives for the coming years.

* * *

## FREE TRADE

POSITION OF OSHAWA

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, the Oshawa City Council has just endorsed our free trade deal by a majority vote of eight to five. This city is located in the riding of the socialist leader. The people of Oshawa, the elected members of this city, have passed a motion which flies in the face of the socialist leader, and they say to him that the free trade that has existed in the automotive industry since 1965 must continue. They stated that they do not agree with the position taken by the Hon. Member for Oshawa, their representative in Parliament. The aldermen of the city of Oshawa are elected by people who benefit from the free trade, from the Auto Pact. They know what they are talking about. Their member of Parliament does not represent them anymore, and he must resign, Mr. Speaker!

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# ORAL QUESTION PERIOD

[*English*]

## REGIONAL INDUSTRIAL EXPANSION

AMOUNT OF GOVERNMENT FUNDING

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, my question is for the Prime Minister. In eight of ten Canadian provinces unemployment is higher today than it was prior to the 1981-82 recession. The Prime Minister, indeed his

Government, has acknowledged that fact. For three years the Government has said that it is concerned about the uneven growth of the economy in Canada's regions, and for three years the Prime Minister and his Government have promised to increase regional economic development spending.

This morning's budget Estimates show that while the Government has been preaching the virtues of regional development, it has in fact been practising a policy of regional abandonment.

Will the Prime Minister now admit that, despite his promises of new regional development programs and new money for those programs, regional development spending in Canada has been cut by 20 per cent since the Government came to office in 1984?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, first I would like to correct the false impression which the Hon. Member has left. For example, in September, 1984, when the Government assumed office, the unemployment rate in Newfoundland, his home province, was 23.8 per cent. Today it is 17.4 per cent. In New Brunswick it was 16.2 per cent. Today it is 12.5 per cent. In Quebec it was 12.9 per cent. Today it is 9 per cent. In Alberta it was 12.1 per cent. Today it is 8.8 per cent. There has been a significant drop in unemployment. As a matter of fact, it has dropped to its lowest level in six years.

With respect to DRIE, it is unfortunate that the Hon. Member has not examined the Estimates in a proper manner. He will find that in 1984-85 grants and contributions to support industrial development and regional development amounted to some $832 million. In 1988-89, according to the Estimates which were tabled today, it is $1.7 billion, or an increase of more than 100 per cent.

**Some Hon. Members:** Hear, hear!

**Mr. Tobin:** The Estimates speak for themselves, and I invite all Canadians to read them. Comparing unemployment today with unemployment during the height of a recession is not the mark of a government accomplishment.

ATLANTIC CANADA OPPORTUNITIES AGENCY

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, when the Prime Minister announced the formation of the Atlantic Canada Opportunities Agency and the Western Diversification Program, he promised that both these regional development programs would be funded with new money over and above existing levels of regional development spending.

On June 6, 1987, in St. John's, Newfoundland, the Prime Minister said:

> This is not a "topping-up"; it is not old money in a different guise. It is a commitment of new resources to a new agency for new programs in the Atlantic region.

This morning's Estimates merely indicate that the Government is playing a shellgame with Atlantic Canadians and with western Canadians.

I ask the Prime Minister, because I addressed his words and his commitment, how he squares his commitment to put new money into new programs with the reality of a $1.5 billion cut contained in this morning's Estimates in regional development programs. I ask the Prime Minister that question. I hope he has the courage to answer.

• (1420)

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** The Prime Minister not only has the courage, he has the vision. That is why the unemployment rate has dropped to 8.1 per cent.

**Some Hon. Members:** Hear, hear!

**Mr. Mazankowski:** Instead of the Hon. Member relying upon his research assistant, he should read the Estimates himself for he will find—

**An Hon. Member:** He can't read.

**Mr. Mazankowski:** —that in 1984-85 under DRIE commitments, they amounted to just over $1 billion. That was the total envelope. Today with DRIE, the Western Diversification Initiative, the Atlantic Canada Opportunities Agency, the envelope has increased to $1.966 billion, or an increase of almost $900 million. Those are the facts, Mr. Speaker.

PRIME MINISTER'S COMMITMENT

**Mr. Brian Tobin (Humber—Port au Port—St. Barbe):** Mr. Speaker, the tragedy for the Government is that Canadians can read and they do remember the Prime Minister's words. Let me quote again from a statement last June in the middle of a by-election in Newfoundland when he said, with respect to the Atlantic Canada Opportunities Agency:

> We begin with new money, a new mission, and new opportunity. Perhaps we could also add—and with the goodwill of the people of Canada.

Does the Prime Minister of Canada not realize that this cruel and cynical shellgame he is playing with the dollars in the regional development department does not generate goodwill, it generates mistrust by the people of Atlantic Canada and by the people of western Canada? Will he order his Minister of Finance to stand in his place and to restore the cuts that have been made in the area of regional development at a time when Canada's regions are seeing the development of two economies? Will he do that and keep his word given last year in Newfoundland?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, it is indeed unfortunate that the Hon. Member does not listen to the answers. He had his questions prepared before he heard the answers. He is just reading.

**Mr. Tobin:** You don't listen.

**Mr. Mazankowski:** He talks about trust and commitment. He overlooks the fact that 1,156,000 new jobs have been created since the Government took office. He overlooks the fact that last year there were more new jobs created than at any time since Statistics Canada recorded the job-creation activity in this country, 611,000 jobs, of which 53 per cent of all jobs created have gone to women.

In so far as Newfoundland is concerned, Mr. Speaker, I refer the Hon. Member to page 12921 of *Hansard* for February 12, 1988, where the Minister of Finance pointed out:

> The transportation and highways ERDA agreement, $112 million; the pulp and paper ERDA agreement, $38 million; forestry resource development, $33 million—

These are all in Newfoundland, Mr. Speaker.

> —Channel of Port aux Basques water supply, $6.5 million; Newfoundland offshore development fund $225 million; Goose Bay airport redevelopment, $93 million; the FBI equity injection of $77 million; Terra Transport—

**Some Hon. Members:** More!

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** The Hon. Member for Mount Royal.

* * *

## TELEFILM CANADA

### RESIGNATION OF FORMER EXECUTIVE DIRECTOR

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, Jean Sirois, friend of the Prime Minister, has caused untold grief as Chairman of Telefilm. Yesterday the Minister was too clever by half. She tabled a five-page letter instead of Mr. Pearson's full 24-page letter of October 13 in which he says that Mr. Sirois, her political appointee, had overstepped his authority as well as abusing his expense account.

Why did the Minister hide the other letter? Why did she not give us the full story?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I tabled the official, signed letter that Mr. Pearson sent to me. I admit, of course, that there was a second letter. I may also say to the Hon. Member that the action I took on the difficulties in Telefilm would have been the same regardless of what letter I had received because we knew that Telefilm was in financial difficulty. We knew that there had been difficulties with management, and we moved immediately to ensure that there was an audit made of the finances of Telefilm, and that financial systems and a financial management team were put in place.

It is interesting to note that the film industry itself, the association representing some 200 film producers in this country, wrote to me and said: "We share your distress over recent attempts to make political mileage out of, what for us, was old news. We have been working with Jean Sirois in trying to get everything ready for a new Executive Director".

You see, Mr. Speaker, the industry wants the success story of Telefilm to be carried forward. It is people who are trying to disrupt it, such as the Hon. Member for Mount Royal, who are causing difficulty.

### OVERCOMMITMENT OF CORPORATION FUNDS

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, sticks and stones to me will not improve the television industry unless this Minister has a better commitment. I will send the Minister a copy of the letter I am talking about. I will also send her the other story which is absolutely disgraceful.

Does the Minister still stand by her response, and I quote, the response she gave yesterday:

> The executive director reported that Telefilm was overcommitted to the tune of $48 million.

Would she be prepared to correct her misinformation and acknowledge that it was Chairman Sirois on October 26 who made that unfounded announcement?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, I can tell you that we had been advised by the former Executive Director that there was probably going to be a lapse of $53 million. Then through the month of September we learned that that was not so. In fact the Department of Communications worked with the management of Telefilm to bring auditors into place to find out what the correct situation was.

The Hon. Member says that we have not done anything, in fact, to help out with this situation. May I say that that is not the view of the people in the industry. They write and say to me that: "Telefilm Canada is a success story"—they recognize that—"and will remain a crucial part of the success of the Canadian film and television industry. The membership acknowledges your role and your staff's assistance in the gains that we have made".

* * *

[*Translation*]

## OFFICIAL LANGUAGES

### IMPORTANCE OF ACT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is for the Deputy Prime Minister. I have here a copy of a confidential report from members of the Conservative caucus about the amendments to the bill aimed at improving the Official Languages Act. According to this report, some members of the Conservative caucus want to have 15 amemdments to that legislation, 15 amendments which would destroy the Official Languages Act. Would the Deputy Prime Minister

assure the House of Commons that the Government has no intention to yield to their wishes thereby destroying Canada official languages Act?

[*English*]

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I have responded to a similar question in the House before. I have indicated that there are some Members who have expressed some concern about certain elements of the Bill. There will be a caucus held to deal with this particular issue.

As I said at the time, the Government has no intention of deviating from the principle of the Bill. I would be surprised that any piece of legislation, given the scope and magnitude of Bill C-72, would proceed through the House and committee without some amendment. If that were not the case, then I am sure the Hon. Member would be the first to agree.

The Government has no intention of deviating from the principle of the Bill. If there were some fine tuning and some clarification required, those suggestions will certainly be entertained.

GOVERNMENT POLICY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, the fine tuning, specifically with the intention of improving legislation that has in the past been supported by all the Leaders and all the Parties in Canada and has been accepted by the large majority of all Members of all Parties, is one thing but 15 amendments would destroy the Bill. That is completely unacceptable to the House of Commons, and I hope it would be unacceptable to the Government.

• (1430)

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I have just indicated the position of the Government. I do not know why the Hon. Member is getting so worked up. He has some pretty serious divisions in his own Party with respect to its policy on NATO. We do not go out exploiting that particular issue—

**Some Hon. Members:** Oh, oh!

**Mr. Mazankowski:** Mr. Speaker, I am sorry, we do once in a while, mildly.

**Mr. Broadbent:** I was about to say that the Deputy Prime Minister is an honourable man and normally quite candid.

REQUEST FOR EARLY VOTE ON LEGISLATION

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, I want to return to what the Deputy Prime Minister understands, the House understands, and the country understands to be a very serious subject. Having heard that, according to him, the Government remains committed to the principle of the Bill that has been introduced, will he assure the House that his meetings with his own back-benchers will be concluded soon so that we can have a vote very soon in the House of Commons on this important matter of principle?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, that is a very interesting turn of events. If that is an indication that the NDP will not put up any more speakers and the Liberals will not put up any more speakers, I am sure we can move on this fairly quickly.

I appreciate the Hon. Member's interest. I just hope that he is a little patient. We are dealing with the Budget now, and when we have dealt with the Budget I am sure we will then be able to deal with this piece of legislation. It is a very important piece of legislation and we intend to proceed with it.

REQUEST FOR SPEEDY PASSAGE OF LEGISLATION

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, my question is with respect to the same report from the Back Bench Committee of the Conservative Party. If the Government is committed to the principles of the Bill and simply contemplates technical and fine-tuning changes, then certainly these should be done after second reading and after committee hearings at a committee of the House of Commons, and not in the back rooms of the Conservative caucus. Will the Minister make a commitment to proceed quickly with this Bill as requested by Alliance Quebec and by the *Association des francophones hors du Québec* and make changes as they are made in the usual way in this House?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I guess I can take from the Hon. Member's intervention that the Liberals are prepared to see the Bill pass very quickly. I am glad. That is a good indication.

The Hon. Member has been around here a long time. He knows that discussions go on in caucus. I certainly know that they have some differences of opinion in their caucus. Of course they have three different positions on literally every issue so it is easier for them to have a mild caucus.

These are some very important issues that have to be discussed. We intend to discuss them. We will deal with this issue. We intend to proceed with the Bill. I am glad we will have the co-operation of opposition Parties.

ADVERTISEMENT PUBLISHED BY ALLIANCE FOR THE PRESERVATION OF ENGLISH IN CANADA

**Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East):** Mr. Speaker, these Conservative back-benchers have printed their criticisms of the Bill in detail publicly as has the Alliance for the Preservation of English in Canada which has taken out full-page ads in newspapers across the country. I

would ask the Minister if he, with the resources of his Government, is willing to rebut publicly in detail those unfounded allegations and misinformation put forward by Conservative back-benchers and by the Alliance for the Preservation of English in Canada. Will he do that publicly in the newspapers of Canada just as they have done?

**Mr. Speaker:** I notice that the Hon. Member has not mentioned any particular Member by name, but I just want to indicate that it is not proper in this place to impute the motives of Hon. Members. That is getting pretty close to the bone. I just hope it does not get any closer.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I can respond to the question put by the Hon. Member who asks whether the Deputy Prime Minister will respond to some of the criticisms that have been made. In point of fact, my hon. friend will be pleased to learn that the Deputy Prime Minister and nine other senior Ministers from western Canada signed a specific point-by-point rebuttal of criticisms of Bill C-72, which was published in a western magazine, and which we believe is a very eloquent and sensitive expression of a national point of view, very much to the credit of the Deputy Prime Minister and all the leaders of western Canada.

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## TEXTILES

DEVELOPMENT OF DUTY REMISSION PROGRAM

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, I have here the November letter from the Minister of Regional Industrial Expansion to the head of the apparel industry, and I would like to ask the Minister about that letter. It is very precise and says:

> —my colleague, the—Minister of Finance has decided to proceed with the development of an important duty remission program for the apparel industry prior to the June 30, 1988, deadline.

Since then various U.S. interests have said that the trade deal will not pass if we proceed in this direction. Suddenly, the Government has started to waffle. I want to ask the Minister if this is still a commitment, clear and forthright, of the Government, yes or no?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, I will not quarrel with my hon. colleague's expertise on waffling. It is certainly not an area with which we are very familiar.

I can tell the Hon. Member that we did write to the industry and we did indicate to the industry that we were prepared to put a plan forward, a plan to be discussed with the industry in general, to see if we could not reach an agreement that would be accepted by all parties concerned. we do not feel that, in any way, that proposal is in contravention of the free trade agreement put forth, and the discussions are ongoing with the industry.

GOVERNMENT POSITION

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, there was a very precise commitment not to talk with the industry but to proceed with the development of this duty remission program. I quoted from the Minister's own letter. I ask him to give a direct answer, yes or no, is the Government still committed to the promise it made in November of last year?

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, I find it rather strange that the Hon. Member should suggest that the Government cannot consult with the industry on such a fundamental matter affecting the competitiveness of that very industry in which there are some concerns raised by different sectors of the industry about the issue. We are discussing it. We want to improve the competitiveness of the industry, and this is fully consistent with everything we have said to date. I really fail to see the point of the whole question.

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## REGIONAL INDUSTRIAL EXPANSION

GOVERNMENT FUNDING AND POLICY

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my question is directed to the Deputy Prime Minister. The people of Nova Scotia know that the Government of Canada is not committed to the coal industry of eastern Nova Scotia. First, the Deputy Prime Minister refused to include representatives from Atlantic Canada on his special committee on utilizing Canadian coal primarily for Ontario Hydro. More recently, one of his Ministers announced in the Estimates a $70-million cut for the Cape Breton Development Corporation.

I would ask the Deputy Prime Minister to explain to Canadians why the Government continues to preach about its concern for regional inequalities when in fact it is a barefaced untruth, and it is not committed to regional industrial development in Canada.

**Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):** Mr. Speaker, the basic facts are very clear about our commitment to regional economic development. In the Estimates that were presented today, including ACOA, the Western Diversification Office and DRIE, we find that expenditures for regional development total close to $2 billion. In DRIE alone there is an increase of $197 million. In ACOA there is obviously an increase of $316 million. There is $312 million for the western development initiative. We find that Vote 10, the vote for DRIE alone, has increased from $849

million last year to $1,084 million this year. If that is not a strong commitment to regional development, I do not know what it is.

• (1440)

CAPE BRETON DEVELOPMENT CORPORATION

**Mr. Dave Dingwall (Cape Breton—East Richmond):** Mr. Speaker, my question is directed to the Deputy Prime Minister. That commitment is similar to the one which the Minister of Finance made on February 26, 1986, to older workers in this country when he promised a new program. Two years have elapsed and there is not one red cent for older workers.

The Minister has refused to answer the question. Why has the Government cut in excess of 50 per cent—54 per cent to be exact—from the capital expenditure budget of the Cape Breton Development Corporation? If the Government is so committed to the coal industry it should put its money where its mouth is.

**Mr. Crosbie:** That's not a question.

**Miss MacDonald:** No one should have to answer that question.

**Mr. Speaker:** The Hon. Member for St. John's East.

LEVEL OF GOVERNMENT FUNDING FOR REGIONAL DEVELOPMENT

**Mr. Jack Harris (St. John's East):** Mr. Speaker, my question is directed to the Deputy Prime Minister. The Estimates tabled in the House this morning reveal the real truth about the Government's lack of commitment to regional development. They show that the percentage of expenditures for economic and regional development has fallen from 13.6 per cent in 1984 to 10.3 per cent today, a shocking decrease of 24 per cent in only four years.

Will the Deputy Prime Minister not admit that these figures show the abandonment of any real commitment to regional development, except for rhetoric?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, it is unfortunate that the Hon. Member did not listen to my first answer to the Hon. Member earlier. The grants and contributions under the economic and regional development envelope have increased from $832 million in 1984-85 to—

**Some Hon. Members:** They went down.

**Mr. Frith:** Tell us about the Edmonton Mall.

**Mr. Speaker:** The Hon. Deputy Prime Minister.

**Mr. Mazankowski:** —from $832 million to $1.7 billion which is an increase of $868 million. That is a doubling, Mr. Speaker.

The Hon. Member is referring, of course, to the fact that the dismantlement of the NEP under the Department of Energy, Mines and Resources, through which the confiscation of revenue from western Canada was channeled through the Department of Energy, Mines and Resources, reduced expenditures by some $4 billion. However, thanks to the dismantlement that transaction is no longer necessary. Even with that taken into consideration the envelope for regional development has increased by some 16 per cent.

The NDP gets up day in and day out and says that the Government is not committed to regional development. The NDP voted against every regional development initiative that we brought before the House.

ATLANTIC REGIONAL DEVELOPMENT

**Mr. Jack Harris (St. John's East):** Mr. Speaker, the Prime Minister announced last June new moneys in the amount of $200 million a year for Atlantic regional development. Will the Deputy Prime Minister not admit that this is a miserly commitment in a Budget of $132 billion for a problem which the Economic Council of Canada has called the most serious economic problem facing the country?

**Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board):** Mr. Speaker, I challenge the Hon. Member to stand up in this House and tell the Canadian people why they voted against a $127 million fund for the Atlantic Canada Opportunities Agency, why they voted against $101 million for the Western Diversification Fund, or $465 million for additional funding for DRIE, or why they voted against $29 million to help native self-government and economic development. Let him explain that to the Canadian people.

**Mr. Broadbent:** Why do you mislead Parliament?

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## NATIVE PEOPLES

GENEVA RESOLUTIONS ON TREATMENT OF INDIGENOUS PEOPLES

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, my question should properly be directed to the Secretary of State for External Affairs but I will seek an answer from the Minister of Indian Affairs and Northern Development. I wonder if the Minister is aware that on Thursday of this week the United Nations Human Rights Commission will be voting on three resolutions which are very important to the aboriginal peoples of Canada and in fact to indigenous people all around the world.

These resolutions call, first, for the setting of international standards for the treatment of indigenous peoples; second, for an inquiry to be set up by the United Nations to look into how treaties are dealt with between nations that have indigenous

peoples—and Canada has many such treaties—and, finally, that 1992 is to be set aside as the International Year for the Recognition of Indigenous Rights.

Can the Minister of Indian Affairs and Northern Development explain to the House and to the aboriginal people of Canada why Canadian officials in Geneva are actively lobbying against these resolutions and trying to have their approval quashed?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, I am not aware of the activities of officials in Geneva but I am aware of some of the concerns that have been expressed by aboriginal peoples in Canada to the United Nations and those concerns are being heard.

One of the reasons, I could assume—but I do not know—that officials may be putting forward a Canadian point of view is that under the UN Charter all existing avenues for redress in your own country must be explored before you go to the United Nations. In several cases in Canada, as the Hon. Member knows, there are court actions and other avenues of redress which aboriginal people have not followed to fruition and they are now pursuing their claims in other areas of jurisdiction. I hope they could be pursued in Canada.

**Mr. Penner:** Mr. Speaker, the Minister will realize upon reflection how inadequate that answer was.

REQUEST THAT OFFICIALS BE INSTRUCTED TO SUPPORT RESOLUTIONS

**Mr. Keith Penner (Cochrane—Superior):** Mr. Speaker, I have been in touch in Geneva with the Grand Council of the Cree of Quebec. I have in my hand a direct intervention made before the Sub-Commission by a Canadian delegation.

Will the Minister arrange a meeting this week, possibly today or at the latest tomorrow, with the Secretary of State for External Affairs, and will the two of them send a very strongly worded directive to the Canadian officials in Geneva and tell them to get behind these resolutions and give Canada's fullest support to the United Nations Human Rights Commission?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, I should not have to remind the Hon. Member of the commitment of the Right Hon. Secretary of State for External Affairs to human rights, in Canada and around the world. Despite all the good intentions that my colleague may have, the Right Hon. Secretary of State for External Affairs does not have to consult with me or the Hon. Member. His record and that of Canada are well known throughout the world.

## CANADIAN BROADCASTING CORPORATION

PROPOSED TORONTO HEADQUARTERS—SCARBOROUGH SITE

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is for the Minister of Communications. Very soon the CBC is expected to present a plan to the Government for its proposed new Metro Toronto headquarters. Scarborough has offered a site which is part of Canada's most exciting architectural complex which would represent only 5 per cent of the cost of the proposed City of Toronto site.

Will the Minister assure the House that, in the interests of the Canadian taxpayer, the Scarborough proposal will be included in those considered by the Government?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, some two years ago the Cabinet gave the CBC the authority to call for proposals for the construction of a new broadcast centre in Toronto. I am sure we all recognize that the present facilities of the CBC there are inadequate.

I want to inform the Hon. Member and others that the CBC is in the process of finalizing the proposal that it will present to Cabinet. This will come before Cabinet by the end of March. I am certain that even though we have not yet received the proposal from the CBC, it will take note of what the Hon. Member has had to say.

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## ABORIGINAL RIGHTS

BRITISH COLUMBIA—NISHGA COUNCIL'S CLAIM

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my question is for the Right Hon. Prime Minister. Since September 4, 1984, the Prime Minister has never once spoken out in support of what is apparently his own government policy to settle comprehensive aboriginal claims in British Columbia.

• (1450)

Since the only active negotiation is with the Nishga Tribal Council in the Nass Valley, and since there has been no progress on this claim since 1984, will the Prime Minister take this opportunity to endorse the policy of negotiated settlement and assure Canadians that the steps necessary to achieve settlement will in fact be taken now?

**Hon. Bill McKnight (Minister of Indian Affairs and Northern Development):** Mr. Speaker, under the leadership of the Prime Minister, my colleague, the Hon. Minister of State, implemented a new comprehensive claims policy after consulting with Indian leadership in Canada. We went forward after the implementation of that was announced in December, 1986.

Presently six claims are under active negotiation in Canada. I hope they can be settled. If we cannot come to a settlement

on the six active negotiations, we will proceed down the list and attempt to conclude negotiations with those outstanding claimants.

The necessity of settlement really implies co-operation, which we have had from the claimant groups and hope will continue.

REQUEST THAT MINISTER MEET INDIAN CHIEFS

**Mr. Jim Fulton (Skeena):** Mr. Speaker, my supplementary question is directed to the Prime Minister. The Minister of Indian Affairs and Northern Development talks about co-operation. The Lytton and Mount Currie bands have been attempting to meet with the Minister of Indian Affairs regarding the Stein Valley since 1985, and have been refused. The Minister has refused to meet with them, including even today.

Will the Prime Minister take the opportunity to meet with Chief Ruby Dunstan and Chief Leonard Andrew who are here in Ottawa today seeking the Prime Minister's assistance and, if not, will he appoint a Minister of Indian Affairs who will meet with aboriginal people?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I am somewhat surprised by the prefatory nature of the comments of my hon. friend with regard to our commitment to aboriginal rights.

I had the privilege of chairing two First Ministers, conferences in Canada, seeking justice for our aboriginal people and seeking the appropriate constitutional amendment that would deliver that justice. We came extremely close to securing an historic agreement. We have to try again.

If I may say so, I, along with many others, was instrumental in working out an agreement that I believe was satisfactory to the native people and all the environmental groups with regard to South Moresby in British Columbia. That was a landmark settlement which very much favoured the aboriginal presence and economic development in British Columbia. We have introduced a number of comprehensive initiatives.

It is with a great deal of pleasure that I regularly meet with aboriginal leaders here and across the country. I have done so from the day I was sworn in and will continue to do so on a regular, ongoing basis. Any time that it is in any way productive, I will be happy to do so.

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## RAILWAYS

RAIL REHABILITATION PROGRAM—OMISSION OF WOOD MOUNTAIN SUBDIVISION

**Mr. Geoff Wilson (Swift Current—Maple Creek):** Mr. Speaker, my question is directed to the Minister of Transport. It concerns the 1988 rail rehabilitation program in western Canada and the omission from that program of the Wood Mountain subdivision in southern Saskatchewan.

I believe the residents who are served by that line feel that there was a commitment in the past to upgrade that line to hopper car standards. Given that a number of studies, including the PRAC and Hall Commission, have recommended that full upgrading be undertaken, and given that over $3 million has already been spent to that end, will the Minister agree to review and reconsider the status of the Wood Mountain subdivision upgrading?

**Hon. John C. Crosbie (Minister of Transport):** Mr. Speaker, I understand the Hon. Member's concern in this matter. He has been very active in making representations in connection with it.

I will undertake to review the situation to see if anything can be done because I certainly do not want to annoy the hon. gentleman.

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[*Translation*]

## OFFICIAL LANGUAGES

THE PROMOTION OF BILINGUALISM AND LINGUISTIC MINORITIES—ROLE OF GOVERNMENT

**Hon. André Ouellet (Papineau):** Mr. Speaker, my question is directed to the Prime Minister.

Earlier, the Deputy Prime Minister tried to minimize the split in the Conservative Party about Bill C-72.

Does the Prime Minnister know that in fact some Conservative dinosaurs want to deny the Federal Government the right to promote bilingualism and linguistic minorities?

Can the Prime Minister give us the assurance that in no circumstances such amendments to Bill C-72 will be accepted?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, my friend's statement surprises me a lot. He talks about minimizing the dossier of Bill C-72 by somewhat accusing some Conservative Hon. Members of something they have not done.

But I did not make any comment, when 25 percent of the Liberal Hon. Members voted against the Meech Lake project, when 25 percent of the Liberal Hon. Members in Ottawa protested against the Meech Lake Accord, which is a real shame! I did not make any comments.

As we speak the Conservative Government is introducing historic and important amendments to enhance Bill C-72. They will be passed by Parliament, and I hope that when the Hon. member votes for Bill C-72, he will convince some of his colleagues to vote for the Meech Lake Accord.

COMMITMENT OF CONSERVATIVE CANDIDATES CONCERNING BILINGUALISM—PRIME MINISTER'S POSITION

**Hon. André Ouellet (Papineau):** It is clear the Prime Minister does not remember. He rejected an amendment moved by the Leader of the Official Opposition that would have guaranteed the promotion of bilingualism in Canada within the Meech Lake Accord.

Incidentally, I wish to remind the Prime Minister of the way one of his predecessors, Mr. Stanfield, dealt with Mayor Jones of Moncton under similar circumstances.

Will the Prime Minister have the courage to do the honourable thing and refuse, as leader of his Party, to approve the candidacy of these Conservative dinosaurs who would not accept bilingualism in Canada?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, the Hon. Member speaks of an amendment to the Meech Lake Accord moved by his leader. He is wrong. If my memory serves me right, his leader moved not one but eight amendments which would have had the effet of destroying the Accord. This is the tragedy suggested by the Liberal Party.

As to the protection of the rights of French and English-speaking minorities in Canada, I have no lesson to learn from the Hon. Member or his Party. We know how to protect minorities wherever they live in our country.

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[*English*]

## NATIONAL REVENUE

NORTHERN TAX ALLOWANCES—REQUEST THAT REGULATIONS BE AMENDED

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, my question is directed to the Minister of National Revenue who will know that the list of communities eligible for the northern residents tax allowance excludes, on a seemingly arbitrary basis, many communities which are isolated and remote by any standard, and furthermore sets up major inequities between neighbouring communities.

In view of the patent unfairness of the regulations that his bureaucrats have put forward, will the Minister institute some rules that eliminate these divisive and destructive distinctions?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, my colleague raises a very timely question. He knows that indeed our Department administers this program which I think he will concede has brought a lot of tax equity to many Canadians who have not had it before. Nevertheless, he is correct that there are some anomalies in the legislation.

My colleague, the Minister of Finance, will soon be appointing a committee to explore some of the difficulties that may exist. In the meantime we will be glad to hear representations and where there are administrative accommodations possible, we will look into them.

APPLICATION OF AMENDMENTS

**Mr. John Parry (Kenora—Rainy River):** Mr. Speaker, my supplementary question is directed to the Minister. Will such recommendations be retroactive, and will they apply to communities such as Wabowden in Manitoba, 700 kilometres north of Winnipeg, or Nestor Falls where there is a four hour daily bus ride for high school students?

**Hon. Elmer M. MacKay (Minister of National Revenue):** Mr. Speaker, I think my earlier answer indicated that the matter will be checked carefully by the committee or commission that will be appointed fairly soon. As I say, if there are problems with specific communities, I invite him to give me the details. If some administrative accommodation is possible, we will look into it.

• (1500)

**Mr. Speaker:** I should advise Hon. Members that there will be three more questions, one each for the Hon. Member for York South—Weston, the Hon. Member for Yorkton—Melville, and finally the Hon. Member for Halifax West. That will end Question Period.

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## IMMIGRATION

DEPARTURE FROM CANADA OF CONVICTED TERRORIST

**Mr. John Nunziata (York South—Weston):** Mr. Speaker, my question is directed to the Prime Minister and concerns convicted terrorist Mahmoud Mohammad Issa Mohammad. Reports indicate that Mr. Mohammad was spirited out of the country last night en route to London, in co-operation with the RCMP and the Canadian Security Intelligence Service. We understand further that Mr. Mohammad is on his way back to Canada. Can the Prime Minister explain exactly what is going on and whether it is the Government's intention to allow Mr. Mohammad back into Canada?

[*Translation*]

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, the Government's policy with respect to Mr. Mohammad has always been very straightforward: to ensure that Mr. Mohammad leaves the country. We have initiated deportation proceedings. Mr. Mohammad's lawyers approached departmental officials last week and said that their client wished to leave the country on his own accord, and I may remind the Hon. Member that he is entitled to do so. They made their own arrangements, which included his final destination. The Government issued a Canadian ID card valid for one week, so Mr. Mohammad would be able to leave the country.

I repeat, Mr. Speaker: He left of his own accord. It seems that Mr. Mohammad, for reasons known to him and his representatives, is on his way back to Canada. Again, Mr. Speaker, that being the case, the Hon. Member should know that if a person has landed immigrant status, he has every right to return to Canada.

[*English*]

REQUEST THAT MINISTER MAKE STATEMENT

**Mr. Lorne Nystrom (Yorkton—Melville):** Mr. Speaker, my question also concerns Mr. Mohammad. In light of press reports this morning and this afternoon that he was on his way to Algeria via London and is now on the way back, would the Minister agree to make a full statement to the House today on this situation? Can he tell us the full extent of the involvement of the Government of Canada? For example, was the RCMP, CSIS or any other agency of the Government involved, outside of the one to which he made reference?

[*Translation*]

**Hon. Benoît Bouchard (Minister of Employment and Immigration):** Mr. Speaker, I believe I have already explained the case. I repeat that the Government's purpose is to ensure that Mr. Mohammad leaves the country. We have initiated deportation proceedings. Mr. Mohammad expressed the wish to leave of his own accord. We facilitated his departure, always in accordance with the regulations, and if Mr. Mohammad returns to Canada, we shall proceed accordingly. Hearings on deportation proceedings were being held, and we will simply continue these hearings.

[*English*]

**Mr. Speaker:** I indicated to the Hon. Member for Halifax West that I would recognize him. Unfortunately, Question Period has gone on too long. I will certainly recognize him tomorrow. That is the end of Question Period.

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## GOVERNMENT ORDERS

[*English*]

### THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Garneau (p. 12860).

**The Acting Speaker (Mr. Paproski):** Order, please. The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) has seven minutes left for debate plus 10 minutes of questions and comments. Before he commences, may I say that I hope Hon. Members will continue their conversations behind the curtain.



**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, before I was interrupted for Question Period I was discussing the inadequacies of the Budget brought down by the Government, particularly with respect to the areas of this country which are undergoing economic difficulty, to those who are without jobs, and to a lot of those who are employed but who are not getting support from the Government in obtaining the type of job security they should have. I am pleased that the Minister of Regional Industrial Expansion (Mr. de Cotret) is here because a lot of this relates to his Department and the difficulty people have had in trying to follow through on what the Government has said it is going to do.

To give an example, we have the recent closure of the coke ovens at the Sydney Steel Corporation. This closure was of course directly related to the strike because they were not due to close until June. There are now another 125 men out of work in an area where the unemployment rate is 21.1 per cent, according to Statistics Canada, but where the actual rate is considerably higher.

Ten years ago those men said they wanted some kind of pension security because the coke ovens, then owned by the Cape Breton Development Corporation, were sold to the Sydney Steel Corporation. They went from a federal Crown corporation to a provincial Crown corporation. When these men, who had been at DEVCO for about 20 years, went with Sysco, they expected their pension benefits would go with them. Yet they now find that that is not the case. Men who worked for DEVCO for 35 or 40 years now have about 15 years seniority so far as pension benefits are concerned, mainly because the federal Government failed to honour its commitment to those men. This is treachery of the highest order. It is not against the law but it certainly goes against the grain and the stomachs of the Canadian public. It cannot be allowed to continue.

Of course, the country will rectify this in the next federal election but until then, the Government, particularly the Minister of Regional Industrial Expansion, should look into it once again. The steel workers have written to him about it and have not received an answer. I think the Minister should at least give them an answer on this very important question. These men remained in the same jobs, it was simply that the ownership of the ovens changed hands. Yet now they do not have seniority or their pension benefits. All they have is perhaps vacation rights.

Tom Kent, when he was President of the Cape Breton Development Corporation, promised those workers they would have their pension benefits and seniority, but that promise has not been kept. Therefore, I ask the Minister if he would be so kind as to look into this matter. As he can appreciate, it is a major concern in a very difficult time at the Sydney Steel Corporation. I hope also that the Minister of the Environment (Mr. McMillan) would look into the promises and statements he has made with respect to the commitment to cleaning the tar ponds and Muggah Creek in Sydney. The commitments

that were made by the Minister of the Environment have not been kept.

• (1510)

He also referred to the workers at the coke ovens. He said that when the coke ovens would be closed, which was supposed to be in June, there would be various benefits given to these workers, including job retraining. Unfortunately, because of the strike the closing was moved up to a couple of weeks ago. Yet we have heard absolutely nothing about this job retraining. These are things that should be remembered by the Government. These are initiatives which should be included in the Budget, not only because they are important in economically disadvantaged areas but because they are initiatives that have already been talked about and, in many cases, promised.

I ask that the Government look at the question of regional disparity to ensure that the people are not misled and that there are programs. I ask the Government to do this so that people will not be wasted. There are areas of the country in which there are shortages of manpower. Yet we have people who are not being utilized to their maximum benefit. That is a crime. A person only has one life. It is paramount that the Government do what it can to make the life of each individual as meaningful as possible. That is something that the Government should keep in mind. A great part of this meaningfulness has to do with a career that a person has which is not only for his or her benefit but for the benefit of their families as well.

**Mr. Stevens:** Mr. Speaker, I listened to the Hon. Member very closely. Will he share with the House any good news that he has about Cape Breton? We have heard many negative comments and yet only today I received three letters from different people on the Island, all of whom wrote about how encouraged they are because new industries are opening. The writers of these letters have pointed out that for the first time some people are showing a new confidence in that the Island is bettering its position. In short, many more people are now working.

Since the Hon. Member is from the area, will he share any thoughts on this issue? Is there not some good news from Cape Breton?

**Mr. MacLellan:** There is of course good news, as the Hon. Member has said. In particular I would like to mention the tax credit that was implemented when the Hon. Member was the Minister of Regional Industrial Expansion which has gone a long way to encourage new industry to come to Cape Breton. There have been some benefits derived from that tax credit. Industries have located on the Island, particularly on the north side.

As the Hon. Member will appreciate, these industries require a lengthy lead time in order to set up to begin operations. In a great many cases we are not looking for large industries. We are looking for industries with 90 or 100 jobs. They are good industries. The problem is that while we have some new industries which, hopefully, will play an important part in the economic future of industrial Cape Breton, we are now at the point of losing jobs faster than we are gaining them.

What is happening? There will be about 35 new jobs at Magna, which will be followed by another couple of hundred new jobs in the next year, we hope. Last week the management of National Sea Products stated that it is reducing its work force at its plant in North Sydney by 100. Some 125 jobs were lost at the coke ovens just two weeks ago. A couple of years ago some 600 jobs were lost at the heavy water plant. A few hundred jobs were lost at the Cape Breton Development Corporation. The Sydney Steel Corporation, which employed 3,600 people about 10 years ago, now employs 1,200, minus the 125 jobs at the coke ovens. What I understand is that both the provincial and the federal level of Governments will mothball the blast furnace. Thus an industry that once employed 3,600 people will be diminished to 600. That is a drastic reduction in employment. The new industries coming in will not be able to replace the jobs that we have lost and are losing.

**Mr. Stevens:** Mr. Speaker, I am pleased that the Hon. Member acknowledges that the tax credits have been beneficial as far as the area is concerned. I suggest that some of the grant programs have also helped. I suggest that the guarantee that will be put in place under the Atlantic opportunities approach will help as far as borrowing is concerned, particularly the interest buy-downs.

The Hon. Member has thrown out certain figures with respect to rising unemployment. While I think that each Member of the House has great concern for the type of hardship that has been suffered over the years by the people of Cape Breton, in fairness the Hon. Member should acknowledge that Statistics Canada has shown that something over 2,000 direct jobs have been created in the last three years in Cape Breton. Directly and indirectly some 9,000 jobs have been created also. When we cite certain reductions we must also weigh the positive aspects, something that I think is encouraging. I hope that it will continue. Will the Hon. Member confirm what I have been saying?

**Mr. MacLellan:** Mr. Speaker, I cannot confirm what the Hon. Member has said. There have been jobs brought forward as a result of incentives and through other business practices. I would not say that they have been in the order of 2,000 jobs.

Another concern I have is that a great many of the jobs that have been created in industrial Cape Breton and other areas are not full-time jobs. For instance, full-time jobs with benefits at Sysco, the Cape Breton Development Corporation, the heavy water plants, the fish processing plants and smaller industries are diminishing. Many jobs that have been created are part-time jobs in fast food industries and department stores that do not have any benefits whatsoever. These are not jobs in which people can face the future. While it is important to have them and while it is much better than not having any work at all, it still does not give any kind of structure to developing an economic base in an area such as Cape Breton.

**The Acting Speaker (Mr. Paproski):** The time allotted for questions and comments has now expired. The Chair recognizes the Hon. Member for Selkirk—Interlake (Mr. Holtmann) on debate.

**Mr. Felix Holtmann (Selkirk—Interlake):** Mr. Speaker, it is indeed an honour for me to enter into the budget debate and to respond to some of the views expressed by Members on this side of the House as well as by Members opposite. I was glad to hear some of the comments made by members of the Opposition. They give us some indication as to the way that they see Canada and the way in which they intend to campaign for the upcoming federal election. It lets us see how they intend to make Canada a better nation, to use some of their words.

They seem to criticize the way in which Canada is going. In the next few minutes I intend to discredit their assertions that the present Minister of Finance (Mr. Wilson) has not done a good job. I can prove that he has done a very good job. I hope to do that in short order. First, I would like to refer to the Budget Speech. I will not repeat many of the things stated by the Finance Minister, but I think that he made some statements that nobody in this House can dispute.

• (1520)

He indicated that this country has become number one in economic growth since 1984. That is compared to the other western nations, the Group of Seven. In the past three years the Finance Minister's Budgets have had a tremendous impact on in bringing Canada into that position. Members of the opposition do not like to admit it, but they cannot deny that all indications are that that in fact has happened.

Members of the opposition Parties do not stand up and mention much about job creation. They pick a little corner here or there, but they do not talk too much about the fact that the unemployment rate has dropped since 1984 over-all, nation-wide, by some 3.5 percentage points. The opposition Parties do not want to admit that that is an improvement, and one has to wonder why. The Minister of Finance referred to 1.1 million jobs more now than there were in 1984. With some kind of mathematical genius the opposition Members state that that does not mean anything, that it has no bearing. The opposition Members and the people who support that position should look at their neighbours who are working now who were not working before. They must have great difficulty, Mr. Speaker.

Let us talk about interest rates. I recall, and so will Members who were in the House then, the early 1980s and those devastating interest rates under a Liberal regime. The reduction of interest rates has encouraged savings on a $50,000 mortgage of $1,200 per year. That is a direct benefit to Canadians. There is now a realization of that fact by the New Democratic Party. Members of that Party are now standing up and making the statement that the interest rate should be reduced by one percentage point, and that will be their platform. During the next election I can guarantee that the New Democrats will walk around this country and state, "If we get elected, we will reduce the interest rates one percentage point". What they fail to understand is that the Government has already reduced it by approximately four percentage points. In fact, that has stabilized and a whole new economy is shaping up.

In his Budget Speech, the Minister stated that "business is confident. The pace of investment has increased sharply". We do not hear the Opposition on that point. He states that "consumers are confident". I think that that is very evident.

I wish to indicate the importance of the private sector. The Minister made a few statements in that regard. He stated that "the driving force behind productivity, growth and job creation is a dynamic private sector". Finally, more and more we have got Government out of business and we see the private sector handling it far more efficiently and effectively.

Even the New Democratic Party of Manitoba is getting out of some public corporations because it does not know how to run them. I hope that the Member for Winnipeg North (Mr. Orlikow) hears this and hears it well. The New Democrats in Manitoba have a goose of a time running some public corporations and want to sell them. Why? Because Governments cannot do it as effectively as private business.

The Minister went on to state, "To encourage this dynamism the Government has taken far reaching measures to modernize the regulatory environment for business, reform the federal tax system, and secure markets for our exports". Those are all sound management practices, and no one in this country can avoid noting the potential growth for the future of Canada.

The Minister mentioned expanding trade. Some Members talked in a ridiculous fashion about ripping up the free trade agreement. Since then we have heard that even our trading neighbours to the south who have some difficulties with it are sure that the opposition Members, should they ever come to power, would not rip it up. They have not ripped up the Auto Pact. They would not do that. That is one form of a free trade arrangement.

One other area in the debate that I would like to enter into, and I heard some comments on it this morning, is that the Minister introduced a one cent a litre tax on gasoline. We heard doom and gloom about that increase of one cent per litre. Canadians will recall the many programs that this Government introduced that the opposition Parties condemned because the Government was not spending enough of the taxpayers' money. When the Minister had to raise a little revenue by adding one cent a litre to gasoline, the opposition Parties condemned that and stated, "How could people afford it?" I did a little calculation. If the average person was driving a medium-sized car and burned one tank of gas a month, some might burn more, some might burn less, that is about 50 or 60 litres. That is 50 or 60 cents a week. That adds up to perhaps $30 a year of additional revenue from Canadians, which is

certainly not a tax grab. I wanted to point out those few facts when I referred to the Budget of the Minister of Finance.

I would like to mention what is really important, and what Canadians do not always have the opportunity to examine, which is the Auditor General's report on how Canada is doing financially. We do not hear the opposition Members on this issue very much. One wonders why. One can find the Auditor General criticizing the Government. That is his job. One can find the Auditor General praising what has happened.

I ask any Member who opposes this Government to compare the Auditor General's reports of the last three years with the previous fifteen years. The Hon. Member for Winnipeg North might want to consider that. I will refresh his memory. The Hon. Member has been here a long time, and it must have shaken him to see the manner in which the Government spent money in the past, although he supported the Government of the day at almost every chance he could.

Let us take a look at what the Auditor General said in March, 1987, in his last report. I have here some selected statements from both sides. He stated, "It is a record of solid progress in managing the machinery of Government". That is something that I do not think one could find in an Auditor General's report in the 15 years prior to 1984. He went on to state, "When money had been expended other than for the purposes for which it was appropriate or without due regard for the economy and efficiency", he had some criticism. That is fair, because that is his job.

The most important point to Canadians in our effort to be an efficient Government, to create a climate for new jobs and businesses, is what he has to say about financial control. I wish to read that paragraph which states:

> Our study finds that there have been significant improvements made in financial controls. The government now has systems and procedures that provide essential financial controls. Departments have corrected the fundamental weaknesses identified in the 1970s.

Do the Members here remember the 1970s? I am sure that they do.

> With expenditures by our federal government exceeding $100 billion a year, protecting the public purse demands that the correct amounts be paid out to the intended recipients at the right time. A decade ago the Auditor General could provide no assurance that this was happening.

Are you listening out there? A decade ago the Auditor General could not give any Canadian assurance of the recklessness with which the former Liberal administration spent its money. It is plain. It is in black and white, and he now has a better feeling. "Today I can do so", he goes on to say, "the essential framework is in place. With some exceptions, financial controls are now working well".

• (1530)

There is one man in the House of Commons, the Hon. Minister of Finance who brought that back under control. I think he deserves a lot of credit for doing just that.

We have heard over countless past months ridiculous statements by Hon. Members opposite indicating, whenever the Government took an initiative, that it was never enough. The mentality over there is still one of spending without consideration of where the funds come from. I can prove that by referring to what some of those Members have said. As a matter of fact, just yesterday the Hon. Member for Regina West an honourable member of the New Democratic Party, had something to say about the Budget. I think Canadians want to know just where the New Democratic Party stands, and I think this long-term Member has expressed it in a way that would shock everybody. I would like to repeat part of his statements to the House. He said the following about Governments:

> We have always operated on the basis that every Government goes into debt most of the time,—

Can people imagine that a Government should automatically operate on the premise that it is going to be in debt, in the hole, broke? Is that what is their desire? A New Democratic Party spokesman said exactly that: "We believe that we should maintain the debt of the country, the debt to Canadians no matter where they are living", so that their children and their children's children some day will have to figure out how to pay for it. That is their philosophy in black and white. The Hon. Member went on to say:

> —we still say—that a nation has different kinds of debts. There is constructive debt—

My God, Mr. Speaker, he is classifying debt as dandy, constructive, and self-liquidating. It is a beautiful word, this debt package which evolved under the Liberals with the support of the New Democratic Party! We happen to have a Minister of Finance who is starting to clean up the waste in ridiculous government spending, and they criticize it.

Let us see what else the Hon. Member said:

> The Government had the opportunity to provide at least half a billion dollars a year more in housing of all kinds—

The very first thing the Hon. Member from the socialist Party said is that we should have spent another half a billion to a billion dollars on housing. That would have driven up the deficit some more. He went on to say: "even if it meant increased borrowings"; that is right, that we should just borrow some more money. If the people who are watching this program were even to think of electing a New Democratic Government, I assure them that he was very narrow in his idea of borrowing. He would have tripled that amount if he had ever got into power. He went on to say: "it is not a debt really but an investment". Is that not interesting? According to him, Governments should borrow billions and billions more dollars as an investment. That does not indicate an understanding of the previous billions of dollars that were borrowed and who should pay them back. Who should pay back this wonderful investment and, this wonderful investment that we borrowed, does it ever depreciate? I suppose it appreciates and they can find a theory for that as well.

Here is an idea: "we could put 100,000 young people to work starting yesterday with a few hundred million dollars a year". We could go out there, talk to the banks, and borrow a few hundred million dollars, and we will get a few hundred thousand young people working. Is that a great idea? He went on to say:

> There are tens of thousands of needed necessary projects in the plans and desires of municipalities—

There we go again—let us borrow a bunch of money and give it to the municipalities regardless of who has to pay for it!

The Hon. Member for Regina West also got into his own area. Imagine this individual. He said:

> In my own area of transportation, we need to invest $500 million to $1 billion—

It would be half a billion to a billion dollars just for the Hon. Member for Regina West. That is his idea of running the country, down the road. For his little neck of the woods he needs a billion dollars. My goodness, I really wonder where it will lead to.

He had some criticism, which I think was a little unfair, of the Minister of Finance. He said that he would not even let him run his chicken coop. I think, if the Hon. Member were in the House, that I could assure Canadians that no former railroader would become the Finance Minister, especially one from Regina West. He has a lot to think about after making the statements which he made in the House yesterday on what Canada ought to be doing and the way he perceives his Government would run it should they ever gain more than 30 seats in the House of Commons.

**Mr. Harris:** We have 32.

**Mr. Holtmann:** Then he started dividing up Canada and said:

> —there is more to Canada than Toronto and parts of southern Ontario.

He did not have to tell everybody in Canada that. We know that from where I come, and the Hon. Member for St. John's East (Mr. Harris) knows that. He did not have to have one of his front-benchers tell him where the other parts of Canada were.

He also talked about unemployment and said that it was high everywhere else but there. It was not necessarily because the Hon. Minister of Finance is from Toronto or in fact dumped all this money into Toronto. I think it had a little to do with the auto industry and the growth of that industry. That in fact helped—

**Mr. Langdon:** In Toronto?

**Mr. Holtmann:** I see the Hon. Member wondering how the auto industry could help Toronto. He had better take a little lesson in economics and realize that a lot of corporate headquarters are there and that a lot of businesses which finance the auto parts manufacturing sector could even be in Toronto.

However, let us go on. Listen to this one, Mr. Speaker. Getting back to lowering interest rates, he said:

> As far as I am concerned, I don't particularly care what the value of the Canadian dollar is compared to the U.S.—

There is a fine statement from a New Democrat! He does not care where the Canadian dollar is. He should look at the Mexican peso; it takes about 2,600. I suppose, if he ever saw that happen, he would not care about the value of the Canadian dollar and how devastating it is when the dollar sinks, inflation sets in, and there is a tremendous backlash. Here is a Member who would like to maintain and help his Party become a force in Canadian politics beyond the 30 seats they have today.

**Mr. Langdon:** There are 32. You still can't count.

**Mr. Holtmann:** It is really shocking, and I am going to tell more Canadians about their problems.

All of a sudden he made the following statement:

> The Government needs more revenues to reduce the deficit.

Now the Government, all of a sudden, after he has added about $20 billion to $30 billion to the deficit in his speech, needs more revenues. I will tell the House what he decided. He decided that the Government would just go back to those corporations which, I think it was about three elections ago, they called corporate welfare bums. That is what they called them. In the last election they sort of dropped that because it was not working in their favour, in that a lot of these corporations were actually leaving Canada under the then administration and in fact were going broke altogether and they did not know what to call them at that time.

I see you signalling that I have three minutes remaining, Mr. Speaker. I would like to deal with another thing which was said by the Hon. Member for Regina West. He thought that an idea for finding revenue would be to put an export tax on energy resources from Canada. I suggest that he go to the Hon. Premier of Manitoba who would like to sell a lot of hydro power and suggest that he start taxing it as revenue on behalf of the federal Government. Even the Hon. Member for Winnipeg North would have a great deal of difficulty trying to sell that to his constituents, especially in view of the fact that they would like to export a lot of energy from the Province of Manitoba and that they are having a lot of difficulty doing it, as it is.

I will add something else which I think people ought to know about what a New Democratic Party could do and has done in Manitoba. They are going to follow the same lines as the federal New Democrats because they are married in harmony. The Province of Manitoba was not a "have-not" province; certainly some years ago it was a fairly successful province. It is finding itself at the low ebb of the provincial scale and is moving itself into such a desperate situation that in fact the province is in bad financial trouble. If I could just quote this, it says, "The Pawley Government has increased taxes by three times the rate of inflation since taking office". Will people ever

know the truth? The socialist Government will increase taxes to the point where they will not be able to see what is to happen to them. The Hon. Member indicates that he wants to hear no more of this because he is afraid of what it will do to Canadians. I can assure you, Mr. Speaker, that the Opposition, especially the Liberals when in office, would have given their eye teeth—my goodness, they would have given their false teeth—to have a Finance Minister do the kinds of things he has done.

• (1540)

**The Acting Speaker (Mr. Paproski):** I believe there will be some questions and comments for the Hon. Member.

**Mr. Orlikow:** Mr. Speaker, I would like to direct a question to my friend from Manitoba. He criticizes former Governments because of the debts which they accumulated, and says that deficit financing is bad. I point out to him that in the period in which this Government will be in office, in which this Finance Minister will have brought down four or more Budgets, the debt of this country will have increased by more than $100 billion.

When we pass this Budget, the average family of four earning $35,000 a year will pay, because of previous increases in excise tax, sales tax, income tax, $1,000 more this year than they paid in the year in which the Conservative Government came to power. The only people who will not pay more tax, in fact who will pay less tax, are the high income people. I point out that over 250,000 Canadians who had income of over $200,000 a year in the last year for which we have information paid no tax at all. We have a large number of corporations which paid no tax, and I will give a few illustrations. Alcan Aluminum in 1986 had profits of $220 million and did not pay a cent in taxes. In fact, Alcan got a tax credit. Xerox in 1986 had $150 million in profits and got a tax credit. In other words Xerox paid no tax at all. Union Carbide in 1986 had profits of $28 million and paid no tax. Bramalea Consolidated in 1986 had profits of $51 million and paid no tax. Is that the Budget the Member wants the people of Manitoba to accept, a Budget in which they pay $1,000 more for each family than they did when this Government took office while the wealthy individuals and corporations pay no taxes at all?

**Mr. Holtmann:** Mr. Speaker, I appreciate the question from the Hon. Member for Winnipeg North (Mr. Orlikow). He made the statement that since our Government came to power, the deficit has risen by an additional $100 billion. He is absolutely correct. I do not think the Government denies that. But we have changed the trend. Had he and his Liberal friends been in power—because they were in power together—the deficit would have been $400 billion to $500 billion by now.

**Mr. Nystrom:** Oh!

**Mr. Holtmann:** They say "oh". But they supported the principle of that kind of spending escalation. The New Democrats have still not made the point that they are not prepared to reduce spending but tax more. You cannot tax yourself out of a deficit. If they think you can, let them go back to the Province of Manitoba which is trying desperately to do that. The per capita revenue by a New Democratic Government in Manitoba in 1982 was about $2,117. What did the NDP Government do in the Province of Manitoba? It increased the per capita revenue by almost $1,300 per person. The NDP Government is still running the deficit higher and higher at a far greater rate than the federal Government is. As a matter of fact, in the Province of Manitoba, if Canadians are interested, the second highest expenditure by that Government is that of paying the interest on the deficit.

**Mr. Nystrom:** Same here.

**Mr. Holtmann:** No, sir. That is not the situation. Had we allowed the deficit to creep up at the rate it was going under the previous administration, no one denies the fact that it would not be $100 billion more but $400 billion more. That is the point which never seems to get home to those people. You want to stop the ridiculous spending of government, Mr. Speaker. The Opposition says, "Well, just tax more". Another member of the NDP says, "Spend more"; tax a few corporations". Let us see if he is right. According to the Hon. Member for Regina West (Mr. Benjamin) he figured he could find $3 billion instantaneously from those corporations which the Hon. Member for Winnipeg North suggested, by taxing corporations. How in the dickens can he do that and spend $10 billion or $20 billion when the Member for Regina West wanted $1 billion for his own riding alone? That is the point. Which way do the New Democrats want it? Do they want to spend 10 times as much money as this Government and collect a few extra billion dollars worth of revenue from these few corporations? I agree with the Member that they should not get away without paying taxes, but that will not solve the problem.

**Mr. Langdon:** Mr. Speaker, I just want to report having listened yesterday to the Leader of the Conservative Party in the Legislature of Manitoba take two positions and hold them at exactly the same time.

The first position said that it was necessary to spend in the last election campaign the extra reserves of Autopac to bring down rates because rates were too high in Manitoba. Yesterday he turned around and said no, that this was a serious mistake, the reserves should have been held and kept in check so that it was not necessary to keep the soundness of that program by seeing an increase in rates, an increase which is now sensibly going to be phased in over a reasonable period of time.

My question to the Member is a very simple one. It is a question which any economist would ask and which any normal person in the country would ask. What have we done in this country or what has Manitoba done compared to other provinces and what have we done compared to other countries? Our unemployment rate in Canada is 8.1 per cent. In the United States it is 5.8 per cent, far, far lower. We have in Canada not a successful situation but, in fact, a gap between

the two countries which is greater historically than it has been since the Great Depression.

Can the Member tell me precisely what the unemployment rate is in Manitoba compared to that in Canada? The rate is, of course, much lower than in the rest of Canada. It has consistently been much lower than in the rest of Canada under the Government of Mr. Pawley, and that demonstrates the effective, businesslike, sensible and caring administration which has marked that province.

**Mr. Holtmann:** Mr. Speaker, first, I would like to congratulate the Member for coming to the Province of Manitoba, spending some time in our provincial legislature and finding out just how precarious the present Government is with only a one seat majority that likely cannot last very long especially if one of the maverick back-benchers has his way.

Let us get on to the subject at hand. Right now the statistics indicate that the unemployment rate in Manitoba is almost a percentage point less than Canada's average of 8.1 per cent to Manitoba's 7.4 per cent, I believe. The Member is right. Those are the latest statistics. They might not be totally accurate, but the figure is somewhere around there.

• (1550)

**Mr. Langdon:** Six per cent.

**Mr. Holtmann:** No, no, it just came out today, I am sorry. It is 7.4. At least that is the last information I have. He may have heard it differently.

Let us get to the point. The Hon. Member mentioned that the United States traditionally has a significantly lower rate of unemployment than we have here in Canada. Yet he opposed every Reagan proposal and every capitalist idea from the country to the south. His Party turned against all that as a policy and would not want to emulate it. However, today he is saying that maybe we should be doing something the United States is doing. Where is the logic there? Either he likes what they are doing in the United States or he does not like what they are doing in the United States, but he should not start comparing their unemployment rate with Canada's if he does not like the administration there and the way it is bringing that about.

**Mr. Langdon:** But we are much higher than they are in unemployment.

**Mr. Holtmann:** That is right, but where were we four years ago? I think the Hon. Member will have to acknowledge that we have brought the unemployment rate steadily down. Maybe it is not acceptable to him, and I can assure him that it is not acceptable to us either. We do not argue there.

If anyone in his Party thinks he could come to power and bring the interest rate down to 2 per cent in four years, I think he could get elected tomorrow, but no one believes that. It has been proven by previous socialist administrations that that is not likely to happen. That is the point the Hon. Member ought to think about, not the fact that the United States is doing better than we are. I think we ought to congratulate the United States for that and trade with the Americans more. Perhaps we should open up our borders in the way we are planning on opening them up to reduce the unemployment rate in Canada to a more acceptable level. We have never denied that goal, and I am glad the Hon. Member has focused on it now.

**Mr. Nystrom:** Mr. Speaker, during the heckling, the Hon. Member across the way said that the second largest expenditure item in the country was not servicing the public debt. I would like to refer him to the Main Estimates, Part I. The biggest expenditure item is social development with 45.5 per cent of expenditures. The number two item is the public debt which amounts to 24.6 of our expenditures. When the Tories came into office, it was some 20.6 per cent. I would like the Hon. Member to correct the record because I know he would not want to mislead the people of Canada. This is by far and away the number two item. In fact, the number three item is way down at 10.3 per cent, economic and regional development.

**Mr. Holtmann:** Mr. Speaker, I did not have the selective piece of literature in front of me that the Hon. Member had. He might be correct that it is number two rather than number three as I had indicated. He happens to have a piece of literature that I do not have, and that is fair.

I think the point is made that a change in government will not necessarily automatically change the direction this country is taking unless it starts spending more money. The intention of Members opposite is to spend more money. NDP Members have proven their ability to spend far more than the Government has, and I think Canadians are cognizant of that. They want us to be very prudent and careful with how and where we spend this money and not just find it by automatically taxing a few corporations. Clearly there will never be enough to cover the amounts the NDP would like to spend on the various projects this Government announced.

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, almost a year ago, on March 16, 1987, speaking in the House, the Prime Minister (Mr. Mulroney) made the following statement:

> We are in the process of building two Canadas, one which is rich and promising and one which is underdeveloped and underemployed.

The Budget we are debating today simply accelerates the process described by the Prime Minister, the process of making disparities between the rich and the poor even more apparent.

Let me, for the benefit of the Hon. Member for Selkirk—Interlake (Mr. Holtmann), put on the record some of the results of Tory Budgets. An average family of four earning $35,000 per year annually will pay $1,000 more in taxes this year than it did in the year the Conservatives took power. Until this Budget, that amount was $1,400 per family, but the Minister of Finance (Mr. Wilson), realizing that we are coming closer and closer to an election, has in this Budget

given back $400 of the $1,400 in taxes he had imposed on ordinary families until this year.

The only people in Canada who will benefit from this Budget, the only people who will pay less tax than they have paid until now, are the very few wealthy people at the top. According to the Government's own estimates, fully one-quarter of non-taxpayers, almost 9,000 in the last year for which we have records, will still go untaxed. Over 250 Canadians who had incomes of more than $200,000 and who paid no income tax in the last year for which we have records will continue to be able to pay no income tax.

At the same time as we sock it to ordinary Canadians and give tax cuts to the wealthy, the same situation is occurring in respect to Canada's largest, wealthiest corporations. In 1986, Alcan Aluminum made $220 million in profits and paid no tax at all. In fact, it got a tax credit. In 1986, Xerox Canada made a profit of $115 million and got a tax credit of over $10 million. In 1986, Union Carbide of Canada made a profit of $28 million and paid no taxes. In 1987, Bramalea Consolidated made $51 million in profits and paid no taxes at all.

I want to talk about some of the problems which this Budget ignores completely. First I would like to quote from the preamble of the 1966 Canada Assistance Plan legislation, legislation which was endorsed by all Members of Parliament from all political Parties which were represented in the House at the time. The preamble reads:

> —the provision of ADEQUATE assistance to and in respect of persons in need and the prevention and removal of the causes of poverty and dependence on public assistance ARE THE CONCERNS OF ALL CANADIANS—

The Canadian Council on Social Development points out in its analysis of the budget proposal brought forward which we are now debating that there is no provision in the Budget for increasing help to Canadian families living below the poverty line although the number of such people is now 851,000, up from 745,000 in 1980. That is the situation.

If one spends a little time in any city in Canada, from Newfoundland on the East Coast to Vancouver Island on the West Coast, one sees that the number of people who are so needy and desperate for help, the number of people who appear regularly at food banks operated by churches, native organizations and community organizations, is increasing rapidly from week to week. The number of charitable organizations which are handing out used clothing is increasing very rapidly. We are going back to the situation in the 1930s which most Canadians thought we would never experience again. Tens of thousands of people are having to depend on charity to meet their basic needs.

• (1600)

We have asked the Government to deal with that. We have asked the Government to meet with the provincial Ministers who deal with welfare and, if necessary, make studies which will indicate very clearly that the level of assistance paid to people in need is far below that which is needed for them to live with some dignity and in some comfort.

I have done this in Winnipeg. I know of the work which is being done by organizations such as the Stella Mission, Rossbrook House, the Salvation Army, and many other organizations. They tell anyone who talks to them that they do this because there is a need. Without exception, people throughout the country who are involved in such charitable works agree that they are doing this because the need is there, but they think it is a disgrace that in a country as wealthy as Canada charity is needed on an increasing scale.

None of these problems have been dealt with by the Government. The economies in most western industrialized countries have improved and unemployment in Canada is down, as it is in the United States. However, except for the unemployment levels in Ontario and parts of Quebec, unemployment levels throughout the country are as high now as they were when the Government took office.

It is not only the poorly educated and the illiterate who are unemployed. Skilled workers and people who had highly paid jobs in financial institutions are now unemployed. In eight of the ten provinces unemployment is still high and indeed in parts of the two provinces in which employment has grown the fastest there are still crisis situations. Northern Ontario and most of the Province of Quebec east of Montreal still have unemployment rates which are completely unacceptable.

What has the Government done about this? It has failed to ensure that our social programs keep pace in terms of increased funding with the rate of inflation.

The federal Government has refused to deal realistically with the federal minimum wage which has been frozen for some years at $4 an hour. That rate is the second lowest in Canada while it was once almost the highest. People who work for $4 an hour, even if they work full time, still live in poverty. The Government, which has been so generous to our major corporations and to a very small number of very wealthy Canadians whose incomes are very high, has partially deindexed many of the social programs which were built over almost 50 years. The Government has partially deindexed the family allowance, the child tax credit, and the income tax brackets.

The Government is happy to do this because it really believes that the state should do less for the people of Canada rather than more.

To certain people on the right, and that includes almost all the Conservative Members of Parliament, cut-backs in social services are necessary to diminish the expectation of ordinary people of what government should do. The Government wants to keep working people docile for whatever jobs and working conditions are provided. We have, therefore, seen a tremendous increase in the number of people who work part time. When you work part time, of course, you do not get benefits such as holiday pay, unemployment insurance, and pensions,

which full-time permanent employees have come to expect to receive in their total wage packet for the work which they do.

We believe that one of the greatest challenges for our Party is to reverse these policies of neglect and uncaring and restate the purpose of our society so that all Canadians can legitimately expect to have jobs, adequate housing, and an education which will permit them to meet their needs and the needs of the country throughout the rest of the 1980s and the 1990s. There is nothing in this Budget which gives us any assurance that these objectives will be met.

I want to deal specifically with one of the major failures of the Government. In the first Throne Speech brought forward by the Government in 1984 there was a promise that the Government would make a major effort to deal with the disastrous situation of fully 20 per cent of the people of Canada being functionally illiterate. Hundreds of thousands of Canadians who are in the labour force or will be entering the labour force in the next few years do not have the education, knowledge, or ability to fill the jobs which are and will be available. These jobs will require a great deal more education than was required years ago because of the tremendous changes in technology which require a much more well educated workforce than we have had.

Numberless studies have been done about the situation of the tremendous number of Canadians who are functionally illiterate. To those studies we can now add a study commissioned by a business task force on literacy which operates out of the City of Toronto and which tabled a report several weeks ago which confirmed the finding of earlier studies that a fifth of Canadians are functionally illiterate. According to them, it is costing $10.7 billion a year to permit this terrible situation to continue. In fact, they calculate that of that $10.7 billion, $4.2 billion is the cost to business through industrial accidents, lost productivity and training expenses.

• (1610)

The Government promised in its Speech from the Throne after it was elected that it would take major steps to deal with this problem. A few months ago, at the National Conference on Scientific Research and Technology in Toronto, the Prime Minister reaffirmed that pledge. The Secretary of State has made similar statements.

However, when we look at the record we see that the Government has only given us more talk and no action. There are groups in every province in Canada working with people who are functionally illiterate. To a large extent, these are people who grew up in rural areas, native people and new immigrants. While they are attempting to help tens of thousands of these functionally illiterate people, the fact is that there are five million people in Canada who are functionally illiterate. There will be terrible consequences for this country in the near future if that situation is permitted to continue.

Canada is entering an era when the number of people entering the labour force will decline each year, yet there will be difficulty filling those jobs due to the increasing number of functionally illiterate people. All we have from the Secretary of State is talk and good will, but no money.

The record of the Department of Employment and Immigration, which was poor under the Liberals and is poor under the Conservative Government, is even worse. The Department has spent only a very small percentage of its total expenditures to train illiterate people simply because such a program does not bring quick results in terms of job creation. Instead, it has taken the easy route by training those already literate to become welders, machinists or computer operators because such jobs will be available soon after training is completed.

The Department has not faced up to the fact that if it does not help people overcome their illiteracy, it is condemning those people to live on welfare, unemployment insurance or accept the poorest, lowest paid jobs available. The then Liberal Government should be condemned for such an approach, and the Conservative Government should be condemned for continuing that policy. There is a major crisis on our hands in this country.

**The Acting Speaker (Mr. Paproski):** I regret to interrupt the Hon. Member's speech, but he is now four minutes over his allotted time. I am sure there will be questions and comments from some of his colleagues and he may have a few extra minutes to respond.

**Mr. Harris:** Mr. Speaker, does my colleague believe that the Government knows the meaning of disparity in this country? Hon. Members on that side of the House brag about the reduction of unemployment. However, we know that economic cycles come and go.

When we are talking about regional disparity in Canada, we are talking about the difference in the national rate compared to the provincial rate. For example, in 1949, before Confederation, Newfoundlanders earned, per capita, almost 49 per cent of the average Canadian income. Last year it was 55 per cent, so that we have seen a narrowing of the disparity by 6.7 per cent in 38 years.

At that rate, it will be another 250 years before Newfoundlanders earn the same per capita income as the national average. That is what we mean by disparity.

The gap in the unemployment rate in Newfoundland compared to that in Canada is very large. Will the Member comment on the fact that the attempt to narrow the disparity in this area has not been successful? Does this Budget make any real commitment to change that?

**Mr. Orlikow:** Mr. Speaker, most Canadians know about the disparities. Most Canadians know that in eight of the ten provinces the rate of unemployment is just as high as it was when the Government took office.

The Member for Selkirk—Interlake was proud of the reduction in the rate of unemployment. Of course we agree, but Conservatives do not admit that there are still over one

million unemployed. There are many areas in this country where people still live in poverty. A good example is Selkirk—Interlake represented by that Conservative Member who is so proud of the Government. He criticized government deficits. If we have to keep the deficit down, there will be no money for the native communities in his constituency who live in such deplorable housing.

• (1620)

We have to face up to the tremendous disparities in incomes and services between wealthy parts of Canada such as southern Ontario, and the rural or isolated areas where there is not only a tremendously high rate of unemployment but where services, whether it be education, health or anything else, are still deplorable and disgraceful.

**Ms. Mitchell:** Mr. Speaker, I was very interested in my hon. colleague's comments, particularly with respect to the question of illiteracy. I know he is very concerned about those who have been unemployed because of this handicap. I wonder if he has any comments to make with respect to prevention.

I know that when the Special Committee on Child Care toured the country we heard over and over again that there are ways, involving a relatively small investment and by starting with children at the pre-school level, of preventing much of the dysfunctioning which occurs later in life. I am thinking particularly of the Head Start program which has been very successful in the U.S. Research has shown that children from disadvantaged homes, where perhaps their parents were illiterate, were helped to function much better and make much better use of school after having been involved in these enrichment programs. As a result, when they got to be teenagers there was a much lower rate of adolescent problems. They stayed in school longer, there were not as many teenage pregnancies or drug abuse. It seems to me that is an area of great importance and it would require an investment of only a small amount of money. Yet the Government seems to be looking for every means possible to delay in getting on with the child care program which should include enriched programs of this kind.

**Mr. Orlikow:** Mr. Speaker, there is no question that some other countries, such as the U.S. with its Head Start program, and Sweden, Denmark and West Germany, have had a great deal of success in overcoming problems such as illiteracy with programs designed specifically to help people in difficulty. I agree completely with the Hon. Member that one of the best things we could do would be to improve our child care system. We should have a day care system which would not only help young children begin to learn to read and write, but which would permit their parents, particularly in the single-parent families, to work or improve their education, or get training in fields with employment prospects. Of course, all these things can be and should be done but we have a Government intent on reducing the deficit and it is just not prepared to move on any of these ideas.

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

**The Acting Speaker (Mr. Paproski):** It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Scarborough West (Mr. Stackhouse)—North Atlantic Treaty Organization—Arms gap between NATO and Warsaw Pact nations; the Hon. Member for Trinity (Miss Nicholson)—Amount of tax collected by Government—White Paper sales tax projection; the Hon. Member for York East (Mr. Redway)—Canada Mortgage and Housing Corporation—Shortage of affordable housing in Toronto.

## GOVERNMENT ORDERS

[*English*]

### THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Garneau (p. 12860).

**Mr. John Reimer (Kitchener):** Mr. Speaker, I count it a privilege to add a few comments to this budget debate. I would like to go through what has taken place, comparing it with where we have been in the past, and also take a look at the economic indicators as they reflect the performance of the previous Liberal Government and the present Government.

When this Government was elected to office three and a half years ago the biggest challenge facing us was to restore fiscal responsibility and then create a climate for a more dynamic, flexible, innovative and competitive economy, and to create jobs. The challenge was a large one, to say the least. The federal deficit and national debt were out of control. Between 1981 and 1984 the deficit escalated from $14.9 billion to more than $38.3 billion. The national debt had doubled and was growing at an average rate of 26 per cent per year. Likewise, government spending was out of control.

In the four years prior to our coming into office, government spending on programs had increased at an average annual rate of 14 per cent, far in excess of inflation and enough to double spending in about five years. If this trend had been allowed to continue, the result would have been catastrophic. The public

debt would be $100 billion more than it is now, with the inevitable outcome of higher interest rates, fewer jobs, less growth and declining economic confidence.

Knowing that Canadians did not want to leave their children and their grandchildren a legacy of crushing debt, it was crucial that this Government act. Therefore, in November of 1984, barely two months into our mandate, this Government set forth a long-term economic plan in its economic statement. In the three and a half years since, and in each subsequent federal Budget, we stuck to this plan, convinced that it is the only way to fiscal stability and renewal. That is why we have, for example, since our first opportunity to tackle expenditures on April 1, 1985, reduced spending to an average annual rate of increase of 4.9 per cent. That contrasts sharply with an average of more than 15 per cent in the preceding 15 years under the Liberal Government. In fact, when one excludes public debt charges, we are looking at an average annual increase of 3.7 per cent under this Government, less than the rate of inflation. Compare that with the 14 per cent under previous Liberal Governments.

The contrast is even more dramatic when compared to the 23 per cent average annual rate during the current Liberal leader's term as Minister of Finance in the Trudeau Government from 1972 to 1975. When one looks at what took place during that time we find that a $481 million surplus was turned into a $4 billion deficit. The gross national debt grew by 50 per cent. Debt service costs grew by 85 per cent. Inflation doubled from 5.1 per cent to 10.6 per cent. Total unemployment climbed by 164,000. The Bank of Canada rate rose by 4.25 percentage points. If we tried to match that rate of expenditure growth we would be spending $226 billion in the coming fiscal year instead of $132 billion. That would be enough to push the annual deficit to $122 billion instead of the $28.9 billion for the fiscal year in 1988-89.

One need not take my word for these figures. With respect to the Right Hon. Leader of the Opposition's tenure as Minister of Finance the Auditor General said that he was:

> —deeply concerned that Parliament, indeed the Government, had lost or was close to losing effective control of the public purse.

He then went on to say:

> Federal management and control in the Government of Canada is grossly inadequate.

• (1630)

However, in commenting on the first two years of this administration the Auditor General said that his sense was that there is an interest in better accountability and better management. He then went on to say that he believed "Members of Parliament and the taxpayers of Canada should be heartened by genuine improvements".

Under the leadership of the present Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) we have implemented a more fairer tax system which encourages growth and job creation and which creates a system that assists our businesses and our industries to compete in the world.

We have entered into an historic Canada-United States trade agreement in order to build a more open and adaptable economy. It will protect our high level of trade with the United States which comprises some 80 per cent of our exports, close to 90 per cent of the exports of Ontario. It will protect close to three million Canadian jobs that are involved in our trade with the United States.

We have implemented priority programs to assist regions and sectors hurt by unexpected developments in world economy such as the programs we have implemented for our farming community.

We have privatized 13 Crown corporations. We have deregulated energy and transportation sectors in order to reduce government intrusion into the market-place.

We have removed the ruinous National Energy Program.

We have opened financial markets to global opportunities and stimulated greater competition in financial services.

We dismantled FIRA and created Investment Canada to encourage and welcome investment capital from abroad, investment that is now creating jobs for Canadians.

Permit me now, Mr. Speaker, to look at the outcome of the Government's economic agenda. The international and national economic indicators speak for themselves. Among the seven major western countries in the G-7, Canada has been first in economic growth since 1984. We are first in employment growth in the G-7. On the domestic front, since the Government came into office, for the first time in the post-war period the deficit has declined four years in a row. More than 1,158,000 jobs have been created and 85 per cent of those are full time. The unemployment rate has fallen by 3.6 per cent to 8.1 per cent in January of this year. Youth unemployment has dropped from 18.3 per cent to 12.7 per cent.

The Bank of Canada interest rate has fallen by 3.76 percentage points. The chartered bank prime rate has fallen by 3.75 per cent. Direct foreign investment has doubled between 1984 and 1987. Housing starts and consumer spending are up 43 per cent and 37 per cent respectively since the last election. The inflation rate has been in the 4 per cent range for three consecutive years, which is the most stable price environment since 1971.

Economic growth in my own province, the Province of Ontario, has been nothing short of spectacular. Since the last election 547,000 jobs have been created, with the unemployment rate falling from 9.4 per cent to 5.6 per cent. Housing starts and retail sales are up by 122 per cent and 41 per cent respectively. Help wanted ads are up by 182 per cent compared to a 34 per cent decline during the Liberals' last mandate. In recent months in my constituency of Kitchener we have had either the lowest or the second lowest unemployment rate of any major Canadian city. Indeed, in December of 1987

the unemployment rate reached an incredible low of 2.9 per cent.

Let me look at what the Liberals and the NDP have been saying in all of this. What has been their response to the Government's economic agenda? In 1984, members of both the Liberal Party and the NDP said that our economic statement with its spending cuts would cost Canadians between 125,000 to 150,000 jobs. Later they said about the May 1985 budget that it would cost 150,000 jobs. In fact, while the Liberals and the members of the NDP have been predicting doom and gloom, some 1,158,000 jobs have been created. So much for the credibility of their statements compared to the facts and what has actually happened.

Indeed, if their voting record is any indication they have been doing everything possible to obstruct Canada's recent economic upswing. For example, both the Liberal Party and the NDP voted against the repeal of the disastrous National Energy Program. They voted against the dismantling of FIRA and increased foreign investment through the creation of Investment Canada. They voted against increasing the total amount of money that may be lent under the Small Businesses Loans Act. They were against the privatization of Teleglobe Canada, the sale of which has resulted in significantly lower rates for overseas telephone calls.

Further, the NDP voted against $456 million in additional funding for regional industrial expansion. It also voted against a legislated end to the postal dispute, the railway strike and the grain handlers' strike.

It is no wonder then that an article in the January 30, 1988 edition of the *Calgary Herald* is not alone in its estimation when it stated, "On the policy front neither the NDP nor the Liberals can compete". In that same month *The Globe and Mail* in an editorial column contrasted the solid achievements of the Government with the lack of any clear alternatives from either the Liberals or the NDP.

The Government's policies are right. They have been working. This latest Budget indicates that we are committed to making sure that they continue to work. Indeed, it is precisely because of the dramatic economic growth which has resulted from these policies that the Government has been able to make a strong commitment to some new programs. A case in point are the Government's various child care measures.

In December of 1987 the Minister of National Health and Welfare (Mr. Epp) announced the Government's national strategy for child care. This policy will produce an additional 200,000 quality child care spaces over the next seven years. The Budget moves to implement the tax initiatives that are a part of this strategy. The initiative is also of great importance to Canadian families. It will help to eliminate a barrier to many women who work or who want to work outside the home. It is also a flexible program in that it also increases tax assistance to many who choose to work in the home.

As a part of the national child care strategy the maximum child care expense deduction will be doubled to $4,000 from $2,000 for children six and under and for all children with special care needs. For those not having receipted child care expenses a supplement to the refundable child tax credit of $100 in 1988 and $200 in subsequent years will be paid on behalf of each child six years old and under. The supplement will be prepaid each year on the same basis as the refundable child tax credit.

Likewise we are also ensuring jobs for Canadians in the future through our commitment to science and technology. At the National Conference on Science and Technology and Innovation in January the Prime Minister announced $1.3 billion in federal funding for the new science and technology activities over the next five years. These will include a national program of centres of excellence on university campuses and a program of Canadian scholarships in science, engineering and related disciplines.

The National Advisory Board on Science and Technology chaired by the Prime Minister bringing together 40 eminent Canadians from all walks of life has already held over 50 meetings in just nine months of work. As a result of the expert advice and constructive work of this board the Innovaction Program has been developed to focus science and technology in five critical areas: industrial innovation and technology diffusion; development of strategic technologies; effective management of federal science and technology resources; human resources for science and technology resources; and public education in science and technology.

Further, Canadian companies carrying out research and development receive strong support through the tax system. When deductions and tax credits for research and development are taken into account the tax incentives for Canadian firms to invest in research and development are among the most advantageous in the industrialized world.

The Budget must also be taken in concert with our initiative on tax reform and the changes affecting the income tax system introduced by the Minister of Finance on December 16, 1987. Those reforms will simplify the structure of personal income tax rates. There will be three federal tax brackets rather than ten, with the rates fixed at 17, 26, and 29 per cent. Personal exemptions and many deductions will be converted into tax credits, improving the fairness of the system, and there will be a reduction or elimination of many tax breaks.

• (1640)

As a result of these tax reforms, personal incomes taxes will be reduced for 9.7 million households, 85 per cent of the total. Income taxes will be reduced for 90 per cent of senior citizens. Approximately 850,000 Canadians, including 250,000 senior citizens, will have their income tax reduced to zero. Their personal income tax reductions will be reflected in payroll deductions and pay-cheques beginning on July 1, 1988.

As a result of the personal income tax changes, there will be a reduction of some $12 billion over the next five years from this source. This $12 billion will be paid by roughly equal increases through increases in corporate and sales tax revenues.

Furthermore, low income Canadians will continue to benefit from the refundable sales tax credit of $70 per adult and $35 per child. The refundable child tax credit for lower and middle-income families has been increased from $384 per child in 1985 to $559 in 1988.

In conclusion, as a new Government we promised that we would reduce the deficit. We have done so in each year since 1984. We promised to regain control over government spending and restore fiscal responsibility. I think the facts speak for themselves. Further, we promised to bring fairer and greater simplicity to tax reform. We are part of the way down that road.

In commenting on this Budget, the Leader of the Opposition (Mr. Turner) complained that it is a conservative Budget. I am glad that he said that, because we had enough of Liberal spending irresponsibility when he was the Minister of Finance and when his Government ran the country into debt through uncontrolled spending. I compliment the Minister of Finance (Mr. Wilson), and I compliment the Prime Minister (Mr. Mulroney) for their responsible economic leadership. Under the Prime Minister's leadership fiscal responsibility has returned to Canada. We have only begun.

Therefore, I urge Canadians to look very carefully at the facts. I would urge them not to listen to all the personal attacks on government Members by members of the Opposition. I would ask them to look carefully at exactly what the Government promised and what it has done. We cannot allow either the Liberals or the socialists to become the Government after the next election. What this country and what our children desperately need is that this Government continue for another full term, because then we can continue this program of fiscal responsibility, of deficit reduction, and of job creation to make this country what it truly can be.

**Mr. Fretz:** I wish to tell you, Mr. Speaker, how much I appreciate the thoughtful and informative speech given to the House of Commons by the Hon. Member for Kitchener (Mr. Reimer). The Member spoke about the lack of fiscal responsibility and the spending spree which the Liberals started with the appointment of the present Leader of the Opposition (Mr. Turner) as the Minister of Finance.

Can the Hon. Member for Kitchener clarify for me when those years were? I recall that the Hon. Member indicated that there was a $481 million surplus. What was the deficit that that surplus led to as a result of the Leader of the Opposition's leadership as then Minister of Finance? If the Hon. Member could clarify that for me, I would appreciate it.

**Mr. Reimer:** In response to the question of the Hon. Member for Erie (Mr. Fretz) let me say that the years when the Leader of the Opposition was the Minister of Finance were from 1972 to 1975. As I sought to indicate in my speech, during those years when the Leader of the Opposition began as Minister of Finance there was a $481 million surplus. When he left after those 3.5 years as the Minister of Finance, there was a $4 billion deficit. That is the record of that Finance Minister.

I find it very difficult when he rises and makes some of the statements in opposition to what we are attempting to do. In fact, he was the person who began the very problem that we have now. He should at least acknowledge that fact, and at least acknowledge that we have begun a reduction program that is now in its fourth year of one year after the other of reduction.

Those are some of the facts that the people of Canada have to hear instead of the innuendo and the constant personal attacks on the character of various Ministers of the Government.

**Mr. Harris:** First, I wish to correct a statement that I put on the record a little earlier. I indicated that, at the rate of progress in Newfoundland's percentage of per capita income as compared to the national average, it would take 250 years at the rate of progress that we have been having since Confederation. That was a mistake. It is actually 288 years.

In 1949, before Confederation, Newfoundland's per capita earned income was 48.8 per cent of the national average. In November of 1987 it was 55.5 per cent. That is not progress over those full 38 years. That progress was reached by 1971, so there has been no change since then. Before Confederation there was an improvement of 6.7 per cent in the gap between Newfoundland's earned per capita income and Canada's.

My question for the Hon. Member from Kitchener (Mr. Reimer) whose riding and province is doing very well by the Canadian economy at the moment, is the following. In Newfoundland, do we have to wait 288 years to reach the level of economic development that his riding and others in Ontario share as part of the Canadian economy? If that is the case, how can the Hon. Member say that this Budget and the budget measures of the Government are enough for regional development?

**Mr. Reimer:** I reflect upon what the Hon. Member for St. John's East (Mr. Harris) has stated, and I wonder if he would not mind commenting on how many of those years that he was talking about were in fact under a Liberal administration, both provincially and federally.

**Mr. Harris:** Too many.

**Mr. Reimer:** The Hon. Member is correct in stating that, in Ontario, and particularly in southern Ontario, things are going extremely well. But the national statistics show unemployment falling dramatically. It is true that nationally there has been an improvement.

When we as a Government try to bring in some programs, why do the Liberals, and particularly the NDP, since that is the Member's Party, vote against them? Why did they vote against $456 million in additional funding for regional industrial expansion? If the Hon. Member wants some assistance, which is being offered, why is he against it? Why is he not for it? Why is the Hon. Member and the NDP opposed to $306 million for the Atlantic Canada Opportunities Agency?

**Mr. Harris:** Because of Sinclair Stevens' legal bills.

**Mr. Reimer:** Mr. Speaker, the Hon. Member for St. John's East (Mr. Harris) is not listening to my answer.

**Mr. Harris:** I am answering your questions.

**Mr. Reimer:** When we seek to bring in programs, and when we bring in regional development incentives, why is the Hon. Member against them? Why is the Hon. Member against the $306 million for the Atlantic Canada Opportunities Agency? Why is the Hon. Member against free trade which will help his very area? Why is it that the Hon. Member for St. John's East and his Party are opposed to free trade?

• (1650)

When the committee of which I was a member toured Atlantic Canada, presentations were made to us indicating that free trade would clearly assist the Atlantic region, both in selling more of its resources and in the secondary manufacturing that would package some of the resources. Therefore, it would create jobs not only in the area of natural resources but also in secondary resource development.

Again I cannot understand why the Hon. Member for St. John's East raises these questions in this manner, nor can I understand why they are opposed to regional industrial expansion efforts, nor can I understand why they are opposed to freer trade.

**The Acting Speaker (Mr. Paproski):** Does the Hon. Member for St. John's East (Mr. Harris) have a supplementary question?

**Mr. Harris:** Yes, Mr. Speaker. The Hon. Member who just spoke well knows that the budget Estimates to which he was referring and which our Party voted against contained in them a vote for legal expenses for an Hon. Member who was a former Minister of his Government, and that our Party and a vast majority of Canadians opposed the payment of them. This is why those Estimates were voted against as one block, not as a separate budget item as he insinuated in his comments.

I think that should set the record straight for the Hon. Member, and I would ask him if he would be fair and acknowledge that that is the case.

**Mr. Reimer:** Mr. Speaker, I accept the admonition of the Hon. Member in trying to be fair. I agree that we are asked to support measures which are in total and that we may not always agree with every individual part.

However, may I say for the benefit of the Hon. Member that some of that money was spent for the former Hon. Minister to whom the Hon. Member referred as a result of the shameful attacks by his own Party and by the Liberal Party and all the innuendo against that person. It forced us to look at the question and into a long court case to deal with the particular issue. I would think that they have to accept some of the responsibility for that cost.

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, when I spoke on February 12 on the borrowing authority Bill, I commented that it was difficult to speak on a so-called Budget which was 95 per cent electioneering guff and 5 per cent content.

I have with me here today a Canadian tax letter issued by that well respected firm Peat Marwick, which also has some harsh things to say about the smoke and mirrors we have seen from the Government for some time. The Peat Marwick tax letter says in part, and I quote:

> By adroitly manoeuvring to accelerate remittance of payroll withholdings, personal income tax installments and federal sales tax collections, Mr. Wilson has been able to contain his budgetary deficit estimate for 1987-88 to $29.3 billion and budgetary deficit forecast for 1988-89 to $28.9 billion, still enormous amounts considering the over-all Canadian economy.

Later in the newsletter we read, and I quote again:

> —it is a legitimate reason for concern that, in the sixth year of an economic expansion, the budget deficit remains very high by historical standards and is expected to improve only slightly in the near term.
>
> This concern is accentuated by an element of sleight of hand in recent budgets. Budgetary revenues will have been enhanced by $3.9 billion through a number of once-only changes, including:
>
> the acceleration of remittances of personal income tax source deductions by large employers
>
> the acceleration of quarterly personal income tax instalment payments
>
> the acceleration of federal sales and excise tax payments.

Because this issue really goes to the heart of the credibility of Government, I want to take a few minutes on it. When the finance committee was holding hearings on the White Paper on tax reform, a very well respected accountant said that he would have expected better from the Finance Minister than this kind of selective, creative accounting, which he described—I am quoting a well respected accountant—as being like kiting cheques, as he spoke of his disappointment in the Finance Minister from whom he said he would have expected better.

Let us look at where some of this has come from. In the document entitled *Economic & Fiscal Outlook* released on June 18, 1987, in a table on page 30, we are shown that the acceleration of source deductions and quarterly installments of personal income tax will bring in $1.1 billion in fiscal year 1989-90, while the acceleration of sales and excise tax payments for fiscal year 1988-89 was expected to bring in $1.6 billion.

What does this mean in plain English? It means that employers who withhold payments from the payroll for Canada Pension, income tax, and unemployment insurance, who used to have to remit it to the Government monthly, were first required to remit fortnightly, and a little later there was a further change and they were required to remit weekly. We have seen the same thing with the federal sales tax. Manufacturers are being required to remit it earlier; in some cases even before they have collected the tax from the sale.

This means that the Government's books look better once only, but this is not an ongoing source of revenue. This is the kind of selective bookkeeping which Peat Marwick criticized and which people coming before the finance committee on tax reform criticized. A Bank of Montreal newsletter a couple of months ago also criticized it. In fact, it reckoned that some of the selective bookkeeping might indeed have falsely reduced the deficit by as much as $4 billion.

Let us look for another instance where the Government has used figures rather creatively. In some of the earlier economic statements soon after the Government came to power, we were told that a cap would be put on the growth of fiscal transfers to the provinces. The Government got terribly incensed when this was referred to as a cut. "No cuts", they said, "we have merely limited the rate of growth by $2 billion". On February 26, 1986 we had a Budget where there was not a word about this cap on transfers to the provinces in the *Budget Papers* in Canada, but a glossy document, which was released in embassies abroad and which was given particularly a lot of exposure in the United States, claimed that the Government intended to cut these transfers. Reductions in transfer payments to provincial Governments for health care and post-secondary education were listed among the Government's so-called efficiency measures on page 6 of this particular document. So we have a Government which came to power on a promise of reducing expenditures, reducing the deficit and not raising taxes but it has done precisely the opposite.

• (1700)

Let us look at some specifics in this Budget, which I did not discuss in my speech on the borrowing authority. Again, it is a matter of the Government saying one thing and doing another. The Minister of Finance (Mr. Wilson) has frequently criticized the manufacturers' sales tax. He says it distorts the economy; that it is a silent killer of jobs. But he has increased that same manufacturers' sales tax enormously since he came to power. He tells us that it is only a temporary measure, that when he puts in his new sales tax, the federal manufacturers' sales tax will go. Meanwhile he increased it enormously. I will repeat again some of the figures that I gave on February 12.

On October 1, 1984 we saw the manufacturers' sales tax increased from 9 to 10 per cent. On January 1, 1986, it was increased from 10 to 11 per cent. On April 1, 1986, it was increased from 11 to 12 per cent. The impact on tax revenues was a $3 billion gain to the Government as a result, this from a Government which came to power on a promise of not increasing taxes.

On July 1, 1985, we saw the sales tax extended to candy and soft drinks. On July 1, 1987, we saw the sales tax extended to fast food and snacks. Those two measures netted the Government $460 million. On January 1, 1988, we saw the sales tax increased from 8 to 12 per cent on paint, wallpaper and toys. That measure brings the Government $60 million a year. We have seen progressive increases in air transportation taxes since May 1, 1986 which have netted the Government $55 million. Then we have the excise taxes, to which I will return. Then there are the income taxes greatly increased by deindexation of personal allowances and other measures. The Government continues to increase taxes while not lowering the public debt.

I want to come back to the Peat Marwick newsletter because Hon. Members opposite have been objecting to figures and statements produced from this side, so I think if I quote a very well respected accounting firm's newsletter nobody can find fault with the accuracy of it. The newsletter is critical of the increases in the manufacturers' sales tax. We have some new ones here. Let me quote:

> It comes as no surprise that the Government has again turned its attention to federal sales tax in the current budget. The second stage of the 1987 tax reform proposals on the multistage sales tax appears to have becomed bogged down in pre-election jitters. While it does not appear to be safe to introduce a new tax in a potential election year, it pays to tinker with the grande dame of taxes—the 68 year-old federal sales tax.
>
> The proposal to shift the sales tax to the wholesale level for household chemicals, toys, games and sporting goods and records and tapes (to have been implemented January 1, 1988, then postponed to July 1, 1988) will not be implemented.

This was a matter on which the finance committee received many representations. The letter continues:

> The sales tax on pet foods, snack foods, candy and confectionery, microwave ovens, television and video recorders and players, moved to the wholesale level prior to 1988, will be shifted back to the manufacturer's trade level effective November 1, 1988. It is unclear what the tax disposition of affected goods will be where such items are held by a wholesaler at November 1, 1988. Transitional provisions should ensure the ability of wholesalers to pay tax only on the cost of goods on hand at November 1, 1988 when they are ultimately sold at a later date.
>
> Because of "structural problems' in applying the sales tax at the manufacturer's level on motor vehicles, cosmetics, health goods, prerecorded video cassettes and pet litter, these items will continue to be taxed at the wholesale trade level—

Concerning the manufacturers' sales tax, and I repeat, according to the Minister of Finance, the manufacturers' sales tax is destructive to the economy, destructive of jobs, yet he continues to increase it, to tinker with it and to apply it to more goods, to broaden the base and increase the rates. It is a very inconsistent position which is difficult to understand. One of the measures the Government considered was to introduce related-party taxing provisions. This was introduced in the June, 1987 tax reform papers. It was resisted. The finance committee received many criticisms of it, in response to which the Minister of Finance, sensibly, withdrew it. First, the provisions were temporarily postponed to July 1, 1988. Now it

seems they are out of business for good. This is only one of the tinkering provisions which was so poorly thought out that it had to be quietly withdrawn. However, in its place the Government is proposing an alternative that looks cumbersome and may be equally unworkable.

I also want to point out that there is another measure introduced in this Budget which at first blush does not appear to have many revenue implications, but which, in fact, does. This Government has become very ingenious at introducing hidden sources of revenue. I refer here to the wholesale licence provisions under the Excise Tax Act. The Government is proposing changes in the method of licensing. Effective November 1, 1988 it is proposed that licence applicants will have to sell at least 50 per cent of their taxable goods under exempt conditions in any six month period ending in the 12 months preceding application. In addition, licencees will be required to file an annual report by February 15 in each year to account for exempt or taxable goods in the preceding calendar year. To retain a licence at least 45 per cent of their taxable goods must be sold under exempt conditions in any six month period ending in the reported year. If the licence is cancelled, because of not meeting these conditions, tax free inventory must be tax paid in six equal instalments over the coming year.

• (1710)

Security for these licences is being increased to a maximum of $100,000. The cancellation of such licences is expected to bring in a one-time $200-million revenue in the 1988-89 and 1989-90 fiscal years. This is another piece of smoke and mirrors, a one-time-only revenue that will be a considerable inconvenience to the people involved who have had less than adequate notice and less than adequate consultation about this change. It is creative bookkeeping for the Government, making its books look better. There is no indication that the Ministers care at all about the inconvenience to the people involved or about the essential lack of honesty in this kind of presentation.

Earlier I mentioned the excise tax. Indeed, it has been a great revenue producer for the Government since it came into power. We have seen a penny a litre now, two cents a litre then. In fact, since this Government came to power, it has increased gasoline prices by well over 18 cents a litre.

Effective April 1, 1988, the excise tax on gasoline and aviation gasoline will increase by one cent a litre. The fuel tax rebate for farmers, fishermen and other primary producers will also be increased by one cent per litre. Since Hon. Members opposite have become so indignant about the figures we use without attributing them, let me attribute this to an outside source. The newsletter of Peat Marwick says, about this final one-cent increase in gasoline:

> This cosmetic change will result in additional revenues of approximately a third of a billion dollars!

In conclusion, I did not want to repeat in this speech on the Budget the general criticisms I made when I spoke on the borrowing authority on February 12. However, I do want to stress again that this so-called Budget had about 5 per cent content and 95 per cent electioneering guff, it had self-congratulation and hidden tax grabs and it is indeed a sorry document.

**The Acting Speaker (Mr. Paproski):** Questions or comments. Since there are no questions or comments, debate.

**Hon. Bob Layton (Lachine):** Mr. Speaker, I am glad to join my colleagues this afternoon in sharing some feelings in the budget debate. As well, I wish to react to the environment within which we find ourselves, both locally in Lachine and in the country.

The Minister of Finance (Mr. Wilson) declared in his budget message that our policies are right, our policies are working, we are committed to fiscal responsibility, we are committed to priority needs and we have a vision of the future. The Prime Minister's choice of Finance Minister must be compared with that of his predecessors.

Canada has benefited from the very settled, responsible, steadfast approach of our Minister of Finance over these past three and a half years. Four or maybe five times he has presented the House of Commons with an outline of what is important for Canada. In those first months of our responsibility as Government, Hon. Members will recall how serious was the concern for the exploding deficit that Canada was facing, billions of dollars being added year after year to our future debt to be passed on to our children and their children.

The Minister of Finance established a financial framework. We as Ministers were challenged to find the ways to reduce the demands of Government on the taxpayer, to reduce the deficit through expenditure reduction Department by Department. This was the exercise.

A special undertaking was established by the Prime Minister (Mr. Mulroney) himself when he appointed the then Deputy Prime Minister to lead a review of over 1,000 spending programs to which the Government was committed, to see which of them were essential, which were contributing to the national well-being as was their original intent. Many were either eliminated or reduced to bring spending into line.

The revenue increase was forecast along with increased tax in some areas. There is no question that because of the need to reduce the deficit, everyone knew we had been spending beyond our means for years and would have to pay the penalty. Having established that some of the reduction would come from increased revenues, the Minister of Finance and the Government committed themselves to expenditure reductions. I thought that 70 per cent of the total reduction of our deficit would be achieved through expenditure reduction. Instead, the figure was 80 per cent. Eighty per cent of the total reduction of our deficit today is due to the reduction of spending by the Government and 20 per cent has been the cost to the taxpayer in increased taxes.

Much of the increased revenues of the Government have come from the very policies which have established credibility for Canada as a place to invest. The more people we put to work through investment, the more revenues we have. Those people come off the UIC and social benefit doles and support programs and enter the working force, something which, by the way, makes them taxpayers.

I heard something particularly interesting about the quality of job creation. Members of the Opposition have argued that most of the jobs created by the Government have been low paid, minimum wage jobs in the service sector, a kind of sneer. They are dead wrong. Members of the Opposition have got it into their heads that the service sector consists of nothing more than hamburger jockeys at McDonald's and bellboys at the Holiday Inn. They are ignoring the fact that doctors, architects, engineers, public servants and nurses as well as bankers and stock brokers also work in the service sector.

If opposition Members were to look at job creation by occupational sector rather than by industry, they would learn that half of the jobs created between 1984 and 1987 were of a managerial or professional nature. These hardly qualify as minimum wage jobs. If other high-paying occupations such as construction are included, approximately two-thirds of the jobs created between 1984 and 1987 were in occupations with above average wage levels.

We have a right to be proud of our framework and of the results of sticking to the framework. Speaking as an engineer, a framework is a function of the strength of the structure. In a political sense, it is a commitment, obviously one acceptable to investors around the world. Canada is again becoming that place where people want to have part of the action. They want to join us in what we are doing. We are one of the most attractive places in the world to invest in and to live in, without any question.

The Prime Minister's choice of Finance Minister has resulted in a tenure second only, as I recall, to that of the present Leader of the Official Opposition (Mr. Turner) who held the post for longer. However, it will not have been for that much longer because I do not think it will be long before the country will return this Government and that Minister of Finance for another round of responsible Government. If there were more in the audience, I am sure I would hear loud cheering.

**An Hon. Member:** Hear, hear!

**Mr. Layton:** There it is. Our Minister of Finance is a credit to Canada. He is a credit to the Government. He is a credit to fiscal responsibility as a theme and as an objective. He is a credit to all of his colleagues and a credit to himself for the way he keeps carrying a very difficult and challenging responsibility.

• (1720)

The requirement is to find new resources from within the framework. On each new spending proposition the Minister bringing forth that particular initiative is challenged to find the resources within his own Department or to work a deal with the other Departments affected in order to achieve the goals. Yes, there have been some criticisms of the performance and approach of the Government. Even from our own supporters the question may be raised as to why there are increased taxes. That is answerable because part of the cost of previous overspending is being responsible today by paying back the debt.

Why is the deficit so slow to be reduced? Why can we not take a bite into it and cut it right back? All of us who have a business background understand that it is a lot easier to spend than to save. We had got into such a habit of committing ourselves to expenditure that the process of changing a bureaucracy as large and as growing as that with which we were faced in 1984 was enormous.

Therefore, the cost of reducing the growth of the Government was likewise a major challenge. It is happening. From the $38 billion level that we faced in 1984 it is down to $28.6 billion, and will continue to decrease each year. Each decrease in the deficit carries with it a considerably reduced demand on the financing markets and all the time reduces pressure on interest rates.

What are the results, the impacts, of fiscal responsibility? The very first is reduced interest rates which are down from the enormous figures we used to see at the mortgage companies. When 20 per cent of an investment had to be paid off in interest none of our young people wanting to establish homes could consider it. Today they can talk in terms of mortgages at 10 per cent and less. There are major savings for consumers and home renovators. There is increased investment.

**Mr. Rossi:** Tell us where you can get a 10 per cent mortgage.

**Mr. Layton:** The financial community is supporting projects without the Government's support which used to be mandatory. Without a government grant nothing happened. Today we have left that to the market-place, with a tremendous advantage to all because of the administrative costs.

**The Acting Speaker (Mr. Paproski):** I am having a little difficulty listening to this great speech in the House of Commons. I would hope that other Members would be courteous to the the Hon. Member for Lachine (Mr. Layton).

**Mr. Layton:** Another major impact of fiscal responsibility is increased employment. Nearly 1.2 million jobs have been created since September, 1984. That is the highest increase per capita in any of the economic communities in the western world. Reduced unemployment goes hand in hand with that. People who used to look for part-time jobs are now enjoying full-time jobs. A major impact of fiscal responsibility is a

reduced inflation rate which is staying close to 4 per cent. We have a much more stable economy and considerably increased confidence in ourselves and our country.

The Leader of the Official Opposition has argued that we have increased personal income tax by 68 per cent since we took office. Revenues are up mainly because of strong economic growth and job creation. Yes, there have been some tax increases because this Government has done what the Liberals have never done. It has taken on the fiscal mess that was left. Over 80 per cent of our deficit cutting actions are due to expenditure reductions. If we had allowed spending to increase at the annual rate of 20 per cent, which it did when the Leader of the Opposition was Finance Minister, we would have had to double this year's tax levels just to keep the deficit from increasing.

The method of the present Leader of the Opposition of calculating tax increases is to compare revenue levels in one year to revenue levels in another. If we apply this method to his record, we find that personal taxes increased by 76 per cent over the four-year period when the Leader of the Opposition was Finance Minister. If we had increased 1984 personal tax levels by that same amount, the average Canadian family would be paying an extra $1,000 in taxes this year.

The impacts of which I have spoken are also noticeable in my riding of Lachine, soon to become Lachine—Lac St. Louis with redistribution adding Lachine East back into the riding boundaries. This is a most practical arrangement as the four major Lakeshore communities west of Montreal, namely, Beaconsfield, Pointe Claire, Dorval, and Lachine, will be united as a single constituency with strong representation of our two linguistic communities and many of our ethnic minorities.

Economic recovery is evident in Lachine, a community which has been found by many Montrealers to be the most attractive place in which to live and to raise families. As a result, housing developments are booming in all sectors. Renovations and property development are being matched by commercial activity. Our towns are well administered and will continue to be attractive for investment.

One topic of specific concern to our community is the Dorval Airport. My colleagues will remember that not so many months ago a central issue for Montreal was how to serve the public with its international airports at Dorval and Mirabel. It was only after a period of considerable uncertainty and following extensive discussions, in which I was happy to represent the interests of Montrealers, that the Government developed and announced a policy some 15 months ago ensuring the future of Dorval Airport and the preservation of Mirabel for international and air cargo operations as they develop in the future.

In the last few weeks the Government has appointed an advisory council, which will be headed by Arthur Earle, a well known executive and past President of the Montreal Board of Trade, to study how the local community can take more and more control of the airport services which will be available to the public in Montreal. We are moving in the right direction.

As a point of interest, between 1981 and 1984, $15 million was invested in Dorval Airport. Since 1984, the capital investment has been $59 million. In the next few years it will be even greater.

The federal Government sold unused Dorval Airport land located on Sources Boulevard to the Cities of Pointe Claire and Dorval thereby creating the new Sources Industrial Park. Many new jobs will be created once this land is developed, one of the last high-tech development areas to the west of Montreal.

Dorval Municipal Golf Course, which has served for 40 years as a green space and buffer zone between the homes of Dorval and the airport operation, was threatened with closure, but this decision was reversed recently by the Government, thereby protecting the green space but also allowing for a cargo centre to be developed producing many new jobs.

The Department of Regional Industrial Expansion held a ceremony in Halifax recently called Canada Awards for Business Excellence. The two best companies in Quebec were from the riding of Lachine, namely, Production Sysper Inc. and Noranda Research. We are very proud of our high-tech facilities in the west of Montreal.

I have been privileged to visit a number of the plants, the two which I most recently visited being Pilon and DKL, both of which are competing and winning in the U.S. market in high-tech. The Department of Regional Industrial Expansion has helped finance over 35 firms since 1984 in the expansion of their facilities and produced over 1,750 jobs.

• (1730)

Since September 4, 1984, over $300 million worth of products and services have been purchased by the Department of Supply and Services from companies in the Lachine riding. This is an increase of 18 per cent over the previous three-year period, which is not bad considering that the Conservative Government has reduced the deficit growth rate.

There has been a major upgrading of the traffic facilities around Dorval, including the Dorval traffic circle. My colleagues from across the country may not realize that the West Island and Lachine are a major hub for the metropolitan area of Montreal because transport, whether by road, rail or air, comes and goes from my riding.

My speech this afternoon would not be complete if I did not briefly refer to Bill C-22 which proposed amendments to the Patent Act regarding pharmaceuticals. The majority of pharmaceutical companies in Quebec are located in the West Island region of Montreal. The benefits to our community now that Bill C-22 has been accepted will be substantial. Many of the 1,300 new jobs to be created in the Montreal area will be in my riding.

Perhaps a brief remark should be made on the recently introduced federal legislation regarding justice for victims of crime. This is a very real initiative on the part of a volunteer community, led by Sergeant Detective Menard, which has led to a considerable influence on our Government to bring forth legislation for victims of crime. Convicted criminals may now pay for their crimes, and most important, victims will be recognized and their needs and rights addressed.

I am also proud that citizenship court ceremonies are now held in the West Island, particularly in our riding. This is a first, and brings the citizenship court and its importance to where new citizens live.

Finally, for a number of years, once every month a representative from the Department of National Health and Welfare has come to the West Island to answer questions about old age security, pensions and family allowances.

In conclusion, the good will, confidence and assurance that I represent in my remarks this afternoon on behalf of my riding are based on our confidence in the Minister of Finance and the steadfast continuity and stability of his economic message and Budget.

[*Translation*]

**Mr. Leblanc:** Mr. Speaker, first of all I would like to congratulate the Hon. Member for Lachine (Mr. Layton) on his excellent speach. The Hon. Member is 62 and therefore a man of experience. He has a great deal of experience in the business world in Montreal, and I can assure him that what he said today about the Budget is true.

In 1984, the former Minister of Finance, Mr. Lalonde, forecast a deficit of $48 billion. That was his forecast. However, during that same year, we managed to reduce the deficit to $36 billion, which means $12 billion less. All this means is that the Minister of Finance was dead right.

There is something I would like to add to what the Hon. Member for Lachine (Mr. Layton) said about job creation generating revenue and increasing the federal Government's tax base. From 1980 to 1984, under the Liberal Government, the Montreal area saw a drop of 4,000 in the number of jobs. In fact, considering our mandate and the short time it took us to put the whole machine back in good working order, from 1984 to 1987, in just three years, we managed to make the Montreal area ... I say the Montreal area because the Hon. Member for Lachine is from the Montreal area. I am too, and I am proud to say we created 114,000 new jobs in this area in just three years after the Progressive Conservative Party was elected. Mr. Speaker, the Minister of Finance sees his task as a long term project, because the Minister's Budget is not just a year-to-year affair like the Liberals used to produce at the time. What we have is a long term Budget, a long term project so that business people can invest in long term programs. Nobody in business invests substantial amounts without knowing what kind of budget the Minister is going to bring down each year.

In fact, the Minister of Finance is to be commended for having opted for a long-term program to stabilize the Canadian economy. I would like to ask whether the Hon. Member for Lachine believes ... Personally, I think the forecast deficit of $28 billion is too high. I would even say that, considering the economy's rate of growth and the statistics we saw last month, the deficit, instead $28 or $29 billion, should be expected to be around $25 billion. What do you think, as the Member for Lachine?

[*English*]

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Longueuil (Mr. Leblanc) has asked the Hon. Member for Lachine (Mr. Layton) a question. Would the Hon. Member like to answer?

• (1740)

[*Translation*]

**Mr. Layton:** I want to thank the Hon. Member for Longueuil (Mr. Leblanc) who is himself a businessman and a prominent citizen in a riding as substantial as my own, on Montreal's Southshore. The riding is well established and well known, and it is in very good shape today.

I could not agree more with what he said about the need to continue our annual deficit reduction program. I think $25 billion is a very promising goal, but I think we should bear in mind the many other factors that have an impact on the country's economy. I spent two years as Minister of State (Mines), and I feel that as far as the mining industry is concerned, the situation is very volatile, and that we must have programs available for the regions and various industries and sectors, like the mining industry, which may from time to time experience a negative cycle. But with that reservation ... I am very confident about your suggestion regarding the $25 billion and the fact that we should simultaneously reduce our annual borrowing needs and our debt.

**An Hon. Member:** The Hon. Member for Longueuil won't be around, that's why!

**Mr. Layton:** Yes, but he can hear me.

Mr. Speaker, I am pleased to say I fully agree with the Hon. Member.

**The Acting Speaker (Mr. Paproski):** Further questions? The Hon. Member for Richmond—Wolfe (Mr. Tardif).

**Mr. Tardif:** Mr. Speaker, the Government Member spoke at length about the need and the relevance of reducing the deficit.

Everyone will agree it is important to reduce the deficit. However, observers tend to agree that the drop in the deficit was not due to good management but to higher taxes.

My question to the Hon. Member is as follows: Why did his Government opt for reducing the deficit by savagely increasing taxes, and what is worse, taxes paid by consumers, by people

on low and middle incomes, while the tax burden on corporations and big companies has shrunk dramatically?

**Mr. Layton:** Mr. Speaker, 20 per cent of today's deficit reduction is due to supplementary revenue, while 80 per cent is the result of spending cuts. I think this balance is justifiable and is acceptable to Canadians. I am confident that once Canadians have evaluated the situation, they will agree this is exactly the kind of balance they want.

**The Acting Speaker (Mr. Paproski):** Does the Hon. Member have any more questions? The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

[*English*]

**Mr. Gauthier:** Mr. Speaker, I would like to ask my friend a question about interest rates, a very important subject. There are people in this country who believe interest rates are too high. Indeed, they believe the Government, in the three and a half years it has been in power, by maintaining these very high interest rates, has cost Canadians some $2 billion through excessive interest payments on the national debt. My hon. friend knows that debt has increased by $116 billion since the Tories took office in 1984, a 60 per cent increase. He also knows that if we were to lower interest rates to a reasonable level through government action, we would save money because of the lower cost of paying interest on the national debt.

Is the Hon. Member in accord with the theory that interest rates could be lowered through certain fiscal and other monetary actions by the Government, therefore helping Canadians to increase economic activity and possibly reduce the deficit much faster?

**Mr. Layton:** Mr. Speaker, my hon. friend from Ottawa—Vanier raises the question of whether the Government can simply save money by arbitrarily reducing interest rates. I think he will be as aware of the factors that go into interest rates as anyone in business. The only true interest rate which can apply in Canada is what the market will support. The system in effect today is that of maintaining a market base interest rate in competition with other markets around the world. It is no longer a case of Canada isolating itself and pretending that we can have a particular level of interest rates and dollar value. We are in an international market of instant communication. Money is moved instantly by computer around the world and we would quickly suffer if our interest rates were not as attractive as those of the Americans and Europeans.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The period provided for questions and comments has now expired. Resuming debate. The Hon. Member for Beaches (Mr. Young).

[*English*]

**Mr. Neil Young (Beaches):** Mr. Speaker, I am glad to have an opportunity to say a few words on the most recent Budget which the Minister of Finance (Mr. Wilson) has presented for our consideration in the House. I certainly can agree with the Hon. Member for Lachine (Mr. Layton) that the Minister is a very nice kind of chap. However, that does not mean we think his Budgets are always well thought out or that his competence in some respects cannot be questioned.

In preparing a few notes for today's debate I came across a statement by the Prime Minister (Mr. Mulroney) which he made in this House on March 16, 1987. He said:

> —we are in the process of building two Canadas, one which is rich and promising and one which is underdeveloped and underemployed.

I, of course, agree with that observation. However, where the Prime Minister and I would probably disagree is on the approaches that the Government has taken to correct that very true statement.

This Budget does absolutely nothing to correct the anomalies that he and others find in various parts of Canada today. Unemployment remains unacceptably high in most regions. The exception is in the area surrounding my own constituency in the City of Toronto. Certainly one hears of the very low unemployment rate in southern Ontario, Metropolitan Toronto in particular. What is not as well known is that the vast number of jobs created in a place like Metropolitan Toronto have actually been part-time jobs. Neither does the Government talk about the vast army of people who are not considered unemployed because they do not meet some statistical criteria set down by those who record unemployment levels.

There are all kinds of people in Toronto and elsewhere over the age of 50 who have become unemployed but are no longer considered unemployed because they are not collecting unemployment insurance. Yet they cannot find jobs. To those people it is meaningless when the Prime Minister and others talk about the number of jobs created in Canada since 1984. Therefore, I tend to caution people when they talk about the prosperity in southern Ontario. Much of it is not real at all, even though in comparison to other areas of the country there is no question we are better off.

I recall being in Nova Scotia, Newfoundland and New Brunswick about this time last year where unemployment among young people is just horrendous. You cannot go into the Atlantic region without coming out thoroughly depressed at the hopelessness of many of those young people. Once they come out of school there are no jobs for them down there. If they are going to find work they have to uproot themselves from their families and communities and move to places like Toronto. I do not think that anyone, by any stretch of the imagination, will say that this is acceptable in a country as rich as Canada is today, if it was ever considered to be acceptable at all.

Rather than make that situation better for those people, this Budget and previous Budgets have actually made it worse. When you look at what previous Budgets have done to the average Canadian family through increases in sales and personal taxes, you find it amounts to an additional $1,400 a

year being taken away from those families. Even under so-called tax reform introduced by the Minister last year, the average family will still be paying more than $1,000 more in taxes under this Government than it did prior to 1984. While low and middle-income Canadians are paying more taxes, there are also people at the high end, 2 per cent of the population, who will actually be paying less than they were prior to 1984.

• (1750)

You will also be interested to know, Mr. Speaker, that some 60,000 profitable corporations will continue to avoid paying any tax despite the tax reform package that was introduced last year. Large corporations in particular are able to use tax incentives to the greatest advantage to reduce their tax loads to absolutely nothing. For example, Xerox Canada, Brascan and Alcan Aluminum paid no taxes at all in 1986, while Cadillac Fairview, Hudson's Bay Co. and Bramalea did the same in 1987. All of these corporations made millions of dollars in profits.

I wish to take Hon. Members back to the first Budget and the subsequent Budgets of the Government and deal with the impact that they had on an average family of two with two children which earns $35,000 per year. For example, the November 1984 Economic Statement, which was not classed as a Budget but which had the same effect, increased oil and gas prices by $100 per year for this family of two. It increased unemployment insurance premiums to $102 per year and sales taxes by $150 per year. As a result of that one economic statement this family's disposable income declined by $352 per year.

The May 23 1985 Budget saw the elimination of the federal tax reduction which resulted in a $100 increase in taxes for this family. There was a modification to indexing which amounted to $115. There was a cut in family allowance payments amounting to $22.50. Taxes on cigarettes and alcohol increased by $75 per year. The sales tax was broadened, which amounted to an increase in taxes of $150 per year. The gas tax increase in that Budget resulted in an increase of $50 per year. All these increases amounted to a $512.50 reduction in the disposable income of a family with an annual income of $35,000.

On June 27, 1985, there was an increase of 1 cent per litre on gasoline which was to pay for the Government's backtracking on the proposal to deindex old age pensions. That increased taxes by $50 per year for this average Canadian family about which I am talking.

In the February 26 1986 Budget there was a 3 per cent surtax which amounted to a $170 increase in taxes for this average family. Sales tax increases accounted for an increase of $150, while an increase in cigarette and alcohol taxes added another $20. This Budget caused this average Canadian family a decrease in its disposable income of $340 per year.

On September 18, 1986, the Government slapped another $50 on Canadians for gas tax increases. It broadened the sales tax base, which amounted to another $15. Cigarette and air ticket taxes went up by $35. All these increases accounted for an increase in taxes of $65 to $100 on the family about which I am talking.

On June 18, 1987, under the Government's tax reform package there were changes in tax categories which meant a reduction of some $310 for this family. Tax increases effective February 10, 1988, saw the gas tax increase by 1 cent per litre for an additional $50.

The Government is nickeling and diming Canadians to death. It can argue all it wants but there is no way that it can convince me that Canadians are much better off in 1988 than they were in 1984. Canadians know that they are not.

I would now like to illustrate what the Government is allowing the richest element in Canadian society to get away with. I have some figures with respect to this for the year 1986. On profits totalling $220 million, Alcan Aluminum received a tax credit of $32 million from the Government. In 1986, on profits totalling $187 million, Brascan received a tax credit of $2.3 million. Hees International, on profits totalling $117 million, paid no taxes at all. Power Financial, on profits of $132 million, received a tax credit of $1 million from this crew. On profits totalling $115 million, Xerox Canada received a tax credit of $10.8 million. Total Petroleum, on profits totalling $40 million, received a tax credit of $2.2 million. On profits totalling $70 million, Wardair paid no taxes at all. On profits totalling $39 million, PWA paid no taxes at all. Repap Enterprises on profits totalling $34 million, paid no taxes at all. Union Carbide Canada, on profits totalling $28 million, paid no taxes at all.

The following figures are with respect to the year 1987. On profits totalling $51 million, Bramalea paid no taxes at all. On profits totalling $95 million, Cadillac Fairview received a tax credit of $12.4 million. Carena-Bancorp, on profits totalling $37 million paid no taxes at all. On profits totalling $50 million, Hudson's Bay Co. received a tax credit of $15.7 million. Seco-Camp, on profits totalling $43 million, paid no taxes at all.

In contrast with those figures three weeks ago, the Minister of National Health and Welfare (Mr. Epp) made a grand pronouncement in Winnipeg that he was about to increase the funding for the New Horizons Program for seniors up to a total of $15 million annually by 1989-90. What the Minister did not talk about is what the Government has done to senior citizens under the New Horizons Program since it came into office.

In 1984, when the Government was elected, the Budget for this program was $17.3 million. In the next year this same Minister who now wants to increase the Budget to $15 million cut the funding by $5 million. In 1986, New Horizon Programs were being funded to the tune of under the $10 million

mark. In this year's Estimates it looks as if the program will receive $8.8 million per year.

While the Minister was talking about increasing the funding for this program to $15 million in 1989 what he has not talked about is that he has stripped the program of $15 million over the last four years. He is now coming along and saying, "Well, we are going to throw some more money in here. It will look good to senior citizens. They will think that we are finally responding to their needs. Therefore, all the senior citizens will trot out and vote for us in the next election". The Minister is dreaming. Senior citizens know what the Government has done to them in successive Budgets. They have been around a long time. They bring a great deal of wisdom to bear. They have seen many Governments come and go. This Government will not be able to pull the wool over their eyes.

I see that my time has practically expired. May I call it six o'clock, Mr. Speaker?

**The Acting Speaker (Mr. Paproski):** The Hon. Member may call it six o'clock. He will have five minutes left in his speech when debate on the Budget resumes. I do not know when that will be. He will also have 10 minutes for questions and comments.

## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### NORTH ATLANTIC TREATY ORGANIZATION—ARMS GAP BETWEEN NATO AND WARSAW PACT NATIONS

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, on September 21, 1987, I raised a question respecting the arms gap between NATO and Warsaw Pact nations particularly because of the agreement that was about to be reached with respect to short and medium-range missiles.

• (1800)

This question is one of the most important, demanding questions that could be raised with regard to national defence. We are not a neutral country. We are a member of an alliance, an alliance that establishes that an attack on one member state in the alliance is an attack upon all. That NATO alliance has been one of the major reasons why peace has been sustained in Europe since World War II. The effectiveness of the NATO deterrents has been established. For many years that deterrent has been based upon NATO having sufficient nuclear strength that any attack by the Warsaw Pact nations would have been futile, counterproductive, and self-destructive.

We have to face the fact now that, as the western nations, particularly the United States, are moving quite admirably in the direction of nuclear reduction, we are losing some of the deterrent capability of NATO. We are losing it because we have always been seriously and critically inferior to the Warsaw Pact nations. It is a question of doubt in the near future as to whether the NATO nations will have the deterrent effect upon the Warsaw Pact that they have exercised for 40 years.

One sees that when one considers the type of disparity between the NATO and Warsaw Pact nations. Let us consider the following. NATO has 53 divisions of combat groups; the Warsaw Pact nations have 72. NATO has 8,799 tanks; the Warsaw Pact nations have 24,200 tanks. NATO has 1,834 combat planes; the Warsaw Pact nations have 2,997 planes.

It is clear that, on the basis of conventional arms alone, NATO is critically inferior to the capability of the Warsaw Pact nations. This is particularly so in the instance of the Canadian brigade. We support this Government. That can be greatly encouraged by the way in which the Government has increased the force of the Canadian brigade in NATO. This increase has not only improved the morale of our troops there, but improved the respect with which Canada is held by its NATO partners.

Just consider these matters, Mr. Speaker. The Canadian brigade, in spite of it receiving an additional number of combat troops, lacks even a field hospital to care for the wounded, should we be involved in combat. The NATO brigade is depending on the civilian hospital at Lahr, Germany. The Warsaw Pact nations have guns that can destroy any Canadian tank with a single shot. On the other hand, the Warsaw Pact nations have tanks that no Canadian gun can penetrate.

Therefore, I raise this issue in the House this evening to encourage the Government to continue or even to escalate the efforts that it is making to increase and improve Canada's defence capability on this continent, and particularly in Europe. As Canadians we have always believed that it is better to have the conflict there. That is one reason why for 40 years we have devoted ourselves to participating in NATO. But we have to see that this is a critical question now. If NATO is to be effective, it must have sufficient capability to deter potential Soviet aggression. I am not looking only to the short term. We know for now Moscow has a Government that is more interested in other priorities. That Government may not last forever.

• (1805)

We may very well, before many years have gone by, see the Soviet Union under an administration that will be interested in aggression. For those in the House or in the public concerned about the moral dimension of this, I quote from a papal message to the United Nations Special Session on Disarmament in June, 1982, in which His Holiness said:

> In current conditions, deterrence based on balance . . . may still be judged morally acceptable.

I quote also from the Archbishop of Canterbury, speaking to the General Synod of the Church of England in 1983, when he said:

> I do not impugn the honesty or good faith of those who support unilateralism, but I believe there is also moral seriousness in the multilateral approach. It is a prime moral responsibility of a Christian to build peace in an immoral world. The way of negotiations and building new international institutions also demands moral courage and perseverance.

Deterrence has worked for 40 years. Let us be sure that it will continue to work.

**Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence):** Mr. Speaker, I am honoured to respond to my colleague, a person who all of us in the House know has worked extremely hard for Canada and her defence. Mr. Speaker, 1987 has seen dramatic progress in the bilateral negotiations on arms control matters between the United States and the U.S.S.R. Most tangibly, an INF agreement was signed at the Washington Summit in December. This agreement is an historic achievement for NATO and a tribute to the United States and allied steadfastness and cohesion in pursuit of a sound outcome.

Several aspects of the INF Treaty are particularly noteworthy as precedents for political future arms control agreements. First, the INF Treaty provides for asymmetric reductions with the Soviets eliminating more INF missiles than the United States. This is a useful precedent for other arms control agreements where NATO-Warsaw Pact imbalances exist, for example, conventional. Second, it establishes an unprecedented new and rigorous verification regime involving extensive on-site inspection. Third, by eliminating an entire class of U.S. and Soviet nuclear systems, it demonstrates the feasibility of a far more ambitious approach to arms control than was previously believed possible.

Finally, it shows that forced modernization and improvement programs and arms control agreements are not alternatives but constitute complementary elements in NATO's efforts at preserving security at a lower level of forces.

The possibility of an arms control agreement was foreseen in the defence White Paper tabled in the House last June. Effective defences complement arms control as elements of Canadian security policy. While conventional forces cannot entirely replace nuclear weapons, the elimination of NATO INF missiles places a higher premium on conventional defences and so makes the efforts to improve Canada's military contributions to the alliance all the more important.

At the same time, the importance of redressing the current imbalance in conventional weapons in Europe is a top priority for this Government, as well as for NATO as a whole. NATO is expending considerable energy and resources in force modernization and standardization efforts.

Our White Paper attempted to address this problem in part by consolidating our commitments in both land and air within NATO's central region. This will rationalize and make more effective our input in stabilizing the conventional balance.

Equally important, however, are the steps that we, as part of NATO, are taking in redressing the balance. We are currently engaged in exploratory mandate negotiations with representatives of the Warsaw Pact in Vienna. It is our hope that these preliminary talks will bear fruit, and that two new conventional arms control negotiations will commence some time late this year, or possibly early in the new year. These talks would address the conventional problem from two complementary directions. One would negotiate confidence building measures that would add a measure of predictability to military activity in the land mass of Europe.

I might add that these talks would build upon the already successfuly concluded Stockholm Conference which, in 1986, produced an agreement on confidence building and is currently under implementation.

The second negotiation would tackle the more difficult prospect of eliminating disparities in certain categories of conventional forces which are key for launching of surprise attacks and large scale offensive actions. We will try to establish a level of force which would remove the ability of one side to threaten the other, but would retain an ability to meet legitimate defences.

• (1810)

## TAX REFORM—AMOUNT OF TAX COLLECTED BY GOVERNMENT—WHITE PAPER SALES TAX PROJECTION

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, on December 17, 1987 I asked the Minister of Finance (Mr. Wilson) a question about the Government's proposed tax reform.

Before the 1984 election the Minister said in this House "We would not raise taxes. Tax levels in Canada are already too high". Since 1984 Canadians have seen an unprecedented tax grab, much of it from the pockets of low and middle-income Canadians. No previous Government has raised taxes at this rate. I detailed many of these increases in my speech on the borrowing authority on February 12, so I will not repeat the detail now. Since the Conservatives have been in office, they have increased revenues from manufacturers' sales tax by 67 per cent, from personal income tax by 45 per cent and from corporate income tax by 8 per cent.

The Minister has projected that personal income taxes will be reduced by about $11 billion over the next five years. In other words, over three years he increased them by $22 billion while planning to return $11 billion over the next five years.

Corporate federal tax revenues are expected to increase by about $5 billion. The federal manufacturers' sales tax revenues are expected to increase by more than $3 billion over the next five year period, although again, the Minister says that the federal sales tax is destructive of the economy. Yet he continues to increase it.

We are supposedly left with the figures I just quoted, with a more or less revenue neutral tax reform package in phase one. I say more or less because regrettably it does have a lot of

smoke and mirrors in it. The Minister's own figures on page 30 of the tax reform 1987 Economic and Fiscal Outlook shows $2.7 billion are accounted for by accelerated remittances, personal tax instalments and sales and excise tax payments. Other authorities, and when I say authorities I refer to the Bank of Montreal's tax newsletter and Peat Marwick's more recent tax letter—where the amount of smoke and mirrors—that is my wording not theirs—assess it at almost $4 billion, and in another case at over $3 billion.

If we also look at page 47 of the White Paper, Economic and Fiscal Outlook, it appears that Canadians will have paid almost $17 billion in federal manufacturers' sales tax by 1990 as opposed to $7.5 billion in 1984-85.

The so-called Phase I of the Government's tax reform proposals is supposed to stand alone, but the Government has quietly introduced a major change in public policy here, namely, a shift from income tax to consumption tax. In Phase II, the Government proposes to abolish the manufacturers' sales tax. In its place we will see a multi-stage sales tax on goods and services. At every stage of the production chain, all the way down to consumers, each business will charge tax on its sales and receive a credit for a tax payable on its purchases. The consumers, however, as the last link in the chain, ultimately bear the tax. This new sales tax is supposed to take care of the $2.7 billion revenue shortfall. It is supposed to replace the manufacturers' sales tax and to allow for removal of the surtax on income taxes and allow a further decrease in income taxes. We are still, however, short of real clear figures.

Again, how much is the Minister expecting to raise by his new sales tax, bearing in mind that the Government has already, in its term in office, increased taxes to an unprecedented limit? How much does the Minister reckon that he can take out of the economy without risking provoking a recession?

• (1815)

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, I listened with care to the remarks made by the Hon. Member. I would hope that in the interests of fairness and accuracy, she would re-examine some of the comments she made, particularly her opening comments with regard to an increased tax burden on lower and middle-income families. That really is not an accurate statement.

The Hon. Member for Trinity (Miss Nicholson) has asked if tax reform means that the Government will generate more sales tax revenues than that projected in the White Paper. When this Government came to office, it committed itself to a program of economic renewal and sound fiscal management. Since September of 1984, this Government has succeeded in bringing the deficit under control. Interest rates have fallen dramatically. There are over a million more people working today than when we came to office. Clearly, the Government's approach is working.

An important ingredient of the Government's program is comprehensive tax reform. Canadians want a fair and progressive tax system. They want a system that encourages individual initiative and one in which all high-income individuals and profitable corporations pay their fair share of tax. As well, they want a tax system that supports Canada's ability to compete in world markets, one that creates increased employment opportunities for Canadians.

In stage one of tax reform, we have lowered personal income tax rates and converted a number of exemptions to credits. As a result, and I hope the Hon. Member notices this, 850,000 lower-income Canadians will be relieved of paying any income tax. Eight in 10 households will see their income taxes reduced. The average decrease will be well in excess of $400 per year. These are real benefits to average Canadians.

Still more needs to be done. The Government believes that a fair sales tax should remain one of the key pillars of the tax system. However, the current sales tax is clearly no longer adequate, and I think all three Parties in the House would agree with that. The Government has therefore made a commitment to replace the current sales tax with a more broad-based multi-stage tax in the second stage of tax reform.

The new system will both encourage economic growth and, at the same time, increase tax fairness. Indeed, the new system will be fairer than any sales tax that has existed to date. Lower-income Canadians will benefit from the refundable sales tax credit which will be substantially enriched by hundreds of dollars. Middle-income families as well will benefit from further income tax reductions. As in stage one, stage two will be revenue-neutral to the treasury.

As we have said before, the rate will be determined by the need to generate sufficient revenues to replace the revenues from the current sales tax, to remove the income surtaxes, to provide a substantial enrichment of the refundable sales tax credit for lower-income Canadians and to fund further income tax reductions for middle-income families. Stage two of tax reform will not therefore generate any new net revenues to the treasury.

## CANADA MORTGAGE AND HOUSING CORPORATION—SHORTAGE OF AFFORDABLE HOUSING IN TORONTO

**Mr. Alan Redway (York East):** Mr. Speaker, I want you to think back a few years. Do you remember the very first apartment you ever lived in? I do not know about you, but I certainly do.

The first apartment I lived in was in a part of my community that is known as Thorncliffe Park. When Louise and I were married, we rented an apartment in that community. At that time, it was a newly developed community, virtually a new area. There were a lot of apartments available. We found a rather small apartment, a one-bedroom. It was not a big one-bedroom, but it cost us the grand sum of $100 a month in rent. That does not seem like very much today, but I can guarantee that $100 a month in 1962 was a lot of money.

• (1820)

In order to induce us to rent that apartment at that time, the landlord actually offered us one month free rent. In fact, other landlords in the same community were offering free trips to Florida just for signing a lease for an apartment there. That is really a thing of the past as far as Metropolitan Toronto is concerned. I have heard that in Montreal, for instance, they are offering as much as three months free rent for signing a lease, but that is not the case in Metropolitan Toronto these days.

At the moment, in fact, the rental housing situation is really drastic. The vacancy rate is less than 1 per cent, in fact it is 0.1 per cent. Do you know what it is in Edmonton, Mr. Speaker? I do not know either, but I do know that in Calgary it is 5 per cent. The vacancy rate is much higher in Calgary than it is in Metro Toronto at the moment.

The whole situation started to change in the early 1970s. Changes in our federal income tax, which prevented developers from writing off extra expenses and raised their taxes and rent control by way of the rent review process which the provincial Government implemented, combined to reduce the amount of rental housing that was built until there is now a real shortage of rental housing.

It is not only in rental housing that there is a problem in Metropolitan Toronto. There is a shortage of all sorts of affordable housing. For instance, the average price of a single-family home these days in Metro Toronto is somewhere around $200,000. A two-storey three-bedroom square plan house, the kind that my parents bought in 1939 for about $7,000, the kind that Louise and I paid about $18,000 for 25 years later in 1962, now sells for about $325,000 in Metropolitan Toronto.

That is incredible. In the first 25 years it went up by about $10,000 and in the most recent 25 years it has gone up $300,000. That is not affordable housing. Louise and I could not have afforded to buy a house like that if we were starting out today and, quite frankly, we could not afford to buy it right now, even on the enormous sums that you and I make, Mr. Speaker, as Members of Parliament.

Thank goodness that Louise and I have a house, but I wonder about our daughters, Kim and Andrea. Kim is finished university now. She is working but she is living at home with us again. She is back at home. Andrea is at university now but she will be through in a couple of years. What are both Kim and Andrea going to do and what are so many young people going to do these days? They will not be able to afford to buy a house like Louise and I did, my parents did, or my grandparents did, and they will not even be able to find an apartment.

Kim and Andrea are not alone. They are like thousands and thousands of other young people who are really stuck in the housing market in Metro Toronto. Besides young people there are middle-aged people, senior citizens, and people who have come to Toronto from other communities such as Edmonton and Vancouver. People have come to Toronto looking for work and they cannot find a place to stay either. As well, of course, there are people coming from other countries who cannot find places to stay either. There is just not any affordable housing available.

What about the 17,000 seniors, middle-aged people, and singles who are on waiting lists in the greater Metropolitan Toronto area for affordable housing of one sort or another? There is just nothing for any of them. What is the answer to this problem?

Of course, some responsibility must lie with the private sector, some with municipal Governments, and some with the provincial Government. You, I and the Parliamentary Secretary know that the federal Government has a responsibility to provide affordable housing for Canadians.

• (1825)

The Parliamentary Secretary will tell us in a minute what the Government will do about this. However, I do not want him to tell me that CMHC built 4,800 new units in Toronto in the last 18 months. I do not want him to tell me that CMHC is involved in construction or renovation of 15,000 homes across Canada, and I certainly do not want him to tell me that my daughters, Kim and Andrea, better live in Calgary, Edmonton or Vancouver and commute to Toronto to work.

I want him to tell me what the Government will do. That is what I and other Canadians want to know from the Parliamentary Secretary and the Government tonight.

**Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration):** Mr. Speaker, at the outset, the Member omitted one other chilling fact regarding the housing industry in areas like Toronto. It is that if there should be a reversal in the economy in the city, and a family has bought a $300,000 house which, a year later, is valued at $150,000 if there is a recession, they have lost a fortune. Alternatively, if they work for a company and are transferred to another part of the country, they may do well selling the house in Toronto and moving to Moncton or Vancouver. It may be difficult for a family which has to move from Moncton or Vancouver to Toronto, however.

I recall some eight years ago when the housing market was so hot in Vancouver. When the crash came, a number of people were very badly hurt because of an artificial market.

Is the Hon. Member asking the Government to get into the financing of the housing industry? I suggest to him that there are some financial institutions that would express concern about a government heating up the market too much with easy money by getting into the housing industry. That would not solve the problem in Toronto. If it becomes too easy to finance, the market could be heated up even further.

The Government has helped in social housing in places like Toronto, Vancouver, Winnipeg and Montreal. While people may choose of their own volition to move from the downtown

area of Toronto to the suburbs, and are willing to pay the extra cost of housing, it is another matter if they are people who are disadvantaged in one way or another and are caught in the squeeze of the housing market in Toronto.

The Government has been involved, through CMHC, in what is called social housing programs where there is a subsidy for those individuals. That also comes under somewhat of a misnomer because it is called affordable housing. It may be affordable housing for the people who are renting because they pay 25 per cent or 30 per cent of their income for the apartment, but I suggest to the Hon. Member that it is very expensive housing for the taxpayer. When mortgages were running at 18 per cent, it cost the taxpayer some $500,000 for a flat in social housing during the life of a mortgage.

The solution is not easy. Simply pumping more money into that area in Toronto will not solve the problem. I believe that we must ensure that the market supply is adequate. If we believe in supply and demand, the market supply must be adequate in order to drive the price down. The market must provide quality housing and we must watch the contractors and the developers so that they are not gouging the public and taking unreasonable profits in that whole area.

[*Translation*]

**The Acting Speaker (Mr. Paproski):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.